

Sponsor:
Company Name:
Street Address:
City:

Date:
Feasibility Letter on:
Name of Project:
Location:
Section of Act:

Gentlemen:

We invite you to submit, through your mortgagee, an application for Conditional Commitment _____, Firm Commitment _____ for project mortgage insurance on the captioned project.

The project shall have the following characteristics:

* Total Units _____, Type Building _____, consisting of _____ total gross square feet and having a unit composition of:

Type of Unit	Sq. Ft.	Number	Monthly Rental
Efficiency 1 bath	_____	_____	\$ _____
One Bedroom __ bath(s)	_____	_____	\$ _____
Two Bedroom __ bath(s)	_____	_____	\$ _____
Three Bedroom __ bath(s)	_____	_____	\$ _____
Four Bedroom __ bath(s)	_____	_____	\$ _____
Total	_____	_____	\$ _____

* Land Use Intensity Rating _____

Equipment and Services included in rent are: _____

Commercial Area _____ Sq. Ft. Estimated Monthly Rental \$ _____

Number of Parking Spaces: Enclosed _____ Open _____

Estimated Monthly Parking Rental \$ _____

Estimated Monthly Income from Other Sources \$ _____

* Estimated Total Expense \$ _____ P.U.P.A.

Of This, Taxes Represent \$ _____ P.U.P.A.

The maximum project cost supportable by the economics of this proposal is indicated to be \$ _____ distributed as follows:

* Tentative FHA Land Value (with off-site improvements installed)	\$ _____
"As Is" Value or Existing Indebtedness (if rehabilitation)	\$ _____
Carrying Charges and Financing Charges	\$ _____
Legal and Organization Expense	\$ _____
Consultant Fee (if applicable)	\$ _____
Design Architect (prior to construction)	\$ _____
Supervisory Architect (in the construction period)	\$ _____
Bond Premium	\$ _____
Other Fees	\$ _____
Supplemental Management Fund	\$ _____
Contingency Reserve (if rehabilitation)	\$ _____
Construction Budget, or Project Rehabilitation Budget (if applicable) (including Builders General Overhead and Profit of Builders General Overhead and BSPRA of \$ _____.)	\$ _____

* Excess construction cost resulting from unusual on-site conditions provided for in the construction cost estimate will be deducted from FHA Land Value (with off-site improvements installed). Any reduction in improved value will also be reflected in "As Is" Value for cost certification purposes.

Your architect should be fully aware of the significance of the project construction budget (or project rehabilitation budget, if applicable), which is the upper limit available for construction (or rehabilitation) recognized by FHA. The insurable mortgage will not exceed \$ _____. The cash you will be expected to furnish at closing is estimated to be \$ _____, which includes equity investment, working capital, operating deficit, discount and off-site costs (if applicable).

* This letter is an initial evaluation of the project as proposed. HUD reserves the right to make any adjustments deemed necessary up to the time of issuance of conditional and/or firm commitment.

* (Section 236 Assistance Payment Funds in the amount of \$ _____), or (Rent Supplement Funds in the amount of \$ _____), have been allocated to this project and will be available for the life of this Feasibility Letter and any Conditional or Firm Commitment hereafter issued.

If you request a Conditional Commitment, your application must be accompanied by the application fee of \$1.50 per thousand dollars of

the amount of the loan for which you are applying. If you elect immediately to request a Firm Commitment, your application must be accompanied by the application-commitment fee of \$3.00 per thousand dollars of the loan amount for which you are applying. In addition, contract drawings and detailed specifications, together with the firm cost estimate shown on Form 2328, must be included as part of the case submission.

- * You must meet the target dates that are established for this proposal. If an allocation of interest subsidy funds is required, a request for an extension of target dates cannot be granted, unless it is demonstrated that further delay will not tie up subsidy funds that could be used more expeditiously by other sponsors.

This letter will expire if you fail to submit your application with the required fee within _____ days of the date hereon. Any subsequent resubmission will require our reexamination of your proposal and another Feasibility Conference.

The FHA Design Representative for this project will be Mr. _____. He will render any assistance you may require in the preparation of your plans. The architect is required to submit evidence with the Application for Firm Commitment and at initial closing that he carries professional liability insurance.

Sincerely yours,

Director
Area, Insuring, Office