

ATTACHMENT A

HOPE FOR HOMEOWNERSHIP OF SINGLE FAMILY HOMES PROGRAM
(HOPE 3)

IMPLEMENTATION GRANT
MODEL LETTER AGREEMENT FOR CLOSEOUT

[Date of Letter - date
signed by HUD]

[Authorized Official of Grantee
Name of Grantee
Address of Grantee]

RE: Letter Agreement for Closeout of HOPE 3
Implementation Grant No. _____.

Dear [Name of Authorized Official of Grantee]:

The purpose of this letter is to set forth the terms and conditions under which HUD will close out the above referenced grant. This letter is prepared pursuant to HUD Notice _____, HOPE 3 Program - Procedures for Closing Out HOPE 3 Program Implementation Grants, which is referred to in this letter as the "Closeout Notice."

A. The originally approved HOPE 3 grant amount for this grant was _____. Of that amount, HUD has determined pursuant to 24 CFR Part 572 and Paragraph II.A. of the Closeout Notice that the final allowable grant amount is _____. Therefore, grant funds in the amount of \$ _____ shall be canceled by HUD. The canceled amount represents unexpended grant funds in the amount of _____, and/or unallowable costs in the amount of _____, which have been returned or repaid to HUD in accordance with Paragraph V. of the Closeout Notice.

B. Only the following unexpended but allowable HOPE 3 grant funds may be drawn down from the Grantee's HOPE 3 Treasury Account and deposited in the Grantee's local account after the date of this letter: HOPE 3 grant funds drawn down for unpaid closeout costs and contingent liabilities shall be disbursed within 90 days of the date of the Grantee's execution of this letter. HOPE 3 grant funds drawn down to fund a replacement reserve account shall be administered consistent with the requirements of 24 CFR 572.125 (c).

	Amount
Unpaid Closeout Costs	\$
Contingent Liabilities	\$
Replacement Reserve Account	\$
Total	\$

C. HOPE 3 Program proceeds of initial sale in the amount of \$____, and program income in the amount of \$____, which were in the Grantee's possession on or before the date of this letter shall be used for eligible uses under 24 CFR 572.135(a) and (c) (proceeds of initial sale) and (d) (program income), respectively. These eligible uses include (to the extent provided for in the Grantee's HUD-approved HOPE 3 application, including any amendments thereto (the "Approved Application") additional homeownership opportunities eligible under the HOPE 3 Program, improvements to properties under the HOPE 3 Program, business opportunities for low-income families participating in the HOPE 3 Program, supportive services related to the HOPE 3 program, any other activity specifically provided for in the Approved Application, and the following additional activities eligible under the HOPE 3 Program and hereby approved, as follows:

D. HOPE 3 Program resale proceeds in the amount of \$____in the possession of the Grantee on or before the date of this letter and HOPE 3 Program sale and/or resale proceeds and program income received by the Grantee thereafter-may be used for any HOPE 3 eligible activity, any activity described in 24 CFR 572.135, may be contributed to the HOME Investment Partnerships Program (HOME) as a cash matching contribution in accordance with the applicable HOME program rules, or may be used for other affordable housing activities as determined by the grantee.

E. Fifty (50) percent of net resale proceeds received after the date of this letter shall be returned to HUD, in the manner described in Paragraph V of the Closeout Notice.

F. To the extent that any funds paid with the HOPE 3 Implementation Grant have not been audited, such funds are subject to coverage in the next single audit performed in accordance with 24 CFR Part 44. The grantee may be required to repay HUD any disallowed costs based on the results of the audit.

G. The grantee shall retain records that clearly document its performance under the grant for a period of three years from the date of this Agreement. Records with respect to resale proceeds shall be maintained for as long as such proceeds are received and for three years thereafter.

H: If any provision of this Agreement is held invalid, such holding shall not affect the validity of the remainder of the Agreement.

I: This letter agreement may be enforced by HUD by any means available by law or under 24 CFR Part 572.

J: This letter agreement shall be executed in four counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

K. AUTHORIZED OFFICIAL'S CERTIFICATION: It is hereby certified on behalf of the Grantee that, to the best of my knowledge, all approved HOPE 3 Program activities undertaken with HOPE 3 Implementation Program grant and match funds provided under the Grant Agreement

have been carried out in accordance with the grant agreement and with all applicable laws, regulations, and requirements that govern the HOPE 3 Program; that proper provision has been made by the recipient for the payment of all unpaid costs and unsettled third-party claims; and that every statement and amount is true and correct as of this date.

WARNING: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 329, 3802).

If you have any questions about this letter, please contact _____ of this office as soon as possible. Otherwise, please sign this letter in the space provided below, indicating the Grantee's acceptance of the terms and conditions hereof, within thirty days of the date hereof. If this letter is not returned within thirty days, you will need to provide revised information on sales proceeds, program income and resale proceeds earned before closeout for paragraphs C. and D. of this letter.

Sincerely yours,

CPD Field Office Director

ACCEPTED AND AGREED:

(Legal Name of Recipient Entity)

BY:

(Signature of Authorized Official)

(Date)

(Title)

[Employer Identification Number (EIN)
of Recipient Entity]