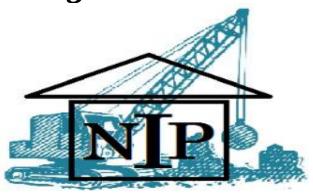Neighborhood Initiative Program

Program Notice 16

Date: March 7, 2019
To: NIP Lead Entities and Partners
From: NIP Staff
Subject: Program Notice #16: Lien Release/Subordination and Transfer of Ownership Requests

Early Lien Release/Subordination

As of the date of this notice, early lien release and subordination requests must be submitted using the ***NIP-18 Lien Release/Subordination Request Form***. This form lists the information and documentation that must be provided before NIP Staff will consider such requests.

Unless approved for exigent circumstances, NIP liens will not be released until significant progress has been made on vertical construction. If required by the redevelopment funding source(s), the NIP lien can be subordinated to the redevelopment funding source and then released when significant progress has been made on vertical construction.

A release/subordination will not be provided until all unexpended maintenance funds disbursed for the property are returned to SC Housing Corp. Any maintenance funds that were spent on ineligible expenses and/or expenses that are not properly substantiated must also be returned. Please note that maintenance funds cannot be used for redevelopment expenses. Once permits are pulled, a property is considered to be in the redevelopment phase and any further use of NIP maintenance funds is prohibited and would be considered an ineligible expense.

The ***NIP-18 Lien Release/Subordination Form*** and supporting documentation are to be submitted via email to Laura Mullen at laura.mullen@schousing.com.

Transfer of Property Ownership

A Partner may request to donate the NIP property to another non-profit entity that will be responsible for the redevelopment of the property. NIP staff must approve the donation of the property to the new non-profit owner in writing prior to the entity taking ownership. The new owner must acknowledge the existing NIP lien that will not be released until significant progress has been made on vertical construction.