PROCEDURES FOR IMPLEMENTING THE RETIRED OFFICER HOUSING CERTIFICATE PROGRAM

MUNICIPAL MANUAL

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PART I

A. Eligibility Requirements

1. Participation in the Housing Certificate Program is strictly limited to officers demobilized and discharged from military service in the Baltic republics or other countries outside of Russia. The eligible population is separated into the following categories:

   (a) Officers demobilized and discharged from military service in a Baltic republic on or after April 2, 1993 (or January 28, 1992 in Latvia). At least 80 percent of program participants must be from this group.

   (b) Officers demobilized and discharged from military service in a Baltic republic prior to April 2, 1993 (or January 28, 1992 in Latvia).

   (c) Officers demobilized and discharged from military service in other countries besides the Baltic republics on or after April 2, 1993. No more than 10 percent of the participants may be selected from this group.

   Eighty percent of the certificates will be issued to officers designated by the Northwest Group of Forces and must go to officers in the first category listed above. An additional ten percent will be distributed by the Northwest Group of Forces and may go to officers eligible under any of the three categories. The final ten percent will be distributed by the participating oblasts/ municipalities and may go to officers under any of the three categories.

2. Officer eligibility will be determined at three times during program administration:

   (a) Preliminary determination of eligibility by the Northwest Group of Forces or local housing officials prior to placement on the list of those eligible for the program.

   (b) Confirmation of eligibility by the Housing Department prior to issuance of a Certificate.

   (c) Review of eligibility verification documents by an independent auditor prior to approval of purchase of the dwelling unit using Certificate funds.

B. Preparation of the Waiting List/Assignment of Priorities

1. Receive the list of eligible officers from the Northwest Group of Forces. Ninety percent of the certificates issued by the oblast must be issued to officers drawn from this list. Identify applicants on the Municipal Housing Waiting List who have been discharged from the Russian military service and appear to be eligible for the Retired Officer Certificate Program under the eligibility criteria listed above. This task will be completed jointly by the Housing

Department and the Military Committee for the Municipality. Ten percent of the certificates issued by the oblast may be issued to eligible officers drawn from this list.

2. Create a file for each of the apparently eligible officers. The local Housing Office must maintain the Retired Officer Housing Certificate files in alphabetical order at the Municipal Housing Office. This file will include all housing related documents available from either the Northwest Group of Forces, the Military Committee, or the Housing Department, as applicable. These include the following:

   (a) Application for the program;

   (b) Application for housing to the Municipality (if selected from the municipal waiting list);

   (c) Documentation that prior to discharge the officer was most recently posted in the Baltic States or other countries outside Russia;.

   (d) Military Discharge Document; and

   (e) Documentation of family size.

   Officers who have returned to Russia as their place of residence should also present:

   (f) Current mailing address and telephone number.

3. If new applications for housing are received from eligible officers during the period of the program, create a file for each and add them to the program waiting list.

4. Assign a priority classification to each application and prepare a waiting list by ranking applicants in priority order. Within each priority classification/group order program applicants by date of initial application for municipal housing. Priorities for selection for participation in the program are given in Part I, Section A.1.(b) above.

C. Selection of and Notification to Officers

1. The goal is to select just enough apparently eligible officer applicants from the waiting list so that allowing for non-response, lack of interest, and possible determination of ineligibility, there is an even match of interested and eligible officers and available certificates.

2. The pace of selection of officers from the program waiting list should also be done in a way that does not exceed the administrative capacity of the Housing Department, or outpace the available supply of housing units.

3. The following procedures for selecting officer names from the *program* waiting list are offered for discussion:

   (a) Assume a program size of 40 officers to be assisted, and a desired date for the first certificates to be issued.

(b) Schedule three briefing sessions, covering both weekdays and weekends. Complete all three within 10 days. In calculating the number of officers who can be interviewed, assume that each interview will require 20-30 minutes and be certain to have an adequate number of interviewers to avoid subjecting officers to unnecessary waiting and inconvenience.

(c) Approximately 15-30 days in advance of the first seminar date send a letter with attachments to the first [NUMBER] officers on the prioritized program waiting list. The letter and the attachments will include the following information:

- An invitation to participate and confirmation that a Certificate will be issued if program requirements are met (Exhibit I-1). A statement that the first steps of participation are to return the enclosed form (Exhibit I-3) indicating desire to participate, to attend a briefing and eligibility/certification interview on one of the three dates indicated, and to present required documentation at that interview.

- A brief introduction to the program and its requirements, (Exhibit I-2).

- A list of documents the officer must bring to the briefing and interview. This might include general documents required of all officers as well as documents missing from the files of the individual officers.

- The housing department address and telephone number.

- A return form (Exhibit I-3) and envelope indicating willingness to participate and briefing/interview date selected. Make it clear that if the Housing Department does not receive the form by a specified date, the officer will forfeit his opportunity to participate in this program.

(d) Also, about 30 days prior to the seminar send a similar conditional letter (Exhibit I-4) and attachments to the next [NUMBER] officers on the waiting list, informing them that they *might* receive a Military Certificate, and whether or not they will be selected will depend upon the responses of those above them on the waiting list. Require that they tentatively select a briefing session in the event that they are selected because of non-response of officers ranked higher on the waiting list. Require that they provide a telephone number and address for a telex, telegram message, or courier delivery one week prior to the seminar.

(e) About 10 days in advance of the seminar, the Housing Department will review the responses it has received. To the extent that officers in the initial group do not respond positively, the Housing Department will select names from the second group of officers and will notify them by telephone, telegram, telex, or courier.

(f) It is unlikely that applicants will be distributed equally among the three briefing sessions. Therefore, the Housing Department should plan its staffing for interviews and briefings to match the participation in each session.

(g) After the interview and briefing sessions have been held, the Housing Department will know how many of the [NUMBER] certificates have been issued and how many are still available. It will then follow the same procedure described above in notifying additional officers of either firm or conditional availability of a certificate. Send firm letters of availability (Exhibit I-1) to a number of officers exactly equaling the number of certificates still available. Send conditional letters (*Exhibit I-4*) to twice that number. Officers who received conditional letters in the first round should be the first to receive firm letters in this second round.

(h) For the second round of letters, schedule one briefing session if the number of certificates to be issued in this second round is less than 12, and two briefing sessions if it is 13 or more.

Exhibit I-1

LETTER TO OFFICERS ON THE MUNICIPAL HOUSING WAITING LIST

[DATE]

[OFFICER NAME]
[ADDRESS]

Dear [OFFCIER NAME]:

We are pleased to inform you that, because you are a former military officer, discharged after recently serving in a Baltic Republic or other country outside of Russia, you *may be* eligible to participate in a new housing program which we are offering beginning [DATE].

[NUMBER] officers and their families will be assisted to purchase a home under this program. Because of your place on the housing waiting list, you are among the first [NUMBER] officers being offered an opportunity to participate. If you decide to participate, and if we verify that you are eligible to participate, a place in the program is definitely available for you.

Attached is a brief description of this new housing program, which is called the Retired Officers Housing Certificate Program. It is a good opportunity to own a new home. Under the program, you will select a home to buy, from among the newly constructed homes now for sale in the Oblast. Depending on the cost of the home you select, the Housing Certificate might pay the whole cost, or you may have to pay some of the cost. If the cost of your home is less than the value of your Certificate, you will get the difference in cash. We encourage you to participate. Please read the attached description of the program and determine whether you are eligible to participate and want to participate. If you are ineligible or do not want to participate, you will keep your place on the City housing waiting list.

Once you have read the description, please fill out the attached Registration Form and return it immediately to the Housing Department. *We must receive the form no later than [DATE] in order for you to participate.*

If you decide to participate in the Military Housing Certificate Program you *must* attend one of the three briefing sessions scheduled for [DATE], [DATE], or [DATE]. If you do not attend, you may not participate. You will not be allowed to be briefed at a later date.

After the briefing session, you will have an individual certification interview to determine whether you are eligible to participate. For this interview you are required to bring the following documents verifying your eligibility and your family size. These documents should be not more than three months old and stamped if appropriate:

[LIST OF DOCUMENTS]

All briefings will begin at 10:00 in the morning and will be conducted at the following location:

[ADDRESS]

If you have questions, please call the following person at the [CITY] Housing Department.

[NAME], [TITLE]
[ADDRESS]
[TELEPHONE NUMBER]

Thank you for your cooperation.

Sincerely,

[NAME]
[TITLE]

Exhibit I-2

RETIRED OFFICER HOUSING CERTIFICATE PROGRAM
FUNDED BY
THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

BRIEF PROGRAM DESCRIPTION

Name of Officer: _____

Designated Oblast: _____

Introduction

In support of the Russian treaties with Estonia and Latvia on Russian troop withdrawal, the U.S. Agency for International Development has developed a program of 2,500 housing certificates which will permit demobilized officers to purchase new or existing housing in a number of Russian oblasts.

In April 1994, the Oblast of Pskov and the City of Novgorod began a new housing program to assist Russian military officers who are returning from service in the Baltic Republics or Eastern Europe. In July, this program was modified and expanded. In the next few months, the program will help 500 officers and their families purchase homes in the Oblasts of Pskov and Yaroslavl. Later in October, an additional 2,000 officers will receive housing assistance. The objective of the program is to encourage the withdrawal of Russian troops from Estonia and Latvia.

First priority for participation in the program is officers who were demobilized and discharged from military service principally from Estonia after April 2, 1993 and from Latvia after January 28, 1992. The prioritized lists of eligible officers are prepared by the Northwest Group of Forces in Riga, Latvia and other forces in Estonia, at the direction of the Inter-Ministerial Committee of the Government of Russia, including the Ministry of Defense. The lists will be provided to government representatives of the Baltic Republics to cross-check against applicants for residency permits in the Baltics and to prevent beneficiaries under this program from returning to or remaining in the Baltics beyond the agreed-upon dates.

According to the treaties and understandings between the governments of Latvia, Estonia, and Russia, Russian officers should withdraw from the territories of Estonia and Latvia by August 31, 1994. Distribution of certificates will be undertaken in Russia with participating oblast administrations. Further information on certificate distribution locations will be provided by the Department of Social Concerns of Demobilized Officers at the Russian Embassies in Riga and Tallinn.

Eligibility Documentation

To be confirmed as eligible, the officer must present the following documentation to the Office of Housing in the oblasts (please bring all originals plus one copy to the interview):

(1) A discharge extract or certificate of the right to enjoy the privileges and benefits of military retirement;

(2) A document indicating that the officer was most recently posted in the Baltic Republics prior to discharge;

(3) Certificate of family size; and

(4) Certificate of current residence of officer and family (not more than three months old). This applies only to officers discharged on or before April 2, 1993 from outside of Russia (or officers discharged on or before January 28, 1992 from Latvia).

At the Office of Housing in Pskov/Yaroslavl Oblasts, officers will be asked to sign statements on the application form which certify the following:

(1) (For officers and their families currently residing in the Baltic Republics) The officer has or will vacate his residence in the Baltic Republics, did not privatize it, and will not seek permanent residency in the Baltic states;

(2) The beneficiary has not made any payments to anyone to gain access to the program or to be placed on beneficiary lists; and

(3) The beneficiary does not own housing in the territory of the Commonwealth of Independent States (CIS).

Attached is a copy of the application form which the officer will fill in and sign at the interview.

How the Program Operates

The following are the steps an officer must complete in order to purchase a home under the program. The officer is required to:

(1) Participate in an information seminar where he will be given details of eligibility criteria and given an approximate date of his interview in the designated municipality.

(2) Attend an interview in the municipality at which he will provide documentation proving eligibility and complete and sign an application. If deemed eligible, that same day he will receive a certificate which must be applied toward the purchase of a dwelling unit in the oblast.

(3) Register his certificate with the bank designated by USAID.

(4) Shop for a dwelling unit.

(5) Negotiate and submit to the program's local bank administrator a presales agreement within three months of receiving the certificate. Actually purchase dwelling unit within six months of receiving the certificate. Any new construction unit must have a Certificate of Occupancy from the local authorities prior to completion of the sale.

(6) Present the final, signed purchase agreement to the bank. The bank will coordinate all tasks required to complete the purchase of the home from the seller. The bank will receive funds from USAID to help pay for the home.

More About Military Housing Certificates

The value of the certificate each participating officer will receive will be based on:

— His family size;
— The month he completes the purchase of his home; and
— Whether he selects new construction or already existing housing.

The value of the certificate will change each month to reflect changes in housing costs, but cannot exceed US$25,000. A lesser amount is calculated for use in the purchase of previously occupied housing. Although the program places a priority on the purchase of newly constructed units, each certificate may be used to purchase either new construction or an existing dwelling, depending on which type of housing is selected by the officer and his family.

If the officer wishes to purchase a home costing more than the value of the certificate, he may do so, and pay the difference with his own money.

The Next Step

The next step for you is to schedule your interview by calling the housing office of your designated oblast. Bring the required documents to your interview. If you provide all the required documents and you are determined eligible at the interview, the housing office will issue a certificate to you. You will also receive further information about purchasing housing in the oblast and how to proceed with the program.

Information Contacts:

[List here the appropriate Russian Embassy Office in Riga or Tallinn:

NAME
OFFICE
ADDRESS
TELEPHONE NUMBER]

[List here the appropriate contact persons at the oblast/municipal housing office:

NAME
OFFICE
ADDRESS
TELEPHONE NUMBER]

Please report any cases of corruption or abuse of this program to the Urban Institute, 12/5 Furkovsky pereulok, Moscow 101819 (Telephone: 095-281-0910). Information provided will be held strictly confidential. Thank you

Exhibit I-3

REGISTRATION FORM
RETIRED OFFICER HOUSING CERTIFICATE PROGRAM
[OBLAST] /[CITY]

A. OFFICER DATA

NAME OF OFFICER: _____
CURRENT ADDRESS: _____
_____
_____

TELEPHONE NUMBER: _____

ADDRESS FOR TELEGRAM/TELEX (If different from above)
NAME: _____
ADDRESS: _____
_____
_____

B. RESPONSE TO LETTER OF INVITATION

CHOOSE ONE OF THE FOLLOWING BY PUTTING AN "X" IN THE APPROPRIATE BOX:

☐ I AM NOT ELIGIBLE FOR THE PROGRAM
☐ I AM ELIGIBLE FOR THE PROGRAM BUT *I AM NOT INTERESTED* IN PARTICIPATING
☐ I AM ELIGIBLE FOR THE PROGRAM AND *I AM INTERESTED* IN PARTICIPATING

C. BRIEFING SESSION

I WILL ATTEND (DO NOT ANSWER IF YOU ARE NOT ELIGIBLE OR ARE NOT INTERESTED IN PARTICIPATING). CHOOSE ONE OF THE FOLLOWING:

☐ [DATE] 10:00 MORNING
☐ [DATE] 10:00 MORNING
☐ [DATE] 10:00 MORNING

D. THE FOLLOWING PERSONS WILL ATTEND THE BRIEFING WITH ME:

_____

SIGNATURE:_____ DATE:_____

RETURN THIS FORM SO THAT IT IS RECEIVED BY
THE CITY OF [CITY] HOUSING DEPARTMENT NOT LATER THAN [DATE].

RETURN TO:

[ADDRESS]
[FAX NUMBER]

Exhibit I-4

LETTER TO OFFICERS ON THE ELIGIBILITY LIST

[DATE]

[OFFICER NAME]
[ADDRESS]

Dear [OFFICER NAME]:

We are pleased to inform you that, because you are a former military officer, discharged after recently serving in the Baltic Republics or other country outside of Russia, you *may be* eligible to participate in a new housing program which we are offering beginning [DATE].

[NUMBER] officers and their families will be assisted to purchase a home under this program. Because of your place on the housing waiting list, we cannot definitely offer you an opportunity to participate. However, depending on the response we receive from the first [NUMBER] officers to whom we have offered a place in the program, a place *might* be available to you, if we verify that you are eligible to participate.

Attached is a brief description of this new housing program, which is called the Retired Officers Housing Certificate Program. It is a good opportunity to own a new home. Under the program, you will select a home to buy, from among homes now for sale in [CITY/OBLAST]. Depending on the cost of the home you select, the Housing Certificate might pay the whole cost, or you may have to pay some of the cost. If the cost of your home is less than the value of your Certificate, you will get the difference in cash. We encourage you to participate.

Please read the attached description of the program and determine whether you are eligible to participate and want to participate. If you are ineligible or do not want to participate, you will keep your place on the City housing waiting list.

Once you have read the description, please fill out the attached Registration Form and return it immediately to the [CITY] Housing Department. *We must receive the form no later than [DATE] in order for you to participate.*

If you decide you would like to participate in the Retired Officers Housing Certificate Program, we will not know whether there is a place for you until [DATE]. If there is a place, we will telegraph, telex or telephone you on [DATE]). It is important that you indicate on your Registration Form the Briefing Session you would attend if a place is available for you. Please remember, you must attend one of the three briefing sessions scheduled for [DATE], [DATE], or [DATE]. If you do not attend, you may not participate. You will not be allowed to be briefed at a later date.

After the briefing session, you will have an individual certification interview to verify that you are eligible to participate. For this interview you are required to bring the following documents verifying your eligibility and your family size:

[LIST OF DOCUMENTS]

All briefings will begin at 10:00 in the morning and will be conducted at the following location:

[ADDRESS]

If you have questions, please call the following person at the [CITY] Housing Department.

[NAME]. [TITLE]
[ADDRESS]
[TELEPHONE NUMBER]

Thank you for your cooperation.

Sincerely,

[NAME]
[TITLE]

PART II

D. Group Briefings of Officers

1. There will be [NUMBER] briefings scheduled. Dates are: [DATE], [DATE], or [DATE].

2. Based on responses from officers, insure that there is a big enough room and there are enough chairs for each briefing group. Assign enough interviewers to complete individual interviews for all officers who will be attending in three time slots. Schedule individual interviews in advance. Check-in officers as they arrive and tell them their interview time.

3. Begin each briefing within five minutes of the scheduled starting time of 10:00 in the morning. Each briefing should last approximately one to one and one-quarter hours, with a schedule as follows:

   10 minutes — Welcome and Review of what will happen during the Briefing and the Certification Interview to follow

   20 minutes — Slide Show

   25 minutes — Oral Presentation of key points of the slide show

   5-20 minutes — Questions and Answers

   5 minutes — Final Remarks

4. The recommended schedule for the day of the briefing is as follows:

   10:00 - 11:15 — Briefing

   11:30 - 13:00 — First Group of Officers Interviewed Individually and Eligibility Verified

   13:00 - 14:00 — Lunch

   14:00 - 15:30 — Second Group of Officers Interviewed Individually and Eligibility Verified

   15:30 - 17:00 — Third Group of Officers Interviewed Individually and Eligibility Verified

   17:00 - 18:00 — Certificates available to be picked up

5. Prepare for the briefing by doing the following the morning of the briefing:

   — If the slide show is to be used, check the lamp in the projector.

   — Distribute paper and pens for officers to take notes.

— Run through the briefing to make sure there are no problems.

— If the slide show is to be used, make certain there is a switch to darken the room. Leave enough light for officers to take notes.

— Be prepared for an audio failure by having a typed script ready to read while you manually advance the slides. Be familiar with the script.

— Make sure the audio tape and the slides are in a proper start position.

Run the slide show immediately after the welcoming remarks. (See Exhibit II-1).

6. The presentation to follow the slide show will use visual aids which are taken from the graphic slides in the slide show. The following topics should be covered:

   — Who is eligible to participate.

   — List of tasks the officer must complete.

   — The roles of the Housing Department, the Seller and the Bank.

   — The value of the certificate.

   — Rules about eligible homes and time limits.

   — Things that must happen before the house is purchased.

   — What happens at time of purchase.

7. Questions and answers probably should wait until after the presentation.

8. At the conclusion of the questions and answers, make certain that everyone has checked in and knows their interview time. Give closing remarks.

E. Officer Interviews

1. The purpose of the officer interviews are:

   — To complete and sign a formal application for the Military Housing Certificate Program. (Exhibit II-2)

   — To collect documents verifying officer eligibility for the program.

   — To determine eligibility.

   — To determine family size and the dwelling size using social norms.

— To provide an information package to the officer and review its contents.

— To answer questions.

Certificates will not be issued during the officer interviews. Rather, they will be prepared by supervisory staff and issued at the end of the day.

2. The interviewer will have available or create the officer file with documentation from the Housing Department and the Military Committee or from the Northwest Group of Forces. If the officer has been selected from the municipal waiting list, most required documents will be found in the existing municipal files, but may need to be updated. If the officer has been invited from the list of eligible officers prepared by the Northwest Group of Forces, the file will need to be created from the interview and the documents the officer brings with him. All files will contain a letter application for housing, some files will have an extract from the officer's discharge order, and a document indicating where they lived at the time they applied for municipal housing (if applicable). Some files will also have the "Certification of the Right to Enjoy the Privileges of Getting Housing," which contains information which parallels the discharge extract.

3. The officer will complete an application to participate in the Military Housing Certificate Program (Exhibit II-2) and will sign the application. In addition, officers who themselves, or whose families, are currently residing in the Baltics will sign a letter stating that they and their families will exit the Baltics if they obtain a house under this program. (Exhibit II-3).

4. The officer will provide properly stamped documentation, no more than three months old, of the following:

   — The number of persons in the immediate family who will be living with the officer.

   — The officer's (or officer's family's) current place of residence.

5. The interviewer will then review the documents, determine whether the officer is eligible, and what social norm should be used. He will also determine the bank funding for the three months following the date of certificate issuance, using a reference table (Exhibit II-4). These determinations will be entered on a form (Exhibit II-5) to be attached to the officer's file and sent to supervisory staff for approval.

6. If the officer is eligible, the interviewer will then give the officer an Information Packet and explain its contents. The Information Packet will include the following material:

   — Sample Presales Agreement. (Exhibit II-6)

   — List of available homes for sale and names of sellers.

   — List of housing brokers.

   — "Tips for Success." Advice to the officer on how to find and buy a home. (Exhibit II-7)

— Guide to Program Procedures. (Exhibit II-8)

— Bank Fact Sheet. Bank name, address and contact person. (Exhibit II-9)

— Extra copies of two-page program description to provide to sellers.

— Map of City, if available.

— Bus Map, if available.

F. Certificate Issuance

1. Upon receiving an officer file from an interviewer, the supervisor will review the recommendation of eligibility, dwelling unit size as determined by the standard social norms and certificate value prepared by the interviewer. If he does not agree with the recommendation, the supervisor will make appropriate changes and review the changes with the interviewer.

2. The supervisor will then prepare one original certificate (Exhibit II-10) for the officer, completing all blanks. He will record the number in the master certificate log (Exhibit II-11). He will then enter the bank funding values for the first three months on each officer's bank funding form (*Exhibit II-12*) *next to* the period of time to which each value will apply. He will stamp each value.

3. He will make an original and two copies of each form and sign all three copies.

4. The officer will receive the original copy of the certificate, the original copy of the bank funding form and one copy of each. The original certificate and bank funding form will be delivered by the officer to the bank and one copy of each document will be kept by the Housing Department.

5. The certificates and bank funding forms to be given to the officer will be placed in an envelope for pick-up by the officer at the end of the day.

6. Upon issuance of each certificate, the Housing Department will do the following:

   (a) Enter certificate number, officer name, date certificate issued, dwelling unit size and the bank funding values for the first three months to the master certificate log (*Exhibit II-11*). As each officer progresses through the program, this log provides up to date information on status.

   (b) Transmit a copy of the master certificate log to the bank.

   (c) Put the copy of each officer's certificate and other documents retained by the Municipality in the officer's file.

Exhibit II-1

RETIRED OFFICER HOUSING CERTIFICATE PROGRAM
BRIEFING

Script	**Graphics**
As a retired Russian Military Officer you now have an opportunity to own a new home for you and your family, through a special program sponsored by your Housing Department, with assistance from the United States Agency for International Development. This program is called the Retired Officer Housing Certificate Program. During the next few minutes we will explain how the program works, and also give you some tips on how to choose the best home for you and your family.	About 13 minutes (3-4 minutes for pauses) Almost exactly 72 slides. (MAXIMUM 78 SLIDES) 4-5 lead in shots
YOU'RE PROBABLY ASKING, 'HOW WILL I KNOW IF I AM ELIGIBLE TO PARTICIPATE?'	
You are eligible if you can answer "yes" to these two questions.	Two questions. Highlight and check 1st question.
1. Were you serving in Eastern Europe or the Baltic Republics *or another country outside of Russia* when you were discharged? *and*	
2. Were you discharged after April 2, 1993 (or after January 28, 1992 in Latvia)?	Highlight and check second question.
However, even if you were discharged *before* April 2 1993 (or before January 28, 1992 in Latvia), you will *still* be eligible *if* you last served in a Baltic Republic.	Add exception language to same graphic.
NOW, WHAT ARE THE STEPS YOU MUST TAKE TO OWN YOUR HOME UNDER THIS PROGRAM?	Steps graphic.
First, you will be called from the Housing Department's *eligibility* list.	At housing office getting certificate.
Second, you must provide documentation to verify that you are eligible to participate. You will then receive your housing purchase certificate.	Officer looking at house officer and seller.

Script	Graphics
Third, you must find a house you would like to buy and sign a contract with the seller.	
Fourth, you take the contract to the bank.	Officer at bank opening door.
And finally, the bank arranges for a "closing," where your certificate is converted to money, the seller is paid, and you own your home.	Seller, officer and banker.
Let's go over that important process once again.	One graphic (Use 3 times—highlight each section.)
The *Housing Department* calls an officer on its housing waiting list, determines if he is eligible to participate, and issues a housing certificate.	*Housing Department*
The *Seller* signs a contract with the officer and finishes building the house.	*Seller*
The *Bank* makes certain everything is in order and then conducts a "closing" where the seller is paid and the officer becomes an owner.	*Bank*
Now that we understand the basics of how the program operates, let's look more closely at some of its important features.	
JUST HOW MUCH MONEY WILL BE AVAILABLE FOR YOUR HOUSE PURCHASE?	
The bank will pay the estimated cost for you to buy an average cost, newly-constructed or existing home for yourself and your family.	Officer looking at Certificate, with furrowed brow.
When you first receive your certificate you will also receive a bank funding schedule for new construction with three values written in—one value for each of the first three months after the certificate is issued. You will also receive a bank funding schedule for existing housing with two values written in—one value for each of the first two months after the certificate is issued.	Show Bank Funding Schedule. Show values for first three months

Script	Graphics
Each month, the bank will add one more value to each of your funding schedules. This way, you will always know the new construction value for each of the next three months, and the existing housing value for the next two months. This insures that the funds the bank sets aside for you will keep up with anticipated changes in housing costs.	Show Bank Funding Schedule. Fourth month value added Officer in home Hand on calendar - 2 shots
But, which of the values written on your funding schedule will be used for *your* home purchase?	Show a calendar *April* — Certificate Issued *June* — Buy House
The value that applies to you is the value shown for the month in which you *complete* the purchase of your home. For example, if you sign a contract for a home which will be ready 2½ months after you receive your certificate, then the value shown on the funding schedule for the third month is the value that applies to your purchase.	Show bank funding schedule again. Home in on third value.
YOU WILL RECEIVE THE FULL CASH VALUE OF YOUR CERTIFICATE ON THE DAY YOU BUY YOUR HOME.	Banker giving money to seller.
If the selling price of your home exactly equals the value on the bank funding schedule, then this entire value is paid to the seller with no further payments due to either you or the seller. If the selling price is *greater* than the value then you must pay the difference.	Two graphics.
But, if the selling price is *less* than the funding schedule value, then the difference is paid to you.	Buyer and seller closing.
But, remember your certificate is only worth something when you buy a home. *So, let's talk about how to buy a house.*	
There are three program rules you should remember about buying a home:	
First, in order to qualify for the new construction funding value, your house may be newly constructed. No other family may have lived there before you.	Two new construction shots.
Second, you must find a house and sign a contract within three months of receiving your certificate. You must actually *buy* your house within six months of receiving your certificate.	Graphics - a calendar March - June - September
Third, if new, your house must receive a Certificate of Occupancy from the City, indicating that it is a safe and healthy place in which to live.	Inspector inspecting.

Script	Graphics
So long as you meet these requirements, where you live is your choice.	Housing staff person on phone and looking at papers.
The Housing Department will help you in your search.	
It will have up-to-date information about houses for sale.	
It will also inform sellers about the program.	Staff talking to seller.
Therefore, when you talk to sellers they may already know about the program.	Officer and same seller as above talking.
When you are looking for a house, think *first* about where you would like to live:	
— Near your work?	Work shot
— Near transportation?	Bus shot
— Near schools for your children?	School shot
— Near friends and family?	Friends/family shot
The *second* thing to think about is how much you can afford to pay. Are you able to pay for a home that costs more than the value of the certificate? Or, can you pay only the amount of the certificate?	Officer at table with calculator. Officer scratching head
Size *will* affect the price of the home you buy. The value of your certificate is based on an average size house for your family.	Three shots—family sequence making decisions around kitchen table.
However, you *can* buy a home which is larger if you are willing to pay any difference in the cost. You can even buy a home which has less space, if you wish.	Open arms to mean big. Close arms to mean small.
ONCE YOU KNOW WHAT YOU ARE LOOKING FOR, YOU ARE READY TO GO HOUSE-HUNTING!	
Call the sellers of homes which seem to be in the right location, and make appointments to see them. Explain that you are participating in the Retired Officer Housing Certificate program. Sellers should already know about the program and should be happy to hear from you.	Officer on the phone

Script	Graphics
When you go to look at homes, ask yourself these questions: — Is the location good for me? — Do I like the floor plan? — Is the construction quality good? — In general, is the house right for *my* family?	Looking at unit. (4-5 shots)
If the answer to these questions is "yes," then you are ready to talk to the seller about price.	Officer and seller together—2 shots
Ask the seller when the house will be ready to buy and what the price will be on that date.	
Then look at your bank funding schedule. Is the seller's price equal to or less than the bank funding schedule value for that same date? If the seller's price is higher than your bank funding schedule value for the proposed date of sale, do you want to pay the difference?	Officer looking at paper in folder.
Remember, no matter if the seller's price is lower or higher than your bank funding schedule value, it is always good to negotiate! The lower the sales price the more you benefit.	Two shots of seller and officer
Let's say you and the seller agree on a sales price and a date of sale. Now you and the seller will sign a contract. This contract means that you agree to buy, and the seller agrees to sell, the home for a fixed price on a fixed day. *Remember: Once you sign a contract, you cannot break it.*	Shot of presales agreement
We offer you one important piece of advice—we discourage you from making payments to the seller other than those made on the day you actually buy your home.	Graphic—Nyet Rubles
Now that you and the seller have both signed the contract, your next step is to give it to the bank.	Officer and wife handing papers to banker.
The bank will look at the home you have selected and at the contract you have signed to make certain everything is in order. If the bankers think there are any problems, they will let you know right away.	Banker checking papers
REMEMBER, BEFORE YOU CAN BUY YOUR HOME, THREE THINGS MUST HAPPEN:	Graphic—Three requirements to buy a house
First, construction must be completed.	

Script	Graphics
Second, the city or the bank must inspect the home to make sure that it is a safe and healthy place to live and then must issue a Certificate of Occupancy, if the house is new.	
Third, if you or your family are now living in a Baltic or Eastern European country, you must have a document verifying that you will give up residence in that country	
IT IS THE BANK'S RESPONSIBILITY, WITH YOUR COOPERATION, TO MAKE SURE THESE THINGS ARE DONE.	
Today you are ready for the big moment when you will own your own home.	Banker working at desk—talking on phone
You and the seller will meet at the bank.	Buyer opening door to bank.
Your certificate will be converted into cash in the amount shown for that particular date on the bank funding schedule.	Banker, buyer and seller together
The seller will be paid the price you and he agreed in the contract.	Banker pays seller
If the this price is more than value shown on the bank funding schedule value, then you will pay the difference to the seller.	Officer pays seller
If the this price is less than the value shown on the bank funding schedule, then you will keep the difference.	Banker pays officer
Then documents are executed which officially transfer the home ownership to you.	Another group shot executing documents
And now you are ready to move in. After all that work, we know you will want to relax and enjoy your new home.	Two move-in shots Two home shots
MUSIC: TO FINISH	Fade out

Exhibit II-2

APPLICATION FOR PARTICIPATION IN
RETIRED OFFICER HOUSING CERTIFICATE PROGRAM

Name of Officer: _____
Current Address: _____

Date of Discharge: _____
Country of Discharge: _____
Military Identification: _____
Passport Number: _____

Sworn Testimony

I swear that:

(1) In the event that I obtain housing under this program, my family and I will vacate our present dwelling(s) in the Baltic Republics and will not seek permanent residency in any of the Baltic Republics. From then on, I can enter the Baltic Republics only as a foreign guest.

(2) My family and I neither have nor will privatize or sell our dwelling(s) in the Baltic Republics, and neither have nor will receive any payments in connection with vacating it.

(3) I do not currently own housing in Russia.

(4) I have not made any payments to anyone to gain access to this program or to be placed on beneficiary lists.

(5) All information which is required for participation in this program, presented either orally or by signed documents will be accurate, truthful and complete to the best of my ability. I understand that any false information will mean my exclusion from the program and its benefits.

(6) I understand that if I am found to be eligible to participate in the program and all program terms and conditions are met, I will receive financial assistance for the purchase of a housing unit. I also understand that I am participating voluntarily and if I am currently on the municipal waiting list for housing and do not obtain a dwelling unit under this program, I will retain my place on the municipal waiting list.

Signature of Program Participant: _____ Date: _____

Verification of
Program Participant's Signature: _____

[STAMP]

Exhibit II-3

LETTER OF INTENT TO VACATE BALTIC RESIDENCE

I, _____ (Officer Name) am applying for the Retired Officer Housing Certificate Program. I pledge that if I obtain a housing unit through financial assistance from this program, my family and I will vacate our place of residence in the Baltics and relinquish our right to reside in any Baltic country *within three months of obtaining the unit.*

Signed: _____

Officer Name (printed): _____

Passport Number: _____

Date: _____

Exhibit II-4

REFERENCE TABLE FOR DETERMINATION OF BANK FUNDING

Number of Family Members	Social Norm		Bank Funding Available (Dollars) for New Construction					
	Living Space (m^2)	Number of Rooms	April 1 - April 30	May 1 - May 31	June 1 - June 30	July 1 - July 31	August 1 - August 31	Sept. 1- Sept. 30
1								
2								
3								
4								
5								
6								

Note: A separate Table of Bank Funding Values is provided for Existing Housing. It differs from the above only in that two (rather than three) months of funding values are provided at each interval.

Exhibit II-5

INTERVIEWER ASSESSMENT OF OFFICER ELIGIBILITY AND BANK FUNDING

Officer Name: _____
Passport Number: _____

PART I: PRELIMINARY DETERMINATION OF ELIGIBILITY

A. Documents in File

☐ Military Discharge Document
Date of Discharge: _____

☐ Country of Last Posting: _____
Document Provided: _____

☐ Family Size: _____ Persons
Document Provided: _____

☐ Current Residence of Officer: _____
Document Provided: _____

☐ Application for Housing Military Certification Program Application
Document Provided: _____

B. Interviewer Determination of Eligibility (Refer to Part II)

☐ Eligible

☐ Not Eligible

C. Determination of Family Size and Dwelling Size Social Norm

Immediate Family Size: _____

Dwelling Size Social Norm: Square Meters Living Space _____ Rooms _____

D. Military Housing Certificate Values

(a) New Construction:

First Month (or partial month):_____ through _____: Dollars _____

Second Month: _____ through _____: Dollars _____

Third Month: _____ through _____: Dollars _____

(b) Existing Housing:

First Month (or partial month):_____ through _____: Dollars _____

Second Month: _____ through _____: Dollars _____

Recommended by Interviewer: _____ Approved by: _____ Date: _____

PART II: ELIGIBILITY

A. Definition of Eligibility

To be eligible, an offier must satisfy *one* of the following requirements:

1. *Officers must have been demobilized or discharged from military service in a Baltic Republic on or after April 2, 1993 (or January 28, 1992 in Latvia).*

2. *Officers must have been discharged from military service in a Baltic Republic prior to April 2, 1993 (or January 28, 1992 in Latvia).*

3. *Officers demobilized or discharged from military service in other countries besides the Baltic Republics on or after April 2, 1993.*

In addition, all officers must furnish proof of the size of their family and this document must have been issued 90 days ago or less.

B. Are the following documents available?

YES	NO	NOT REQUIRED	
☐	☐	☐	Officer's Discharge Extract
☐	☐	☐	Verification of Family Composition (Document must have been issued 90 days ago or less)
☐	☐	☐	Verification of Current Place of Residence

C. *Based on the above documentation and the requirements for eligibility, is the officer eligible to participate in the program?*

YES ☐ NO ☐ NOT SURE ☐

1. If YES is checked, check the box marked "eligible" in Part I.B and go to Part III.

2. If NO is checked, indicate what documents in part II.B are missing is any and why the officer is not eligible.

   The officer is not eligible because:

   _____
   _____
   _____
   _____
   _____
   _____

3. If NOT SURE is checked, consult supervisor.

PART III: BANK FUNDING LEVEL

If the officer is eligible to participate in the program, determine the amount of the initial bank funding that the officer is eligible for based on the officer's family size and social norm. Use the Reference Table for Determination of Bank Funding to do this.

Officer's Bank Funding Eligibility

New Construction

Number of Family Members	Social Norm		Bank Funding for which Officer is Eligible (Rubles)					
	Living Space (m^2)	Number of Rooms	April 1 - April 30	May 1 - May 31	June 1 - June 30	July 1 - July 31	August 1 - August 31	Sept. 1- Sept. 30

Existing Housing

Number of Family Members	Social Norm		Bank Funding for which Officer is Eligible (Rubles)					
	Living Space (m^2)	Number of Rooms	April 1 - April 30	May 1 - May 31	June 1 - June 30	July 1 - July 31	August 1 - August 31	Sept. 1- Sept. 30

PART IV: INTERVIEWER CERTIFICATION OF ACCURACY

I, _____, certify that to the best of my knowledge all documentation supplied to me is accurate and I have filled out this form correctly and in accordance with the regulations of the Retired Officer Housing Certificate Program.

Signed: _____

Interviewer Name (print): _____

Date: _____

PART IV: SUPERVISOR CERTIFICATION OF ACCURACY

I, _____, certify that I have reviewed this form and the supporting documentation and to the best of my knowledge this form has been filled out correctly and in accordance with the regulations of the Retired Officer Housing Certificate Program.

Signed: _____

Supervisor Name (print): _____

Date: _____

Exhibit II-6

PRESALES AGREEMENT FORMAT

Presales Agreements

It is expected that a variety of presales agreements will be used depending on the current practices of sellers and developers. There are two main types of presales agreements:

— A shared participation agreement, which is used by investors acquiring a newly constructed unit; and
— A purchase-sale agreement, which may be used for the purchase of newly constructed or existing units.

Although it is not normal practice to use presales agreements for existing units, they are required because they contain important information for the buyer/investor and seller/developer about USAID program requirements. The process for releasing funds cannot begin without a proper presales agreement.

"Information and Instructions to Prospective Purchaser (Investor) and Seller (Developer)" contains language that must appear in every presales agreement. This language may appear as an attachment to the presales agreement. This language may appear as an attachment to the presales agreement.

In addition to the language in "Presales Agreement for Purchase-Sale" (Exhibit II-6B), purchase-sale agreements must also include the following key elements:

— Date of agreement;
— City;
— Name of the seller (owner/company) and proxy, if applicable;
— Name of buyer;
— Legal description of property (possibly including number of square meters total floor space, a street address and unit number, etc.);
— The purchase price (in rubles or ruble equivalent) due at closing;
— Date for which the price is valid (the anticipated closing date);
— A clause stating the price is valid (the anticipated closing date);
— A clause stating "This agreement is subject to the buyer receiving funding under the Retired Officer Housing Certificate Program."
— A clause stating responsibility for payment of fees and taxes associated with the execution of the contract and the transfer of property rights;
— A clause stating that the agreement is subject to all relevant federal and local laws and procedures;
— There may be additional language such as "penalties for not meeting contractual responsibilities" as long as this does not conflict with USAID program conditions; and
— The signatures of the seller and buyer with dates certifying that the information in the agreement is correct and complete; witness signatures are optional.

In addition to the language in "Shared Participating Presales Agreements" (Exhibit II-6A), shared participation agreements must also include the following key elements:

- Date of the agreement;
- Name of developer (builder/company) and proxy if applicable;
- Name of investor (shareholder);
- Legal description of property (possibly including number of square meters total floor space, a street address and unit number, etc.);
- A statement that acknowledges the developer will transfer title to the investor upon closing;
- The date of construction completion;
- A clause stating "This agreement is subject to the investor receiving funding under the Retired Officer Housing Certificate Program;"
- A clause stating responsibility for payment of fees and taxes associated with the execution of the contract and transfer of property rights;
- A clause stating that the agreement is subject to all relevant federal and local laws and procedures;
- There may be additional language such as "penalties for not meeting contractual responsibilities" as long as these do not conflict with USAID program conditions; and
- The signatures of the developer and investor with dates certifying that the information in the agreement is correct and complete; witness signatures are optional.

Examples of acceptable purchase-sale and shared participation presales agreements appear in Exhibit II-6B and II-6C respectively. Actual agreements may differ from the examples, but they must, at a minimum, contain the key elements listed above.

Exhibit II-6A

INFORMATION AND INSTRUCTIONS TO PROSPECTIVE PURCHASER (INVESTOR) AND SELLER (DEVELOPER)

If this document is part of a Shared Participation Presales Agreement, the term "Purchaser" shall mean "Investor" or "Shareholder" and the term "Seller" shall mean "Developer" or "Builder" as appropriate.

The purchaser is obtaining some or all of the funds to purchase the subject property from [BANK NAME} hereinafter described as "the Bank," which is an agent for the United States Agency for International Development (USAID).

Funds the Purchaser is entitled to will be disbursed by the Bank to the Seller on behalf of the Purchaser. For funds to be disbursed, all of the following conditions must be met:

USAID Conditions for an Acceptable Unit

- The unit must be sold or transferred for the price specified in the month specified in this contract.
- The unit must be delivered in the month specified in this contract.
- Newly constructed units must be constructed by a private firm.
- Newly constructed units must have a municipal occupancy permit.

Before the Purchaser signs this document, [BANK NAME] should review the unsigned agreement and a bank inspector should visit the site (with a municipal inspector if the unit is newly constructed) to determine if the above conditions are likely to be satisfied. The Purchaser and Seller may participate in the site visit. The Bank will complete its review and issue a written opinion to the purchaser and seller within ten (10) business days from the date the Bank receives the unsigned agreement.

The Purchaser and Seller may choose the sign this document prior to the Bank's review. If this occurs, both parties agree that the agreement is subject to review and approval by the Bank. If the Bank recommends against the agreement, the Purchaser may within ten (10) business days from the date of being notified by the Bank of this recommendation, notify the Seller that the Purchaser. However, the Purchaser may choose to keep the agreement in effect despite the Bank's negative recommendation by not providing a notification of termination within the ten day period specified.

The Purchaser is not prohibited from contracting to acquire the subject property, even if the Bank determines that the unit is unlikely to meet any or all of the conditions imposed by USAID. However, the seller must be aware that unless the conditions are met by the time of the closing, the Bank will not be under any obligation to provide funds to complete the purchase or transfer.

Exhibit II-6B

PRESALES AGREEMENT FOR PURCHASE-SALE

[CITY]
[DATE]

This presales agreement is executed between [SELLER NAME], residing at [ADDRESS}, referred to as "Seller" and [OFFICER NAME] residing at [ADDRESS} hereinafter referred to as "Buyer."

1. This agreement is subject to the Buyer receiving funding under the Military Housing Certificate Program. The Buyer and Seller agree to the terms and conditions contained in the attached document "Information and Instructions to Prospective Purchaser (Investor) and Seller (Developer)."

2. The Seller agrees to sell and the Buyer agreed to purchase the apartment located at [ADDRESS} consisting of [NUMBER OF ROOMS AND SQUARE METERS].

3. The purchase price agreed to by both parties is write out amount). The Buyer agrees to furnish this amount to the Seller no later than [DATE].

4. The Seller agrees to sell the apartment to the Buyer no later than [DATE].

5. Both parties agree to execute this presales agreement and the purchase sale of the apartment in accordance with all relevant legislation governing purchase-sale agreements.

6. All disputes concerning this agreement will be resolved through negotiation or state arbiter.

7. Expenses associated with executing this contract and the transfer of property rights contract shall be paid as follows:

   [SPECIFY BUYER OR SELLER FOR EACH EXPENSE SUCH BTI, NOTARIZATION, AND REGISTRATION FEES.]

8. By singing their names below, the Buyer and Seller certify that the information in this agreement is correct and complete.

9. This agreement comes into effect from the moment of signing. This agreement is executed in two copies to be given to Buyer and Seller respectively.

[SELLER SIGNATURE]
[DATE]

[BUYER SIGNATURE]
[DATE]

Exhibit II-6C

SHARED PARTICIPATION PRESALES AGREEMENT

[CITY]
[DATE]

[OFFICER NAME], hereinafter referred to as the "Investor," residing at [ADDRESS] and [NAME OF INDIVIDUAL OR COMPANY WITH NAME OF REPRESENTATIVE CONCLUDING CONTRACT], hereinafter referred to as the "Developer" conclude the following contract:

I. Object of the Contract

The present shared participation agreement concerns the construction of a residential premises at [ADDRESS].

II. Obligations of the Parties

1. This agreement is subject to the Investor receiving funding under the Retired Officer Housing Certificate Program. The Investor and Developer agree to the terms and conditions contained in the attached document "Information and Instructions to Prospective Purchaser (Investor) and Seller (Developer)."

2. The Developer, in accordance with rights granted by [REFERENCES TO PERMISSION FROM THE LAND COMMITTEE REGARDING THE ALLOCATION OF THE LAND PLOT AND FROM THE GOSKOMARKHITECTURAL REGARDING THE CONSTRUCTION PLANS], grants the investor the right to receive in ownership an apartment located at [ADDRESS] consisting of [NUMBER OF ROOMS AND NUMBER OF SQUARE METERS].

3. The investor will finance the construction of the above-referenced apartment in the amount of [RUBLE AMOUNT WRITTEN OUT]. The schedule of the investor's payments is as follows: [LIST AMOUNT, DATE, AMOUNT DUE, FORM OF PAYMENT, AND TO WHOM PAYMENT IS MADE].

4. The Developer will ensure that the construction of the above-referenced unit is completed by [DATE].

5. Upon completion of construction the parties will execute an additional contract transferring property rights shall be executed in accordance with all relevant federal and local laws and procedures.

6. Expenses associated with executing this contract and the transfer of property rights contract shall be paid as follows: [SPECIFY INVESTOR OR DEVELOPER FOR EACH EXPENSE SUCH AS BTI, NOTARIZATION, AND REGISTRATION FEES].

7. Any changes and additions to this contract shall be specified in a written agreement signed by both parties and attached as addenda to the present agreement.

8. Both parties agree to execute this agreement in accordance with federal and local laws on notarization of real estate transactions.

III. Resolution of Disputes

1. In the even of a dispute between the parties concerning the present agreement, the parties agree to submit to two-party negotiations.

2. Should the parties be unable to resolve their dispute through negotiation to the satisfaction of both parties, the parties agree to submit their dispute to court.

This agreement becomes effective from the moment it is signed by both parties. By signing their names below, the Investor and Developer certify that the information in this agreement is correct and complete.

[DEVELOPERR SIGNATURE]
[DATE]

[INVESTOR SIGNATURE]
[DATE]

Exhibit II-7

TIPS FOR SUCCESS IN HOME PURCHASE

1. Know what you want—think about convenient shopping, transportation, distance to work and schools, safe play areas for children, good unit layout, design, and amenities, such as built-in furniture, balconies, parquet flooring.

2. Determine what you can afford—is the funding from the bank your only resource or do you have additional funds to add?

3. Know the pricing in this housing market. Get advice and information from people who know the city. Search as widely as possible in order to have a basis for comparison.

4. Visit the housing department regularly for information about available units.

5. Avoid selecting a unit that is planned, but not yet under construction—the possibility it will be ready to occupy before your certificate expires is small.

6. Remember that the longer the time needed to complete a housing unit, the more it is possible that the seller might be unable to finish it on time or for the contracted time. The safest approach is to buy a home which is complete or nearly complete.

7. Use the program resources which are available to help you:

   — Lists of available units and sellers from the housing department.
   — Inspection and evaluation of your proposed purchased by the bank.

8. Check newspapers. Do not overlook smaller or less publicized sellers which may have units to sell.

9. Check the quality of the construction. If possible, ask people who already live in the building whether they are satisfied.

10. Buy the most desirable unit you can afford—there is always a demand for the better units should you decide to sell in the future.

11. Consider using a broker. You may discover that you do not have to pay any more than if you try to negotiate your own price. If you do use a broker, make sure that you understand whether the broker represents you (the broker tries to find the best price for you) or the seller (the broker tries to get the best price for the seller). Make sure you understand exactly what fee the broker will charge you.

Exhibit II-8

PARTICIPANTS GUIDE TO PROGRAM PROCEDURES

This guide is designed as quick reference for program procedures, which were described during the briefing session. Keep this information to refer to as you progress through the steps to purchase your new home.

1. *Registration of Your Certificate.* Your first stop with your new certificate and funding form is the bank. You must present your certificate and your bank funding information form to the bank and give the bank one copy of each. The bank will give you a receipt for these documents. The bank will ask you to show your passport or military identification and will also verify your certificate against the master certificate log.

2. *Conditional Commitment Letter.* The bank will also give you a letter stating:

   — The monthly value of your certificate for 3 months (new construction) and 2 months (existing housing);
   — The certificate issue date; and
   — The certificate expiration date.

3. *Terms and Conditions.* The Bank will give you a copy of the program terms and conditions which must be met before the bank will release funding for your purchase.

4. *Return a Copy of the Conditional Commitment Letter.* The bank will ask you to return a form stating that you understand the terms and conditions which must be met to obtain funding.

5. *The Search for Housing.* You will have 90 days to sign a presales agreement for purchase of a home. Until you sign an agreement, plan to return to the bank every thirty days to update the value of your bank funding commitment. In that way, you will always know the value of that funding three months into the future.

6. *Once You Have Found Housing You Would Like to Purchase.* You and the seller should prepare a presales agreement for submission to the bank. Upon receipt of this proposed agreement, the bank will schedule a joint inspection by the bank's engineer, the municipal/oblast construction inspect, the seller and you. The bank's engineer will determine what needs to be done for the house to be completed and receive a certificate of occupancy.

7. *Following the Inspection.* The bank's engineer will prepare an agreement for you, the seller, the construction inspector, and the bank's engineer to sign showing all have agreed on what must be done before the unit will be completed. This document will be attached to the presales agreement. The bank will advise you in writing if the engineer determines the house cannot be completed within three months. An opinion by the bank that the unit cannot be completed on time does not prevent you from signing a presales contract to purchase that unit, it merely would advise against that course of action.

8. *During the Construction Period*, you should contact the bank every 30 days to keep the bank informed as to the likely date when the unit will be completed and closing of the sale can occur.

9. *Certificate of Occupancy*. When the house qualifies for a Certificate of Occupancy, the purchase can proceed.

10. *If You Do Not Sign a Presales Agreement* within 90 days, the bank will notify the municipality and your certificate will expire unless the bank is still reviewing your presales agreement, but has not yet issued an opinion. In that case you will have an additional ten days following receipt of the bank's opinion to sign a presales agreement.

11. *If You Find Already Completed Housing* which has never been occupied, you may agree to purchase such housing and the process will proceed much more quickly.

12. *Completing the Purchase*. In order to complete purchase, the bank will collect all substantiating program documents and submit them to the program reviewer. These include: the papers you submitted to the municipality to prove your eligibility, family size, intent to vacate your Baltic residence, if applicable, the records of the bank's actions, the Certificate of Occupancy, proof that the seller has the legal right to sell the property to your, and information of the funding needed to purchase the unit.

13. *Preparation for Closing*. You will be responsible for paying all taxes, notary fees, and fees associated with the registration of the deed to the property. The applicable fees and the amount of such fees vary from jurisdiction to jurisdiction, but generally are based upon a percentage of the sales contract. Once the bank has been notified that the reviewer has approved the release of funding, the bank will assist you in providing the necessary documents and undertaking the necessary activities associated with paying these taxes and fees. In addition, the bank will advance you the funds you require to pay the fees and taxes and subtract this amount from the amount that you would otherwise receive at closing. Please note that, the bank will only be able to do this if the sales price is *less* than the certificate value.

14. *Closing the Purchase*. When the bank receives approval from the reviewer, it will disburse funds. The bank will pay the seller the contracted cost of the unit or the value of the certificate, whichever is less. If the cost of the housing is greater than the value of the bank's funding, you must pay the difference to the seller at closing. if the cost of the unit is less than the value of the bank's funding for your certificate, the bank will pay the seller and then pay the remainder to you. The seller must sign a document stating he has been paid all the funds he is entitled to and you must sign a paper attesting that you have received all the funds you were entitled to under the program.

Exhibit II-9

BANK FACT SHEET

Bank Contact Information

[BANK NAME]

[BANK ADDRESS]

[BANK CONTACT PERSON NAME]

[BANK CONTACT PERSON TELEPHONE NUMBER]

Exhibit II-10

SAMPLE CERTIFICATE OF PARTICIPATION IN
THE RETRIED OFFICER HOUSING CERTIFICATE PROGRAM

Certificate Number: [NUMBER]

[MUNICIPAL HOUSING REGISTRATION DEPARTMENT]
[ADDRESS]

The Housing Registration Department of the city of [CITY] in the oblast of [OBLAST] verifies that [NAME] with [PASSPORT NUMBER] (passport number) is a full beneficiary of the Russian Military Housing Certificate Program, administered by the oblast and municipality of [CITY].

Based on this document, the entitled officer can apply to the program administrator, [BANK NAME] at [BANK ADDRESS], for the funds the officer is entitled to under the program's terms and conditions.

Signed: _____
[TITLE OF AUTHORIZED OFFICIAL]
[CITY]

Exhibit II-11

RETIRED OFFICER HOUSING CERTIFICATE PROGRAM
CERTIFICATE LOG

Certificate Number	Officer's Name	Officer's Passport Number	Number of Family Members	Date Certificate Issued	Dwelling Unit Size (Rooms)	Initial Certificate Value From: To:	Certificate Value From: To:	Certificate Value From: To:	Certificate Value From: To:	Certificate Value From: To:	Certificate Value From: To:	Purchase Agreement Signed	Scheduled Date of Sale	Actual Date of Sale

Exhibit II-12

BANK FUNDING INFORMATION FORM
RETIRED OFFICER HOUSING CERTIFICATE PROGRAM

Officer Name: _____
Certificate Number: _____

If [NAME] is an eligible participant in the Russian Military Housing Program with a valid housing certificate, [BANK] will disburse funds as specified below when the Officer executes a notarized sales agreement for a qualifying unit provided that all program terms and conditions are satisfied. The exact funds disbursed will be determined based on the date on which the notarized sales agreement is signed.

The notarized sales agreement is signed at closing. It is not the same as the presales agreement signed when a unit is commissioned.

DATE OFFICER EXECUTES NOTARIZED SALES AGREEMENT	FUNDS TO BE DISBURSED (in Dollars)
[MONTH]	[NEW/EXISTING]
[MONTH]	[NEW/EXISTING]
[MONTH]	[NEW/EXISTING]
[MONTH]	[NEW/EXISTING]
[MONTH]	[NEW/EXISTING]
[MONTH]	[NEW/EXISTING]
[MONTH]	[NEW/EXISTING]

PART III

G. Bank Responsibilities and Coordination with the Housing Department

1. The bank which will participate in the Retired Officer Housing Certificate Program for this City has been selected by USAID based on qualifications and proposed price to complete program services.

2. Bank responsibilities include the following:

   (a) Issuance to each officer of a letter of conditional commitment to honor the officer's certificate. This will occur immediately after the bank has received a copy of the certificate log from the Municipality and has received the original certificate from the officer. The letter of commitment will include a form stating values for the first three months of the life of the certificate.

   (b) Updating of the schedule of values by entering and stamping certificate values *monthly*.

   (c) Issuance of an opinion on an officer's proposed presales agreement with a seller. This opinion will include the following components:

   — Whether the dwelling unit now meets, or is likely to meet, upon completion of construction, the housing quality standards of the Municipality and Oblast, necessary to obtain a Certificate of Occupancy; or in the case of existing housing is safe, decent, and sanitary.

   — If new, whether the dwelling unit is likely to be completed for the price specified in the presales agreement.

   — If new, whether the dwelling unit is likely to be completed by the date of sale set forth in the presales agreement.

   This opinion is the bank's opinion on the reasonableness of the proposed purchase agreement. It is not binding on the officer. The officer may decide to execute or not execute the proposed presales agreement or may use the bank's opinion to request changes in the presales agreement.

   (d) Receive the original copy of a presales agreement fully executed by the seller and the officer. Notify the Housing Department that a presales agreement has been executed, the date of execution and the proposed date of sale.

   (e) If the officer does not submit a signed presales agreement to the bank within three months of the date of certificate issuance, the bank shall notify the Housing Department and the Housing Department shall terminate the Certificate. The bank may not accept a presales agreement from the officer after the three month termination date, with one exception. If the officer submits a proposed presales agreement to the bank before the

three month termination date, the officer is allowed ten days from receipt of an opinion from the bank in order to submit a fully executed presales agreement to the bank.

(f) Prior to the date of sale set forth in the presales agreement, the bank will prepare a complete file of documents required for sale of the dwelling unit and disbursal of funds to the seller (and buyer, if appropriate). These documents will include the following:

Documents Provided by the Bank:

— Original Housing Certificate issued to the officer

— Statement of Funds Requirements and Sources

Documents Provided by the Housing Department:

— Officer's application to the program

— Officer's application to the municipal waiting list (only for those officers from the municipal waiting list)

— Officer's Discharge Extract

— Officer's Verification of Current Place of Residence (at time of certificate issuance)

— Officer's Verification of Family Composition (at time of certificate issuance)

— Officer's Certificate of the Right to Enjoy the Benefits of Housing

— Interviewer's Determination of Eligibility, Family Size and Certificate Values and Supervisor's Approval

(Note that most or all of the above documents will have been supplied by the officer to the municipality.)

— Certificate of Occupancy for new constructed housing (provided to the seller)

— Proof of ownership (seller's right to sell the specific housing unit being purchased)

Documents Provided by the Officer:

— Letter of Intent to Vacate any Baltic Residence

— Signed presales agreement

Documents Provided by the Seller:

— Certificate of Occupancy (for new construction units)

— For previously occupied units, a statement that the current/most recent occupant has vacated willingly, not under duress and address where that person has moved/is moving

— Proof of ownership and right to sell unit (for both new and existing housing)

(g) All documents in the file will be copied and sent to the program reviewer selected by USAID prior to the scheduled date of sale. The reviewer will either approve or disapprove the disbursal of funds for the sale. If there are problems which prevent disbursal of funds, but can be corrected, the bank will make every effort to do so. Otherwise, a disapproved disbursal of funds will result in termination of the presales agreement between buyer and seller. The bank will notify the Housing Department that the officer's presales agreement has been terminated.

(h) Upon receipt of approval for disbursement of funds from the reviewer and authorization from the Urban Institute, conduct the sale, and register the final presales agreement as specified the bank manual.

(I) The bank will maintain each officer's file until a final program audit is completed. All program files should be retained for a period of three years following the conclusion of the program.

3. Required coordination between the Bank and the Housing Department is as follows:

(a) Required Housing Department Transmittals to the Bank

— A copy of master certificate registration log

— Monthly updates of certificate values

— Officer file documents required for sale transaction:

— Officer's application to the program and, if applicable, their application to the municipal waiting list for housing
— Officer's Discharge Extract
— Officer's Verification of Current Place of Residence (at time of certificate issuance)
— Officer's Verification of Family Composition (at time of Certificate issuance)
— Interviewer's Determination of Eligibility, Family Size and Certificate Values and Supervisor's Approval
— Letter Signed by Officer Indicating Intention to Vacate Baltic Residence if He Receives a Unit

(b) Required Bank Transmittals to the Housing Department:

— Notice of registration of certificate and listing of required documents for the officer.

— Notice of Expiration of Certificate for officer failure to enter into a contract within three months of Certificate issuance or failure to take possession of a unit within six months if an officer does not qualify for an exception.

— Notice of execution of a presales agreement and contracted date of sale.

PART IV

H. Marketing the Retired Officer Housing Certificate Program to Builders and Contractors

1. The success of the Retired Officer Housing Certificate Program will depend largely on whether or not participating officers are able to find dwelling units of acceptable quality within the value of their Certificates, and within the time period available to them to redeem their certificates. Because of this, it is critical that the Housing Department, in cooperation with the Construction Department of the City, effectively market the program to the broadest range of sellers and do whatever else may be necessary to ensure builder, broker and contractor interest and participation.

2. The first task in any marketing program is to identify the potential "audience" you must reach with your marketing effort. How can builders, contractors and others who might have units for sale be found? The core list of potential sellers may be obtained by the Housing Office from oblast and municipal lists of all construction companies, developers, brokers and suppliers licensed by the locality including:

   — Companies with whom the City has previously contracted for dwelling unit constructions;

   — Companies who have sold dwelling units through local housing brokers or now have units listed for sale with these brokers;

   — Companies who have obtained construction permits within the past two years;

   — Companies who are buying building materials from local suppliers.

   This list should be supplemented with the enterprises or nonprofit organizations who may now have units for sale.

3. To maximize the number of sellers who might participate in this program, the Housing Department should place an advertisement in a local newspaper announcing the program to builders and contractors and inviting inquiries and participation.

4. Once compiled by the Housing Department, the list of potential sellers should be used to create a mailing list. Approximately three weeks prior to the seminar for officers, the Housing Department should telephone or send a letter to each potential seller requesting information about any units which the sellers expects to have available for sale in the near future. A sample cover letter for sellers is shown as Exhibit IV-I. A data collection form is shown as Exhibit IV-2.

   Once this information is received, a refined list of sellers, comprising all those which anticipate having one or more units available in the next six months, should be produced. Those sellers should be contacted, preferably in writing, and invited to attend a brief seminar on the military certificate program. Sellers should not attend the seminar for officers, but instead hear about the program in a separate meeting. Sellers may be invited to meet with

officers following the briefing seminar for officers. The group briefing for sellers should generally follow the agenda developed for the officers seminar, including the slide show, and follow up with technical explanations of areas of particular interest to sellers. A time for questions and answers should be provided.

5. The Housing Department should assemble an information packet for sellers and builders who are interested in the program. Extra copies of this packet should be available for officers to provide to sellers. The packet should contain:

   — The same brief program description given to officers.

   — A special fact sheet ("Attention Builders: Do You Have Housing Units Ready for Sale?") (Exhibit IV-3), which emphasizes the following:

      — Which units are eligible.

      — How certificate values are determined.

      — The steps involved to go from execution of a purchase agreement to sale and payment.

      — The role of the bank.

      — Benefits of participation.

      — The requirement for joint initial and final inspections by the bank and the municipal construction inspectors.

      — The role of the Certificate of Occupancy in triggering the release of payment by the bank to the seller on behalf of the officer.

6. Sellers should be urged to participate actively in the program by:

   — Completing a revised and updated seller data form each month to report the availability and price of units and submitting it promptly to the Housing Department for distribution to participating Certificate holders;

   — Assisting officers with transportation, maps or directions to help them to visit available units.

7. At the seminar for officers, each officer should be given detailed information regarding housing units currently available or nearly completed housing units. Following the seminar, during each month that the officer continues to search for housing, the officer should receive an updated list of seller information.

   — Dwelling units newly on the market should be added to the list and dwelling units sold or under presales agreement will be taken off the list.

— Keep a bulletin board at the Housing Department where the latest information about dwelling units for sale can be posted.

— Each month, provide officers with a list of the latest information on dwelling units for sale.

— Also, the Housing Department should be prepared to provide updated information about dwelling units for sale, particularly units recently added to the list, when officers call the Housing Department. It is advisable that information received by the Department be quickly posted on a bulletin board and written on a list of dwelling units for sale which is kept near the telephone.

8. This information should be designed to provide officers with a complete and comprehensive picture of the housing market. Officers are to be encouraged to conduct a thorough search, which will identify the full range of options available to them. Prior to purchase, officers should be encouraged to evaluate their needs and preferences in order to benefit from the opportunity to chose a unit rather than being assigned one as is customary.

Exhibit IV-1

SAMPLE LETTER TO SELLERS

Dear [NAME OF CONTRACTOR]:

The government of the United States of America is cooperating with the Interministerial Commission, the [OBLAST], and the Municipality of [CITY] to provide financial assistance to selected retiring military officers returning from the Baltic region to [CITY] for the purchase of housing.

It is our understanding that your company is engaged in the production of housing. In order to assist these officers in their search for housing, we are collecting information about moderately priced housing units which will be completed and available for purchase in coming months. If you currently have units available for sale which have not previously been occupied or are completing units, which could be purchased during the period [DATES], we would like to receive information from you.

Please complete the attached information form. Also, if possible please provide brochures, drawings, maps showing the location of your units, or other descriptive materials which would be of interest to prospective purchasers. Information regarding the available supply of housing will be provided to officers in [MONTH] of this year and will be updated monthly and distributed to those officers who are searching for units to purchase.

We will be inviting you to attend a seminar to learn more about this assistance program and how you might participate in it. The seminar is also expected to occur in mid-March (month). Your cooperation will be appreciated. If you have questions about this request for information, please contact me at [TELEPHONE NUMBER].

Sincerely,

[NAME]
[TITLE]

Exhibit IV-2

SELLER FACT SHEET

1. Name of Customer: _____
2. Name of Contractor: _____
3. Name of Seller: _____
4. Seller Telephone Number: _____

5. Location of Project: _____
   Describe neighborhood (availability of transportation, ecology, school/kindergarten/shops):
   _____
   _____

6. Number of Units:
   _____ 1-room
   _____ 2-room
   _____ 3-room
   _____ 4-room

7. Approximate price per square meter on [DATE]:
   _____ 1-room
   _____ 2-room
   _____ 3-room
   _____ 4-room

8. Number *and type* of units available for purchase on or about:
   [MONTH] _____
   [MONTH] _____
   [MONTH] _____
   [MONTH] _____
   [MONTH] _____
   [MONTH] _____

9. Dimensions of rooms, configuration (i.e., suite/isolated): _____
   _____

10. Kitchen size: _____ square meters

11. Customary amenities included in price (parquet/linoleum, balcony/lanai, telephone available or planned for, kinds of built-in furniture, walk-up or elevator, parking, tiles in kitchen/bathroom/balcony, place in bathroom available for washing machine, bathroom isolated from toilet or not, etc.): _____
    _____
    _____
    _____

12. Please attach brochures, maps, floor plan and any other information which will describe your housing units to prospective purchasers.

Exhibit IV-3

SAMPLE SELLER INFORMATION BROCHURE

ATTENTION BUILDERS! DO YOU HAVE HOUSING UNITS READY FOR SALE?

Do you have housing units for sale—either flats or cottages, which are just completed or will soon be completed?

If so, you may be an important part of the Retired Officers Housing Certificate Program. Over the next several months, a selected group of military officers, returning from the Baltic States, will receive certificates to use in purchasing newly constructed housing. The housing units purchased may be ready for sale right now or "nearly completed." "Nearly completed" housing units are those which can be ready for occupancy within three months after you and an officer sign a presales agreement.

How will officers locate a housing unit to purchase?

Units will not be assigned. Officers with certificates are allowed to shop throughout the community in order to locate the housing unit which best meets their needs. The officers and their families will be evaluating many factors such as cost, location, design and amenities. Officers will also want to be certain that the housing unit will be completed on time as scheduled and for the price agreed to in the presales agreement. Officers will look carefully for the best deal they can find since if the cost of the unit they purchase is less than the value of the certificate, they will be able to keep the difference. Officers can also purchase units with a value greater than the certificate value, in which case the officer must pay the difference.

How can you participate in the program to sell housing units?

You can alert officers about the housing units you have to offer in the following way. First, contact the Department of Housing Registration and Allocation, which is administering the program. Indicate your interest and request a data form to provide information about the units you are offering for sale. Once the data form is returned to the Department of Housing Registration and Allocation, which is administering most aspects of this program for the municipality, you will be placed on a list of sellers. That list, together with all the information provided about your housing units, will be given to all officers. Data on available units will be updated each month. Maps, photographs, brochures or other descriptive material you can provide will be very helpful in attracting potential buyers.

What is a Housing Certificate?

A certificate is a document which represents a commitment to contribute to the purchase of a housing unit. The value of a certificate will be equal to the cost of a moderately priced unit. Certificate values will vary depending upon the size of the officer's family. Certificate values will be adjusted to account for inflation which may occur between the time the presales contract is signed and the housing unit is delivered for occupancy. The value of a certificate is based on the date buyer and seller sign a notarized sales agreement. Each certificate is held for an officer, by a designated bank, until a contracted unit has been issued a Certificate of Occupancy. Once a

Certificate of Occupancy has been issued by the Department of Architecture and Construction Control, the certificate will be redeemed by the bank and the seller will be paid.

How is this program being financed and administered?

The government of the United States of America will provide funding for the certificates. Certificates will be issued to officers by the Department of Housing Registration and Allocation, which will administer most aspects of the program. Housing units will be inspected by the bank and inspected and certified, as is customary, by the Department of Architecture and Construction Control ("Gossarchstroynodzor"). Russian construction codes and standards will be used. Upon final inspection and approval of the unit, when Gossarchstroynodzor issues a Certificate of Occupancy for the unit, the bank will pay the seller of the unit on behalf of the officer, who then becomes the owner of the unit.

* * * *

For more information, to request to be placed on the list of sellers, or to make an appointment for a full briefing on the program, please telephone: [NAME], [TELEPHONE NUMBER]

PART V

I. Pricing of Certificates

1. Bank Funding Values will be stated in U.S. dollars and cannot exceed US$25,000. The Urban Institute will develop a methodology to be used for establishment of Bank Funding values for different unit sizes. The Oblast must gather required data for new housing, complete required calculations and then develop tables of funding values. The Oblast may perform these tasks or have them performed by another agency. The pricing organization must transmit the funding values to the municipal Housing Department and the bank. The Urban Institute will supply prices for existing housing.

2. Certificate pricing periods run from the first day of the month to the last day of the month. Unless the locality begins its program on the first day of the month, then the first pricing period will be a partial month.

3. When the officer receives his certificate, he will also receive a Bank Funding Information Form with values on it for the first month (or partial month) the officer is in the program, plus values for the second and third months. Each month's value represents the amount the bank will pay if a sales transaction takes place in that month.

   Example: The local program begins on March 16. Officer A receiving a Certificate on March 17 would have Bank Funding values shown for the periods March 1-31, April 1-30 and May 1-31. In that same program, Officer B who receives a Certificate on April 3 would have Bank Funding values shown for the periods April 1-30, May 1-31, and June 1-30.

4. It is absolutely critical that the City informs the officer of the US$25,000 funding value limit and how the limit affects him. If US$25,000 will not be enough to pay the price he agreed to in his presales agreement, he must be prepared to pay the difference . Unfavorable movements in the exchange rate can adversely affect an negotiated agreement.

5. At the end of each month after the first whole or partial month, the Pricing Department or Center will complete pricing calculations for the month to begin on the following 60 days. These must be completed no later than the last working day of each month and no sooner than the 25th calendar day. The prices are then applied by the bank to the Bank Funding Information Form beginning the first week of the following month.

   Example: The local program begins on March 16. The first officers who were issued Certificates received them in March and had March, April, and May prices shown on their Bank Funding Form. Between March 25 and the last working day of the month the Housing Department will obtain updated pricing information and will calculate Bank Funding values for the month of June. Officer A, who was issued a Certificate in March, must return to the bank in April to have his Bank Funding values updated for June. Since officer B was issued a Bank Funding Form in April, his Bank Funding Form has April, May and June values when issued. At the end of April, the Housing Department

gathers data and completes pricing for the month of July. Officers A and B both must return to the bank to have their Bank Funding Form updated to show July values.

6. It is not necessary for officers to return to the bank at any particular time for certificate updating. Officers may even skip a month and have two monthly updates entered at one time. However, because of the likelihood that many presales agreements will be executed between 60 and 90 days in advance of the date of sale, regular updating by officers will probably be necessary.

7. After the officer has signed a presales agreement, he will no longer update the Bank Funding values.

8. When the officer returns to the bank for certificate price updating, one of the staff persons assigned to this task should enter the new value, plus write in the monthly period covered to the bank funding form, and apply a bank stamp and his/her initials.

9. The amount of funding the bank will provide is based on the date of sale and the Bank Funding document will show values for only three months for new construction and two months for existing housing. Therefore, if the officer and the seller wish to execute a presales agreement more than 90 days in advance of the propose date of sale, the funds the bank will provide at that time will be unknown. By executing an agreement in advance of knowing the bank funding on the proposed date of sale, both the officer and the seller agree to accept and honor that unknown value once the bank announces it. Also they both agree to honor the sale price established in the presales agreement. Officers should be advised that agreements to purchase more than 90 days in advance are risky.

J. Other Responsibilities of the Housing Department after Certificate Issuance

The Municipal housing office serves as the primary point of contact and information for all officers selected to participate in the program. During the briefing seminar, officers learn the program rules and their rights and responsibilities as certificate holders. Many of their questions should be answered in the seminar. However, additional questions may arise as officers actually begin to search for units, compare their available choices of units and locations, and as they negotiate to purchase housing. During this period the role of the municipal housing office will be very important. The housing office should be prepared to assist the officer in the following areas and others which may arise during the administration of the program.

1. *Explanation and Interpretation of the Rules of the Program.* The municipality is provided with program regulations and administrative guidelines as a way of assuring municipal program administrators clear and comprehensive information regarding the program. This information should assist municipal administrators in interpreting the program requirements for officers once officers begin to use their certificates to purchase housing. These materials should be sufficient to answer most questions. If an officer raises a question or an issue which is not covered in this material, or if the answer to the question is not clear, the Municipality will determine the answer or action which is most appropriate and consistent with the purpose and intent of the program. If, however, the question is one which directly affects the costs

of the program, is a question of officer eligibility, or raises policy issues of concern to USAID, those questions can and should be presented to the program reviewer.

2. *Orientation to the City and Environs.* Many of the officers selected for participation in the program in a given city will not be previous residents of the locality nor will they have friends or family residing in the community. Therefore it would be helpful if the municipality were to provide assistance to the officers in the form of information about the city. This may include, but not be limited to: directories Of municipal and oblast offices, particularly those the officers will have contact with in this program, lists of sellers of housing including names, addresses and telephone numbers of sellers and locations of available units, information on the history of the region, and cultural and other attractions of the community. Information about potential places of employment may be useful in helping officers determine the most desirable locations in which to live. Officers may also need maps and guides to the bus routes in order to assist them in traveling to see available units for sale.

3. *Current Information and Regular Communication.* One of the determinants of success in the certificate program will be the quality and frequency of communication between the municipal housing office and the officer. It is important, when an officer is admitted into the program and when certificates are issued, that the municipality obtain a current and reliable address and telephone number for use in contacting the officer promptly. Officers must be urged to inform the municipality of any change in this current address and telephone number in order to assure continuous, uninterrupted communication.

4. *Master Certificate Log.* The municipality will be responsible for establishing, maintaining, and updating the master register of certificates throughout the life of the certificate program. In carrying out this responsibility, it is important that the municipality promptly record any changes in the information in the register. Additional or amended information must be conveyed simultaneously to the bank, which will also hold a copy of the master certificate log. The master certificate log will provide the most current information on the status of each certificate and certificate holder in addition to providing an historical record of each certificate issued during the term of the pilot program. Accurate maintenance of the master certificate log will avoid communication delays. Discrepancies between the bank's register and that of the municipality will make it difficult for the officer to use his certificate successfully. It is necessary that the bank have the most current information in order to contact the officer efficiently and advise him appropriately.

5. *Counseling Certificate Holders.* The Retired Officer Housing Certificate Program will be a new and different experience for the participating officers. Many have not had the experience of searching for housing, negotiating the purchase price, using the services of a bank, or monitoring the work of contractors to assure timely completion of their housing unit. They will need to analyze information and carefully consider their options and opportunities under the program. They may have to be reminded of potential problems and risks inherent in the purchase of housing. The municipal housing office can expect that officers will seek their assistance and advice from time to time during the period of their participation in the certificate program.

6. *Communication with the Bank.* The two primary organizations which are responsible for administering nearly all aspects of the certificate program are the municipality and the bank.

It is important that the communication between the various offices of the municipal administration (the Housing Registration and Allocation Department, the municipal Architecture and Construction Control Department, and others) and the bank be frequent and effective in assuring timely responses to officers in using their certificates.

7. *Resolution of Disagreements Between the Municipality and the Bank.* From time to time the municipality and the bank may disagree on the appropriate interpretation of program rules or requirements. If such questions cannot be resolved between the two parties, these interpretive decisions may be directed to the program reviewer for guidance. The very short period of time which is permitted for officers to use their certificates makes it imperative that their questions be answered as quickly as possible and that disputes affecting the officer's use of his certificate be resolved promptly.

In summary, the most important service that the municipality can offer to the officers participating in the program is accurate and timely information, effective communication, and efficient problem resolution. It is likely that regular communication among all parties involved in the program will keep problems to a minimum.

K. Termination of Certificates

1. If an Officer has not returned a signed presales agreement to the bank within three months of certificate issuance, the certificate will expire. The expiration date is the same day of the month on which the certificate was issued, three months later. (Example, if a certificate was issued on March 16, the certificate will expire on June 16 unless a signed presales agreement is delivered to the bank by that date.) The only exception to this rule is that if an officer returns a proposed presales agreement to the bank, the officer is allowed 10 days after receiving the bank's review to return that presales agreement fully executed. The bank's review and the 10 day execution period may extend beyond the expiration date. The bank will notify the Housing Department if it has not received a presales agreement and the certificate has expired.

   In this case the Municipality will write a letter to the officer notifying him that he has been terminated from the program, but that he retains his place on the Housing Department waiting list. (Exhibit V-1)

Six Month Termination

2. If an officer is able to execute a presales agreement within the initial three months, he must actually complete the sale within a six month period. The six month date of certificate expiration shall be the same day of the month in which the certificate was issued, six months later.

3. If a failure to purchase the dwelling unit which was under presales agreement is due to the officer's failure to adhere to the agreement, then the officer shall be terminated from the program with notification by letter, which will also indicate that he retains his place on the Housing Department waiting list (Exhibit V-2). If failure to complete sale is due to seller failure to adhere to the purchase agreement (Examples: construction delays or seller

unwillingness to adhere to the purchase price established in the agreement), then the officer shall be issued a new certificate with new three and six month expiration dates, from the date of sale contracted for in the original sales agreement.

Documentation and Appeal of Termination

4. The bank shall prepare a written report on each case of termination because of failure to meet either the three or the six month deadline. The Housing Department shall establish an appeals procedure allowing a terminated officer to request review of the decision by a supervisory staff person not involved in the original decision.

Issuance of New Certificates

5. When Certificates are terminated, new officers shall be called in order from the program waiting list, with briefing, interview and certificate issuance to occur as described in Sections C, D, E and F above.

L. Responsibilities in Connection with Purchase of the Unit

1. When the officer registers at the bank, the bank will send a letter to the Housing Department requesting that the department send to the bank the original documents, or copies of these documents, listed in Section G of these procedures and needed to complete the bank's file.

2. It is the seller's responsibility to obtain the Certificate of Occupancy required to complete the sale. In the event the seller has difficulty in obtaining the inspection and the document, the Housing Department may need to assist in expediting the process.

M. Record Keeping and Program Review

1. USAID will contract with a program reviewer to:

   — Evaluate each officer/seller sales transaction for conformance to program requirements; and

   — Conduct an overall review of the results of the Retired Offier Housing Certificate Program.

2. Because of the involvement of this outside reviewer, it is even more important than normal that program files and records be organized in a way that documents all program activities.

3. The bank will be responsible for maintaining records of each officer/seller sales transaction, including use of all funds received from USAID to redeem officer certificates, and pay bank servicing fees and other costs.

4. The Housing Department and Construction Department must keep well organized records in the following areas:

— The creation of the prioritized list of officers eligible for the program, including information on how preliminary eligibility and priority were determined for each officer.

— Documentation of how officers were notified of selection to participate and how they responded.

— Copies of all materials mailed to officers when selected, or given to them at the briefing sessions.

— Records of market surveys completed for the purpose of setting initial program Certificate values and for updating these values. Create a separate file for each month, including data collected and pricing worksheets in each month's file.

— Records of efforts to interest sellers in the program and gather information about dwelling units for sale.

— Individual officer files which document all program activities from placement of the officer's name on the program waiting list through sale or termination.

Exhibit V-1

NOTIFICATION OF CERTIFICATE THREE-MONTH EXPIRATION

Dear [OFFICER NAME]:

We regret to inform you that your failure to sign a presales agreement by [DATE] (three months from the date the certificate was issued) means that according to the terms and conditions of the Retired Officer Housing Certificate Program, your certificate has expired, and you are no longer eligible to participate in the program. You will, however, retain your place on the municipal waiting list for housing. Should you have any questions about this, please contact [NAME] at [ADDRESS] or [TELEPHONE NUMBER].

Sincerely,

[NAME]
[TITLE]
Municipal Housing Registration Department

Exhibit V-2

NOTIFICATION OF CERTIFICATE SIX-MONTH EXPIRATION

Dear [OFFICER NAME]:

We regret to inform you that your failure to purchase a dwelling unit by [DATE] (six months from the date the certificate was issued) means that according to the terms and conditions of the Military Housing Certificate Program, your certificate has expired, and you are no longer eligible to participate in the program. You will, however, retain your place on the municipal waiting list for housing. Should you have any questions about this, please contact [NAME] at [ADDRESS] and [TELEPHONE NUMBER].

Sincerely,

[NAME]
[TITLE]
Municipal Housing Registration Department