

**Request for Closing on Completion
Certificate of Construction Lender, Mixed-Finance
Owner, and General Contractor
(For Capital Advance Upon Completion only)**

**U.S. Department of Housing
and Urban Development**
Office of Housing
Federal Housing Commissioner

OMB Control NO. 2502-XXXX
(exp. xx/xx/xxxx)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintain the data needed, and completing and reviewing the collection of information. HUD may not collect this information and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information collection is necessary to ensure that viable projects are developed. It is important to obtain information from applicants to assist HUD in determining if nonprofit organizations initially funded continue to have the financial and administrative capacity needed to develop a project and that the project design meets the needs of the residents. The Department will use this information to determine if the project meets statutory requirements with respect to the development and operation of the project, as well as ensuring the continued marketability of the project. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

| | |
|-----------------------|-------------------------|
| Project Name: | Project No. |
| Project Address: | Date of Commitment: |
| Date of this request: | Capital Advance Amount: |

To the Department of Housing and Urban Development:

We hand you herewith the original credit instrument drawn upon the form approved by you for use in the State in which the above-captioned project is located in connection with a Section 202/811 Capital Advance, evidencing a Capital Advance to the undersigned mixed-finance owner, together with three conformed copies thereof, and three conformed copies of the Security Instrument of even date securing the same recorded as shown thereon, also drawn, upon the form approved by you for use in said State.

We also hand you (a) a certified and two conformed copies of a Chattel Mortgage or Security Agreement and Financing Statement recorded as indicated thereon from the Mixed-Finance Owner covering all personal property in the project not otherwise covered by the real estate mortgage to be insured or (b) certificate of mixed-finance owner's Attorney that no chattel mortgage or security agreement and financing statement are required to protect the interest of the Secretary, Department of Housing and Urban Development in respect to such personal property.

We understand that nothing herein contained or contained in the said credit instrument or mortgage securing the same, or in the other contract documents, is to be deemed a waiver of any of the provisions of the 24 CFR Part 891, but all of said instruments are intended to be subject thereto. We hereby agree to conform with and abide by such Regulations in all matters with respect to the aforesaid loan and the project insofar as they are applicable to us.

CERTIFICATE OF CONSTRUCTION LENDER

We, the undersigned Construction Lender, hereby certify that:

1. To the best of our knowledge and belief the project has been completed, with the exception of the minor items enumerated on the Exhibit attached hereto, strictly in accordance with the Drawings and Specifications heretofore approved by you except for such changes as have heretofore been approved in writing by us.

2. The project is fully covered by fire and other insurance as required by the terms of the Capital Advance mortgage in the form and amounts heretofore stipulated by you; and that all insurance policies on the project have attached thereto a standard mortgagee clause making the loss payable to the Secretary and other secured lien holders as their interests may appear.

3. We have received a guarantee against defects due to faulty workmanship and defective materials in the form of:
(Check applicable paragraph(s))

a. A Surety Bond on a form prescribed by you and in an amount not less than ten percent (10%) of the cost of construction, running for a period of not less than two years from the date of substantial completion* of the project, which bond has been assigned to HUD.

b. By agreement between ourselves and the mixed-finance owner and contractor, we retain in our possession or in a depository satisfactory to HUD for a period of one year following the date of 100% completion* of the project, a sum equal to two and one-half (2 1/2%) percent of the principal amount of the construction, in the form of cash which sum, upon failure of the mixed-finance owner or the contractor to cure any such defects due to faulty workmanship and defective materials to the satisfaction of HUD and your authorized representative, can be used for the purpose of curing such defects, or can be applied to the mortgage indebtedness with your consent.

* For this purpose the date of 100% completion is construed as the date the HUD Representative signs the final HUD Inspection Report.

4. We have received: (Check applicable paragraphs)

- An Escrow Agreement guaranteeing the completion of off-site utilities and streets. The mixed-finance owner has made the deposit called for therein in the form of cash.
- Evidence to the effect that required off-site utilities and streets will be provided by the public authorities having jurisdiction or by public utility companies serving the project.
- An Escrow Deposit Agreement covering the incomplete on-site improvements. The mixed-finance owner has made the deposit called for therein in the form of cash.
- A copy of the Escrow Agreement or other evidence is delivered herewith.

6. An Escrow Agreement evidencing the deposit by the mixed-finance owner of cash in the amount of \$ _____ as required by your Commitment to meet minimum capital investment has been received by us or a depository satisfactory to HUD. A copy of the Escrow Agreement is delivered herewith.

7. Beginning with the effective commencement of rental assistance payments under the Project Rental Assistance Contract or at such later date as may be agreed to by you in writing, we will require a monthly deposit with us or in a depository satisfactory to HUD of one-twelfth (1/12) of the sum set forth in your Commitment to Release Capital Advance Funds Upon Completion constituting a "Reserve Fund for Replacements" which fund will be subject to HUD's control and from which fund withdrawals may be made only upon the receipt of your written permission. These funds will be deposited with us by the mixed-finance owner in the form of cash or in the form of obligations of or guaranteed as to principal by the United States of America. We will, upon appropriate request by the mixed-finance owner, 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 deposits required herein will be forwarded to HUD within 60 days.

8. In compliance with the provisions of the Commitment to Release Capital Advance Funds Upon Completion issued with respect to the above identified case, to its best knowledge and belief no restriction upon the occupancy of the mortgaged property, on the ground of race, color, or creed, has been filed of record at any time subsequent to February 15, 1950, and prior to the recording of the mortgage offered for insurance. This certification is based upon our examination of the title evidence received by us.

10. We certify that we have not paid any kickback, 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 mortgage transaction, including the purchase or sale of the mortgaged property, except for compensation paid, if any, for the actual performance of services and approved by you.

Construction Lender

ATTEST:

By _____
(Signature and Title of Officer)

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. 3729, 3802)

CERTIFICATE OF MIXED-FINANCE OWNER

The undersigned mixed-finance owner hereby certifies that:

1. The undersigned possesses the powers necessary for and incidental to the ownership, construction, and operation of a rental housing project as required by the provisions of the Housing Act of 1959 or the National Affordable Housing Act and the Regulations applicable thereto.
2. The undersigned has read the items above and certified to by the construction lender concurrently herewith and to the best of its knowledge and belief considers them correct.
3. From the date of this certificate and for so long as the mortgage is held by HUD:
 - a. The Project books and records will be established and maintained in accordance with the requirements of HUD, and in such condition as to permit a speedy and effective audit;
 - b. Such books and records will be retained for such period as may be prescribed by HUD;
 - c. Such books and records will be available to HUD and to the Comptroller General of the United States for such examination and audits as they may desire to make.

The undersigned further agrees that if the project has been occupied prior to the date of this certificate, financial reports covering the entire period of occupancy will be furnished to HUD, if requested.

4. Neither it nor anyone authorized to act for it will refuse to rent, after the making of a bona fide offer, or refuse to negotiate for the rental of, or otherwise make unavailable or deny the property covered by the mortgage to any person because of race, creed, color, religion, sex, age, handicapping condition, or national origin; that any restrictive covenant on such property relating to race, creed, color, religion, sex, handicapping condition, or national origin is recognized as being illegal and void and is hereby specifically disclaimed; and that civil action for preventive relief may be brought by the Attorney General in any appropriate U.S. District Court against any persons responsible for a violation of this certification.

5. All funds escrowed with the construction lender as enumerated in the Construction Lender's Certificate, if applicable, may be transferred to HUD and held for the purposes indicated therein, or in the event of a default may be applied to the accelerated Mortgage indebtedness.

6. HUD and its authorized agents are hereby granted the right to enter upon the mortgaged premises at any and all times for the purpose of inspection.

7. No material or equipment, for which capital advance proceeds were made available, has been purchased on a conditional sale contract or financed by a chattel mortgage.

8. The undersigned has not collected, nor will the undersigned collect, from Project residents or from prospective Project residents, admission fees, founders' fees, life-care fees or similar payments pursuant to any agreement, oral or written, whereby the undersigned agrees to furnish accommodations or services in the Project to persons making such payments.

9. Further, in order to induce HUD to accept the credit instrument, and with the intent that HUD rely upon the statements hereinafter set forth, the undersigned makes the following certifications:

a. That it has received the sum of \$_____, constituting the full mortgage amount for this project, **including any savings to which the mixed-finance owner may be entitled.**

b. That construction of the project is substantially complete and is in accordance with the plans and specifications approved by HUD; that said mortgage is a good and valid lien on the property therein described; that the property is free and clear of all liens other than that of subject mortgage unless approved by HUD; that all outstanding unpaid obligations contracted by or on behalf of the mixed-finance owner directly or indirectly, in connection with the

mortgage transaction, the acquisition of the property, or the construction of the project are listed below:

| | |
|---|----|
| 1) HUD-approved notes (copies attached) | \$ |
| 2) Due General Contractor | \$ |
| 3) Other | \$ |

c. That, except for the amounts due on notes listed in item 1) of paragraph b. above, the undersigned agrees to pay the foregoing obligations in cash and to furnish HUD receipts, or other evidence of payment satisfactory to HUD within 45 days following the final disbursement of capital advance proceeds.

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| Mixed-Finance Owner: | By (signature & Title) | Date: |
|----------------------|------------------------|-------|

*(NOTE: If the space provided is inadequate to list all unpaid obligations, insert the total in each category and attach itemizations. If there are no outstanding obligations, so state.)

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. 3729, 3802)

CERTIFICATE OF GENERAL CONTRACTOR

(To be completed when there is an identity of interest between the mixed-finance owner or developer and the general contractor.)

Certificate of General Contractor

Project Number:

To the Department of Housing and Urban Development

The undersigned, as general contractor of the above project, makes the following certifications:

1. That construction is in accordance with the plans and specifications, which were approved by HUD.

2. That all outstanding unpaid obligations contracted by or on behalf of the undersigned in connection with the construction contract are listed below. (If space below is inadequate, continue listing on an attached sheet and so note.)

a. _____ \$ _____

b. _____ \$ _____

c. _____ \$ _____

3. That, except for unfinished work covered by an approved escrow deposit, the undersigned agrees to pay the foregoing obligations in cash and to furnish HUD receipts, or other evidence of payment satisfactory to HUD, within 15 days following receipt of payment from owner.

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| General Contractor | By (signature & Title | Date |
|--------------------|-----------------------|------|

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