

Post-Closing Next Steps: Satisfying TCLB's Enforcement Mortgage



The Agreement of Sale incorporates the TCLB Property Assessment Report. As part of the Agreement of Sale the buyer agrees to abide by the terms outlined in the Renovation Enforcement Note and Mortgage. This mortgage is in the amount of \$25,000 for properties sold for less than \$50k, \$50,000 for properties sold for \$50k-\$100k, and \$100,000 for properties sold for \$100k +. The Enforcement Mortgage is held against the property until the renovation work outlined in the Agreement of Sale has been satisfactorily completed. This mortgage doesn't require the buyer to make any payments, nor does it accrue interest; it is a safeguard to make sure that the property conveyed is renovated in accordance with the Agreement of Sale and in a manner that complies with local and state laws. Upon completion of renovation work, and a successful final inspection with TCLB, the Land Bank will record a Satisfaction of Mortgage releasing the Enforcement Mortgage from the property.

Obligations of TCLB's Enforcement Mortgage:



Begin renovation work within 180 days of closing.



Complete progress inspections with TCLB every six months for duration of renovation.



Renovations cannot stop for longer than 180 days at a time.



Finish renovation work within 24 months of closing.



TCLB will **conduct final inspection** upon completion of renovation work to verify that the renovations were completed according to the Agreement of Sale.

Frequently Asked Questions:

What if I need an extension to commence or complete renovation work?

An extension of time to start or complete renovation work may be requested in writing. Extensions may be granted on a case-by-case basis based on the reasons for the request and the length of the time extension.

What are the progress inspections?

A representative of the TCLB will schedule progress inspections every 6 months to briefly tour the property, take progress pictures, and ensure that work is moving ahead as detailed in your Work Plan and in accordance to the Property Assessment Report.*

What about the final inspection?

Upon completion of renovation work, a representative of the TCLB will schedule a final inspection (typically after the local occupancy inspection) to briefly tour the property, take final pictures, and ensure that work has been completed according to the Property Assessment Report and your Work Plan.*

What are the pictures that are taken during TCLB inspections used for?

Pictures taken during TCLB inspections will be used for internal reporting purposes (provided to TCLB Advisory Committees and Board of Directors) and verification of work completed, or to support TCLB marketing and fundraising activities.

What happens if I don't complete renovations on time, or if I fail to follow stipulations included in my Enforcement Mortgage?

If you fail to abide by the obligations described above, the TCLB reserves the right to declare a default and foreclose on the property. In such an event, you will return the property back to the TCLB. Any outstanding charges or money due during your ownership must be paid by you even if the TCLB reclaims the property.

*Even if used only internally, these pictures might be publically available due to public meetings and Right to Know Laws.