



Montgomery County Department of Housing and Community of Affairs  
Office of Rent Stabilization  
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## SUBSTANTIAL RENOVATION – FINAL RECONCILIATION PACKAGE

This Substantial Renovation Application must be completed and filed according to the provisions of the Rent Stabilization Regulations 2-24, COMCOR 29.60 and Chapter 29, Landlord-Tenant Relations.

Failure to provide information may result in the delay or rejection of the application.

**RE: Substantial Renovation Application #:** \_\_\_\_\_

If the renovations were completed prior to submitting the Substantial Renovation Application, the information below will be consistent with the approved application. If changes are needed, you must contact DHCA.

### SECTION I – DESCRIPTION AND COSTS

Please list the actual costs of the completed substantial renovations with supporting documentation.

Description of Renovation	Unit, Common Area, or Facility Improved	Date Work Began	Date Work Completed	Cost
				\$
				\$
				\$
				\$
				\$
				\$
Total Cost of Renovations:				\$

## SECTION II – INTEREST

Itemize below all interest. Interest is defined as all compensation paid by the landlord to a lender for the use of money used to make the renovation over the amortization period of the loan. In the absence of any loan commitment, DHCA may apply the average 52-week Wall Street Journal's U.S. Prime Rate, as reported by The Wall Street Journal's bank survey, applied over a seven-year period. The average is calculated as the mid-point between the high and low Prime Rates reported for the 52 weeks immediately prior to the application for an exemption for a substantial renovation.

Please choose between option 1 or 2.

### 1. With evidence of loan commitment or agreement from lender:<sup>1</sup>

- Rate of interest:<sup>2</sup> \_\_\_\_\_ %
- Term of loan: \_\_\_\_\_ years
- Total interest to be paid: \$ \_\_\_\_\_

### 2. Without evidence of loan commitment or agreement from lender:

- Average 52-Week Wall Street Journal's U.S. Prime Rate: \_\_\_\_\_ %
- Date rate published: \_\_\_\_\_
- Total amount of imputed interest: \$ \_\_\_\_\_

## SECTION III – SERVICE CHARGES

Itemize below all applicable service charges. Attach documentary evidence from the lender clearly showing the amount paid or to be paid for each item.

Points:	\$ _____	Loan Origination Fees:	\$ _____
Loan Processing Fees:	\$ _____	Trustee Fees:	\$ _____
Escrow Set-Up Fees:	\$ _____	Loan Closing Fees:	\$ _____
Title Insurance Fees:	\$ _____	Survey Fees:	\$ _____
Lenders' Counsel Fees:	\$ _____	Borrowers' Counsel Fees:	\$ _____
Appraisal Fees:	\$ _____	Environmental Inspection Fees:	\$ _____
Lender's Inspection Fees:	\$ _____		
Other Applicable Charges (Other Than Interest):	_____	\$ _____	
	_____	\$ _____	
	_____	\$ _____	
<b>Total Service Charges:</b>	\$ _____		

<sup>1</sup> Please provide the relevant portion of the loan commitment or agreement with a lender or other evidence of interest.

<sup>2</sup> If a loan with a variable interest rate was obtained, the total interest payable must be calculated using the initial rate of the loan.

**SECTION IV – TOTAL COST OF RENOVATIONS**

Total Cost of Renovations (Section I):	\$		
Total Interest (Section II):	\$	Total Service Charges (Section III):	\$
<b>Total Cost of Renovations Plus Service Charges and Interest:</b>		\$	

**SECTION V – RENOVATION PERCENTAGE**

1. Value of the building exclusive of land value, as assessed by the State Department of Assessments and Taxation:	\$
2. Total cost of renovations (Section IV):	\$
3. Divide line 2 by line 1 =	\$
4. Multiply the result from line 3 by 100 =	%
5. Is line 4 greater or equal to 40% <sup>3</sup> ?	

**SECTION VI – CHECKLIST**

You must complete every item on this checklist.

If the renovations were completed prior to submitting the Substantial Renovation Application, the documentation provided in the approved application will be used for this section. If changes are needed, you must contact DHCA.

**A. Required Attachments**

<input type="checkbox"/>	Documentation of the total cost of renovations, per COMCOR 29.60.01.02. <sup>4</sup>
<input type="checkbox"/>	Documentation for the costs incurred as per COMCOR 29.60.01.04. <sup>5</sup>
<input type="checkbox"/>	Documentation of interest incurred as per COMCOR 29.60.01.05 AND 29.60.01.06. <sup>6</sup>
<input type="checkbox"/>	Service charges in connection with a loan taken to make a renovation as listed in COMCOR 29.60.01.07. <sup>7</sup>
<input type="checkbox"/>	Any other external documents to substantiate the total cost of a substantial renovation, if applicable.
<input type="checkbox"/>	Copies of all applications for required building permits or filed permits for the proposed renovations, if applicable.
<input type="checkbox"/>	Documentation of the value of the rental housing property, exclusive of land value, as assessed by the State Department of Assessments and Taxation.
<input type="checkbox"/>	Copy of a notice to tenants of filing. <sup>8</sup>

<sup>3</sup> The cost of the renovations must equal to at least 40 percent of the value of the building to be approved.

<sup>4</sup> The total cost of renovations must be the sum of the cost, any interest, and any service charge incurred.

<sup>5</sup> Complete Section I to satisfy this requirement.

<sup>6</sup> Complete Section II to satisfy this requirement.

<sup>7</sup> Complete Section III to satisfy this requirement.

<sup>8</sup> Provide proof of original Substantial Renovation Application notice to tenants.

## SECTION VII – CERTIFICATION OF LANDLORD

I hereby certify that I am the owner or authorized representative of the rental facility identified in this Substantial Renovation Application. I further certify, under penalty of perjury and under the laws of Montgomery County, Maryland, that the information and every attached document, statement, and form is true and correct.

Signature: \_\_\_\_\_

Print Name of Person Signing: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## OFFICE USE ONLY

Application Number: \_\_\_\_\_

Submission Date: \_\_\_\_\_

Rental License Number: \_\_\_\_\_

Rental License Status: ☐ Licensed ☐ Not Licensed

Code Enforcement Cases: ☐ Yes open cases ☐ No open cases

Determination: ☐ Approved ☐ Denied

Comments: \_\_\_\_\_