

**Lender's Certificate**

U.S. Department of Housing  
and Urban Development  
Office of Housing

OMB Approval No. 0000-0000  
(Exp. 00/00/00)

Public Reporting Burden for this collection of information is estimated to average 0.75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, DC 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (OMB Approval No.), Washington, DC 20503. Do not send this completed form to either of the above addresses.

<b>Project Name:</b>	<b>HUD Project No.:</b>
<b>Lender:</b>	<b>Borrower:</b>
<b>Processed Under:</b> <input type="checkbox"/> Multifamily Accelerated Processing (MAP)	<input type="checkbox"/> Traditional Application Processing (TAP)
<input type="checkbox"/> Other	

**To the U.S. Department of Housing and Urban Development (HUD):**

**GENERAL**

1. The entity executing this **Lender's Certificate ("Certificate")** is \_\_\_\_\_, Lender (also referred to as Mortgagee in Program Obligations) under that certain Security Instrument, \_\_\_\_\_ (also referred to as a Mortgage in Program Obligations) dated \_\_\_\_\_, 20\_\_\_\_, executed by \_\_\_\_\_, Borrower (also referred to as Mortgagor in Program Obligations), securing a Note evidencing a Loan by Lender to Borrower in the principal sum of \$\_\_\_\_\_ that Lender has agreed to make on condition that it be insured by HUD pursuant to the Contract of Insurance comprised of Section \_\_\_\_\_ of the National Housing Act, as amended, and its implementing regulations. Lender understands that the Security Instrument, the Note, this Certificate, and any documents submitted with this Certificate are considered to be consistent with and shall be interpreted consistently with HUD's regulations as they pertain to the Contract of Insurance. Lender agrees to be bound by ~~such~~ Program Obligations. (The definition of any capitalized term or word used herein can be found in this Certificate, **and if not found in this Certificate, then found in the Note**, the Regulatory Agreement between Borrower and HUD, and/or the Security Instrument.) ~~Lender agrees to furnish a copy of this Certificate to any successors and assigns of Lender and agrees that, in any contract for sale or assignment of the Security Instrument to a successor Lender, the successor Lender shall agree to be bound by the contents of this Certificate.~~

2. Lender submits separately a check **to HUD** for \$\_\_\_\_\_ covering the first mortgage insurance premium, together with the other items called for in the HUD firm commitment dated \_\_\_\_\_, 20\_\_\_\_, and in any extensions or amendments thereof. Lender certifies that all conditions of the HUD firm commitment have been fulfilled to date, including any work done prior to endorsement of the Note that has been approved by HUD in writing, and all HUD imposed conditions have been met with respect to such work.

3. Lender agrees to furnish a copy of this Certificate to any successors and assigns of Lender and agrees that, in any contract for sale or assignment of the Security Instrument to a successor Lender,

the successor Lender shall agree to be bound by the ~~contents of this Certificate.~~provisions of this Certificate that relate to the servicing of the Loan.

**CONSTRUCTION LOANS**

4. For all cases involving construction advances, the agreement providing for the advancement of the Loan is set forth in a Building Loan Agreement dated \_\_\_\_\_, 20\_\_\_\_, of which a duplicate original and two copies are submitted separately.

5. Lender submits separately a certified survey of the Mortgaged Property and a title evidence policy for the Project as specified in ~~the~~ Program Obligations together with evidence that the Mortgaged Property is properly zoned.

6. Applications for insurance of advances of Loan proceeds shall be submitted to HUD, if and as required, under ~~the~~ Program Obligations at least five days prior to the date Lender desires to disburse such advance. Applications for advances shall be accompanied by all documentation required by HUD. Lender agrees that the amount approved for disbursement by HUD shall not be released unless the current extension of the title policy, insuring Lender and HUD, evidences that (a) the Security Instrument is prior to all liens and encumbrances that may have attached or defects that may have arisen subsequent to the recording of the Security Instrument, except such liens or other matters ~~as have been~~ approved in writing by HUD, including tax liens not delinquent and (b) the Security Instrument is prior to all mechanics' and materialmen's liens filed of record subsequent to the recording of the Security Instrument, regardless of whether such liens attached prior to the recording date.

**FEES AND CHARGES**

7. The charges enumerated below on a separate schedule prepared by Lender are attached hereto as Exhibit \_\_\_\_\_. ~~The charges~~ have been (i) collected in cash or will be so collected not later than the date of initial endorsement; (ii) will be disbursed from Loan proceeds; or (iii) will be collected or disbursed as otherwise set forth in Program Obligations.

~~(a) HUD application and commitment fee \_\_\_\_\_ \$ \_\_\_\_\_~~

~~(b) Initial service charge, if any \_\_\_\_\_ \$ \_\_\_\_\_ (not exceeding 2%)~~

~~(c) Title and recording expense \_\_\_\_\_ \$ \_\_\_\_\_  
(including cost of surveys, recording fees, mortgage and stamp taxes, etc. associated with initial endorsement)~~

~~(d) HUD inspection fee \_\_\_\_\_ \$ \_\_\_\_\_~~

~~(e) Ground rent during construction \_\_\_\_\_ \$ \_\_\_\_\_  
(may collect only one year's rent at initial endorsement)~~

~~(f) Third party contractor fees \_\_\_\_\_ \$ \_\_\_\_\_~~

**ESCROWS, DEPOSITS, UCC AND DATA**

8. Lender has received from Borrower a working capital deposit in the form of (*cash or letter of credit*) \_\_\_\_\_ in the sum of \$ \_\_\_\_\_ that Lender agrees to maintain and control. Funds in this deposit may be released or allocated for the purposes indicated in the ~~attached~~ Escrow Agreement for Working Capital (dated \_\_\_\_\_, 20\_\_\_\_, and executed by \_\_\_\_\_) and for no other purpose unless Lender obtains the prior written approval of HUD.

9. (a) Borrower has deposited with Lender, subject to the control and order of Lender in a depository satisfactory to Lender, ~~or (e) as otherwise permitted by Program Obligations,~~ the following sums required by the HUD firm commitment: (*Check and complete applicable paragraphs.*)

(i) Cash required, if any, over the proceeds of the Loan, for costs to complete the project, in the amount of ~~-\$~~\_\_\_\_\_. Lender understands that these funds must be used before any Loan proceeds are advanced, except when, with the prior written approval of HUD or as otherwise permitted by Program Obligations, the funds shall be disbursed on the following ~~pro-rata~~ basis: \_\_\_\_\_.

(ii) Cash required, if any, over the proceeds of the Loan, for costs to complete the project, in the amount of \$\_\_\_\_\_ shall be represented by a grant/loan from \_\_\_\_\_, a nongovernmental source. Lender understands that these funds must be used before any proceeds from the Loan are advanced.

(iii) The amount required, if any, over the proceeds of the Loan, for costs to complete the project, is \$\_\_\_\_\_, and shall be represented by a grant/loan from \_\_\_\_\_, a governmental source.

~~(iv) List other escrows, e.g., demolition.~~

(b)(i) ~~This~~ The amount set forth in Section 9(a) is in the form of \_\_\_\_\_ (*cash or letter of credit*). Lender understands that these funds must be used before any proceeds from the Loan are advanced, except when, with the prior written approval of HUD, the funds shall be disbursed on the following ~~pro-rata~~ basis \_\_\_\_\_; or

(ii) In addition to the amount set forth in Section 9(a), Lender has collected an escrow from grant or loan proceeds provided by \_\_\_\_\_ in the amount of \$\_\_\_\_\_. This amount represents ten (10) percent of the grant/loan proceeds being provided from this source. This escrow is in the form of \_\_\_\_\_ (*cash or letter of credit*). The agreement providing for the advancement of grant/loan proceeds executed ~~to be executed~~ among Lender, HUD, and the Governmental Authority is ~~attached~~ dated \_\_\_\_\_, 20\_\_\_\_ and is executed by \_\_\_\_\_.

(c) Escrow deposit guaranteeing payment for off-site ~~utilities and streets~~ facilities in the amount of \$\_\_\_\_\_. This deposit is in the form of \_\_\_\_\_ (*cash or letter of*

*credit*). The Escrow Agreement for Off-Site Facilities is attached, dated \_\_\_\_\_, 20\_\_\_\_, and is executed by \_\_\_\_\_.

(d) Interest rate differential escrow in the amount of \$\_\_\_\_\_ that represents the dollar difference between the interest rate in effect after cut-off for cost certification and the permanent interest rate upon which the debt service on the Loan is calculated. The escrow is in the form of \_\_\_\_\_ (cash or letter of credit), dated \_\_\_\_\_, 20\_\_\_\_, and is executed by \_\_\_\_\_.

(e) List other escrows, e.g., demolition.

10. Lender submits separately: *(Check applicable paragraphs.)*

(a) Off-site bond in the amount of \$\_\_\_\_\_.

(b) Evidence to the effect that required off-site utilities and streets shall be provided by the public authorities having jurisdiction or by public utility companies serving the Project.

11. Lender submits separately a duplicate copy of the following assurance for the completion of the project: *(Check applicable paragraph.)*

(a) Performance bond and payment bond of a HUD-approved surety in the penal sum of \$\_\_\_\_\_ for each bond.

(b) Assurance of Completion Agreement reflecting the deposit with \_\_\_\_\_ of a fund in the amount of \$\_\_\_\_\_ in the form of \_\_\_\_\_ (cash or letter of credit) which fund has been deposited and is subject to Lender's order and shall be disbursed with the written approval of HUD in the manner and for the purposes provided for in said agreement.

(c) Personal undertaking in the amount of \$\_\_\_\_\_. It is understood that HUD reserves the right to decide the acceptability of the Principals in the personal undertaking.

12. Attached/Submitted separately is the sponsor's guarantee to meet an initial operating deficit (dated \_\_\_\_\_, 20\_\_\_\_, and executed by \_\_\_\_\_) as required by the HUD firm commitment: *(if required, check and complete the following paragraph.)*

Escrow Agreement for Operating Deficit evidencing a (cash, or letter of credit) \_\_\_\_\_ deposit in the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_, and executed by \_\_\_\_\_.

13. (a) Lender submits separately the appropriate security agreement(s) executed by Borrower covering all of the Mortgaged Property that, under applicable law, may be subject to a security interest under the Uniform Commercial Code ("**UCC**"), whether acquired now or in the future, and all products and cash proceeds and non-cash proceeds thereof ("**UCC Collateral**"). Lender agrees to timely file the appropriate Financing Statements and/or amendments under the UCC and timely enter

into, and cause Borrower to enter into, any agreements required under the UCC to perfect and maintain perfection of Lender's security interest. ~~in the portion of UCC Collateral requiring control for such perfection. Borrower has represented and warranted to Lender that no UCC filings have been made against Borrower, the Project or the Project Assets prior to the initial/final endorsement of the Note by HUD, and Borrower has taken and shall take no action that would give rise to such UCC filings, except for any UCC filings in connection with the acquisition of any Personalty that has been approved in writing by HUD. Borrower has also represented and warranted to Lender that it has not entered into, and will not enter into, any agreement with any party other than Lender in conjunction with the present Loan transaction described in Section 1 that allows for the perfection of any portion of the UCC Collateral through control under the UCC.~~

(b) Lender submits separately a UCC search conducted by \_\_\_\_\_ (must be the title insurance company, a reputable UCC search firm, counsel to Borrower or another licensed attorney) dated, \_\_\_\_\_ (no earlier than 30 days before this Certificate) of the appropriate UCC filing office(s) indicating that no UCC filings have been made against Borrower, the Project or the Project Assets in conjunction with any transaction other than the present Loan described in Section 1.

14. Beginning with the date on which the first payment toward amortization is required to be made by the terms of the insured Loan or at such later date as may be agreed to by HUD in writing, Lender shall require a monthly deposit with Lender or in a depository satisfactory to Lender of one-twelfth (1/12) of the sum set forth in the ~~HUD firm commitment~~ HUD HUD Regulatory Agreement constituting a Reserve for Replacement, which account shall be subject to Lender's order and from which account withdrawals may be made only upon the receipt of HUD's written permission. Lender acknowledges that ~~T~~the amount of the monthly deposit may be increased or decreased from time to time at the direction of HUD in accordance with Program Obligations. These funds shall be deposited with Lender by Borrower in cash or in the form of obligations of, or guaranteed as to principal by, the United States of America or other investments approved in writing by HUD or permitted by Program Obligations. Lender shall, upon appropriate request by Borrower, permit the conversion of the whole or a substantial part of such cash deposits into the form of obligations of, or fully guaranteed as to principal by, the United States of America. Notice of any failure to receive the required deposits shall be forwarded to HUD within 60 days of the date such deposits are due.

15. In cases where a Residual Receipts account is required with respect to the Loan under the Regulatory Agreement, Lender shall deposit or place in a depository satisfactory to Lender all funds received from Borrower for deposit therein. The Residual Receipts account shall be subject to the control of Lender, and withdrawals may be made only with the prior written approval of ~~HUD HUD and pursuant to the terms of the Regulatory Agreement~~. These funds shall be deposited with Lender by Borrower in cash or in the form of obligations of, or fully guaranteed as to principal by, the United States of America. Lender shall, upon appropriate request by Borrower, permit the conversion of the whole or a substantial part of such cash deposits into the form of obligations of, or fully guaranteed as to principal by, the United States of America or other investments approved in writing by HUD or permitted by Program Obligations. Lender agrees to notify HUD in writing of any non-compliance with Program Obligations with respect to such Residual Receipts account immediately when known to Lender.

16. Lender agrees to: (a) obtain the prior written approval and/or consent of HUD in those instances required in the Security Instrument; ~~and~~ (b) furnish HUD with all pleadings, reports and data in those instances required in the Security Instrument, including but not limited to the physical inspection report of the Mortgaged Property, except for physical inspections performed by HUD or on behalf of HUD, ~~and~~ financial reporting data; and (c) furnish HUD with a copy of any application by Lender for the appointment of a receiver pursuant to the Security Instrument and all related pleadings.

**CERTIFICATIONS, AGREEMENTS, AND ACKNOWLEDGEMENTS**

17. Lender certifies that if Borrower defaults in its obligations to (i) complete construction of the Improvements, or (ii) to complete repairs to the Improvements on the Mortgaged Property, Lender has the right, transferable to HUD, to (i) complete the Improvements as provided in the Building Loan Agreement, or (ii) to complete any repairs to the Improvements. In the event completion of the Improvements or completion of repairs to the Improvements is undertaken by either Lender or by HUD, the undisbursed balance of the Loan may be advanced for this purpose and to discharge any valid liens or claims against the Mortgaged Property. Such advances shall be considered as made for the account of Borrower and shall be covered by the terms of the Security Instrument and the Contract of Insurance.

18. So long as the Contractor or Borrower, or, upon default, the Contractor’s surety or any other person authorized to act on behalf of or in substitution for them shall be willing and able to complete construction or repairs of the Improvements, Lender, upon HUD’s request, shall advance up to the undisbursed balance of the Loan and shall authorize release of any grant or loan proceeds or other funds available under Section 8 above for that purpose. The term “**Contractor**” as used above, means any person, corporation or other entity contracting directly with Borrower for the construction of all or any portion of the Improvements.

19. ~~Lender certifies that all insurance policies on the Project shall comply with the terms of the Loan and, where applicable, that those insurance policies shall have attached thereto a standard mortgagee clause making the loss payable to Lender.~~ [INTENTIONALLY OMITTED]

20. Lender certifies and agrees that no financing charges other than charges disclosed herein have been or shall be made. Until final endorsement for insurance by HUD, all funds collected pursuant to items (c), (d), or (e) below and not paid over to the permanent lender, plus any funds returned by the permanent lender, shall be held for the account of Borrower and shall be subject to HUD’s control and direction in the event of a claim under the Contract of Insurance.

Lender further certifies and agrees that: *(Check and complete the following applicable subparagraphs)*

(a) Lender has not imposed and shall not impose a financing charge of any kind directly or indirectly, other than the initial service charge ~~as set forth above.~~

(b) In addition to the initial service charge, Lender has collected in the form of *(cash or letter of credit)* \_\_\_\_\_ ~~for~~ the amount of \$ \_\_\_\_\_ as a discount or financing charge for the construction loan. Also, an amount of \$ \_\_\_\_\_ has been collected in the form

of (cash or letter of credit) \_\_\_\_\_ to cover construction Loan extension fees. In an attached addendum, Lender has identified the time frames in which the extension fees must be paid.

(c) Lender intends to retain the permanent loan and has collected a permanent placement fee of \$\_\_\_\_\_. In addition to the initial service charge and permanent placement fee, Lender has collected in the form of (cash or letter of credit) \_\_\_\_\_ the amount of \$\_\_\_\_\_ as a discount or financing charge for the permanent loan.

(d) Lender has a firm commitment from \_\_\_\_\_ to purchase the Loan when fully disbursed and fully insured at a financing charge or discount of \_\_\_\_ percent, and Lender has collected in the form of (cash or letter of credit) \_\_\_\_\_ the amount of \$\_\_\_\_\_ to cover said charge or discount.

(e) This Project shall be financed with (tax-exempt or taxable) \_\_\_\_\_ bonds. Therefore, Lender has collected in the form of (cash or letter of credit) \_\_\_\_\_ the amount of \$\_\_\_\_\_ and has distributed or shall distribute from Loan proceeds the amount of \$\_\_\_\_\_ to cover the costs of issuance. A statement is attached as Exhibit itemizing these costs with an explanation of the necessity of each cost and the source of the funds.

(f) The Loan is a unitary loan under which the Lender intends to retain the Loan for both the construction and permanent loan terms. The Lender has collected a unitary loan placement fee of \$\_\_\_\_\_. In addition to the initial service charge and the unitary loan placement fee, the Lender has collected in the form of (cash or letter of credit) \_\_\_\_\_ the amount of \$\_\_\_\_\_ as a discount or financing charge for the unitary loan.

(fg) Additional financing charges or discount of \$\_\_\_\_\_ are to be collected under the Exhibit \_\_\_\_\_ attached attachment hereto for the purpose shown in (b), (c), (d), (e), or (f). (Strike inapplicable letters.) A trade profit of \$\_\_\_\_\_ will be collected upon delivery of the mortgage-backed security. The arrangement for the collection of additional financing charges or discount must follow Program Obligations and use forms and procedures prescribed by HUD.

(g) ~~Lender has collected an initial servicing charge of \$\_\_\_\_\_, if any (not exceeding 2%). The Note interest rate includes a servicing fee and an administrative fee for handling and investing the cash held in the Reserve for Replacement and any other interest-bearing escrows required by HUD. Borrower is entitled to earn interest on the Reserve for Replacement, and Lender is entitled to earn interest on all other required escrow funds held for and on behalf of Borrower.~~

(h) The Loan to be made to Borrower shall be financed through funds being provided by a third-party investor through the issuance to the investor of construction and permanent participation certificates pursuant to a participation agreement between Lender and the investor, with respect to which agreement Lender has agreed to repay the investor at a stated interest rate according to a fixed payment schedule.

□ (i) The Loan to be made to Borrower shall be financed through funds being provided by a third-party investor through the issuance to the investor of construction and permanent fully modified, pass-through, mortgage-backed securities, guaranteed as to principal and interest by Ginnie Mae.

□ (j) The Note rate includes a servicing fee payable to Lender monthly during the life of the Loan (“Servicing Fees”). In addition, the Lender may impose reasonable and customary administrative fees and charges (including but not limited to, reimbursements for out-of-pocket expenses) for handling and investing the cash held in the Reserve for Replacement, the Residual Receipts account, if applicable, and any other interest-bearing escrows related to the Project and for processing, reviewing and approving other matters - (“Administrative Fees”), as more fully set forth in Program Obligations. Borrower is entitled to earn interest on the Reserve for Replacement and Residual Receipts accounts, as more fully set forth in Program Obligations. ~~herein, and Lender is entitled to earn interest on all other required escrow funds held under the Loan Documents. Lender shall not invest escrow account monies in interest-bearing account unless interest earned is added to and included in the relevant escrow account, and unless the net income is paid or credited to the account of Borrower. Net income is defined as the earnings remaining after the following expenses are deducted: (i) any Servicing Fees, and (ii) any Administrative Fees. If the net income results in a net loss, such loss may not be passed on to the Borrower.~~

21. Lender certifies and agrees that, Eexcept for (a) Loan advances, if required and approved in accordance with Program Obligations, or (b) notes executed pursuant to Section (20)(~~fg~~) above, Lender does not have outstanding and shall not make loans or advances to Borrower, any of the sponsors, the general contractor, or the architect for any purpose connected directly or indirectly with this project without prior written approval of HUD. Lender has not made or offered, and shall not make or offer, any guarantees, pledges, reservations of sums to become due or other inducements to any entity or person to make loans or advances that Lender would be prohibited from making under the terms of this paragraph.

22. Lender certifies that Lender has not made and shall not make payment of any kickback or fee or other consideration, directly or indirectly, to any person who has received payment or other consideration from any other person in connection with this Loan transaction, including the purchase or sale of the Mortgaged Property, except for compensation paid or to be paid, if any, for the actual performance of services and approved by HUD.

23. Lender certifies that in any case where a letter of credit has been accepted instead of cash, (a) such unconditional and irrevocable letter of credit has been issued by (1) another banking institution; or (2) Lender, subject to receiving HUD’s written permission prior to initial endorsement; and (b) ~~if demand under the letter of credit is not immediately met, Lender shall forthwith provide cash equivalent to the undrawn balance thereunder without recourse to Borrower, any sponsor, the general contractor or the architect; and~~ (c) Lender has not made and shall not make any inducements as described in Section 21 above to procure issuance of letters of credit. Lender also agrees that if demand under the letter of credit is not immediately met, Lender shall forthwith provide cash equivalent to the undrawn balance thereunder without recourse to Borrower and without regard to Lender’s ability to recover such amount from any other entity or person who securitized the letter of credit.

24. (a) For Loans funded with the proceeds of state or local bonds, Ginnie Mae mortgage-backed securities, other bond obligations as defined by HUD, any of which contain a prepayment lock-out and/or prepayment premium~~penalty~~ provision, Lender agrees, in the event of a default during the term of the prepayment lock-out and/or penalty~~prepayment premium~~ (i.e., prior to the date on which prepayments may be made with a penalty~~prepayment premium~~ of one percent or less), to follow those procedures set forth in ~~the Contract of Insurance~~Program Obligations.

(b) After commencement of amortization, Lender agrees to notify HUD of the delinquency when a payment is not received by the ~~fifteenth~~tenth (150<sup>th</sup>) day of the month in which it is due.

25. Lender certifies to HUD that the following are the only identities of interest, as defined in Program Obligations, between Lender and Borrower, any Principal of Borrower, Contractor, any subcontractor, or the seller of the land:

Lender ~~certifies~~ agrees to HUD that it shall disclose to HUD any future identities of interest, as defined in Program Obligations, ~~between the parties indicated in this Section during the construction period or prior to final endorsement~~.

26. Lender certifies to HUD that no identity of interest, as defined in Program Obligations, exists between Lender and the counsel to Borrower and that no portion of the amounts included in the Loan for ~~legal and organizational fees~~Borrower's attorneys has been paid to Lender or its employees.

27. Lender certifies to HUD that all funds, escrows, and deposits specified in this Certificate and any and all other funds held by or at the order of Lender in connection with the Loan transaction covered by this Certificate shall be funds held ~~for or on behalf of Borrower~~ pursuant to ~~the Contract of Insurance~~Program Obligations and any applicable escrow agreements.

28. For any case involving materials ~~components~~ stored off-site, Lender agrees to:

(a) File Financing Statements (UCC-1), in the proper jurisdiction with the proper office;

(b) Make whatever additional filings are necessary to maintain a first lien on the ~~components~~materials until they are incorporated into the building(s);

(c) Release the Financing Statement filings as appropriate;

(d) Unconditionally certify by letter to HUD with each disbursement request that the Security Instrument(s) is (are) a "first lien" on the building ~~components~~materials covered by the Instrument(s). This certification shall be supported by an opinion from Lender's legal counsel;

(e) In the event of default under the Security Instrument, either assign Lender's security interest to HUD or acquire title through foreclosure to the ~~components~~materials intended for use or incorporation into the building(s) and convey title to HUD; and

(f) Require a performance bond and payment bond each in an amount equal to 100 percent of the construction contract be used to satisfy the assurance of completion requirements.

29. Lender certifies that all HUD form closing documents submitted to HUD in connection with this transaction (with the exception of the Opinion by Counsel to Borrower and the accompanying Certification by Borrower) conform to those documents Lender ~~obtained from HUD obtained from HUD on \_\_\_\_\_~~ and such documents have not been changed or modified in any manner except as suitably identified and ~~specifically~~ approved by HUD ~~field counsel~~ as evidenced by the attached memorandum. It is understood that changes and modifications do not include filling in blanks, attaching exhibits or riders, deleting inapplicable provisions or making changes authorized by Program Obligations. Lender further certifies that all closing documents submitted to and accepted by HUD in connection with this transaction are listed in the attached memorandum.

30. Lender certifies that Borrower possesses all necessary governmental certificates, permits, licenses, qualifications and approvals of Governmental Authorities to own and operate the Mortgaged Property and to carry out all of the transactions required by the Loan Documents and to comply with applicable federal statutes and regulations of HUD in effect on the date of the HUD firm commitment.

31. Lender ~~certifies~~acknowledges that (a) Borrower has obtained (or will obtain prior to final endorsement of the Note) and ~~\_will~~ furnished Lender with copies of all authorizations, consents, approvals, and permits from all necessary Governmental Authorities, and (b) appropriate actions have been taken by and necessary filings have been made with those Authorities all as disclosed by Borrower in Exhibit \_\_\_\_\_, attached hereto.

32. Lender certifies that it has made reasonable inquiry and has discovered no liens or encumbrances against the Mortgaged Property that are not reflected as exceptions to coverage in the title policy.

33. Lender agrees (a) to notify HUD in writing immediately upon learning of any Violation of the Regulatory Agreement by Borrower, (b) that Violations under the terms of the Regulatory Agreement may only be treated as a default under the Security Instrument where HUD ~~requires~~requests Lender to do so and (c) ~~that upon the direction of HUD,~~ following a Declaration of Default by HUD under the Regulatory Agreement and upon the request of HUD, Lender, at its option, shall~~may~~ declare the entire Indebtedness to be due and payable.

34. Lender agrees to promptly review any Borrower's request to transfer the Project and not unreasonably withhold Lender's approval of the transfer. If HUD approves the transfer, Lender agrees to execute a release and assumption agreement or a security instrument modification agreement incorporating any new Regulatory Agreement in the existing Security Instrument. It is understood that Lender's consent to the transfer shall in no way prejudice Lender's rights under the Contract of Insurance with HUD. ~~Lender shall not collect any fee in connection with reviewing the transfer except Lender may require Borrower to reimburse Lender for actual expenses incurred by Lender in connection with reviewing the transfer.~~

35. Lender agrees (a) to require Borrower to keep the Mortgaged Property insured at all times against such hazards as Lender and HUD may from time to time require and as set forth in the

Security Instrument, ~~and which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, builders all-risk and business income coverage, and~~ (b) to notify HUD of any known payments ~~received by Borrower made from~~ by an insurer. Lender certifies that all insurance policies on the Project comply with the terms of the Security Instrument, and where applicable, that those insurance policies have attached thereto a standard mortgagee clause making the loss payable to Lender, as its interest may appear, and where applicable, the Lender is shown as an additional insured. If Lender determined that any of the Mortgaged Property is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, Lender certifies that it has collected a receipt from the insurance company providing flood insurance evidencing payment for the premium, dated \_\_\_\_\_.

36. Lender certifies that the Loan does not violate the usury laws or laws regulating the use or forbearance of money of the Property Jurisdiction.

37. If the Security Instrument is assigned to HUD under the Contract of Insurance, HUD shall not be bound by the requirements of this Certificate.

38. The term “**Financing Charge(s)**,” as used herein shall mean any charge, direct or indirect, for supplying the Loan to Borrower or servicing the Loan for HUD, Ginnie Mae, a third party investor or Lender’s own account.

39. Lender ~~certifies~~agrees that, if there is a sale or transfer of all or a partial interest in the Note or a change of the ~~L~~Sservicer, Lender shall be responsible for ensuring that Borrower is given Notice of the sale, transfer and/or change.

40. Lender certifies that the Security Agreement ~~and the~~ Uniform Commercial Code Financing Statement filings, ~~along with any other documents required by State law, and deposit account control agreements~~ establish a perfected first lien security interest under the Uniform Commercial Code in the UCC Collateral in favor of Lender and HUD, as its interest appears. Lender acknowledges that it must maintain a perfected lien position in the UCC Collateral for the life of the Loan.

~~Each signatory below~~Lender hereby certifies that the statements and representations of fact contained in this instrument and all documents submitted and executed by Lender in connection with this transaction are, to the best of Lender’s knowledge, true, accurate, and complete. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Date	Lender
	By

---

---

---

**Warning**

**Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.**