

From:
Sent:
To:
Cc:
Subject: Election to Assign Approval - FHA No. XXXXXXXX

Name and Company

SUBJECT:Project Name
FHA Project Number: XXXXXXXX
City and State

We received your election to assign to the Secretary the mortgage secured by the captioned project in exchange for mortgage insurance benefits. PLEASE NOTE THAT CHANGES HAVE BEEN MADE TO THESE INSTRUCTIONS EFFECTIVE JUNE 1, 2007.

Until you record an assignment of the mortgage to the Secretary, you should take all actions that are necessary to protect the Secretary's interest in the mortgage, including seeking and assuming mortgagee-in-possession status in case of abandonment, waste of assets, or equity skimming, and taking necessary actions in the event the owner files bankruptcy. Further, until you record an assignment of the mortgage to the Secretary, you should continue to bill for and accept all payments.

You can obtain the Legal Instructions, Form 289, Assignment of Related Claims, and the model Assignment of Mortgage on HUD's Multifamily Delinquency and Default Reporting System (MDDR). The assignment of mortgage must be filed for record no later than 30 days after the date of this letter. If you require an extension of the 30-day deadline to file the mortgage for record, please submit your request electronically through the MDDR System. Please note that requests for extensions are reviewed by HUD staff in Headquarters and are not automatically approved. Decisions to approve requests for extensions will be made on a case-by-case basis. As a general rule, if HUD has not caused the delay in the recordation of assignment, an extension will not be granted.

Legal Processing

Please read the Legal Instructions carefully. The initial package of legal documents required by the Legal Instructions **must** be sent within 45 days after the assignment of mortgage is filed for record (unless an extension is requested and granted by the Office of General Counsel, as set forth below) to:

Dept. of HUD
Office of General Counsel
Multifamily Mortgage Division
ATTN: Arnette Georges
471 7th Street, S.W., Room 9230
Washington, DC 20410

Subsequent legal documents should be submitted directly to the attorney or paralegal who is reviewing your mortgage insurance claim.

Requests for a one-time 15-day extension to submit the legal documents, or questions concerning the Legal Instructions should be addressed to Ms. Arnette Georges, Deputy Assistant General Counsel, at (202) 708-4090, extension 5257.

Fiscal Processing

The Fiscal Instructions and forms that are to be used in computing the Claim for Insurance Benefits are available on HUD's Website at www.HUD.gov and the MDDR system. The information to be included in the Fax, required below, is set forth in Exhibit A to this letter.

You are reminded that additional documentation is required for all claims involving bond-financed mortgages. Mortgagee Letter 99-33 requires the mortgagee to submit to HUD a copy of the bond trust indenture or bond resolution and bond trustee's statement of all reserve fund balances (specifically the debt service reserve held under the trust indenture, including any final balance which may be owed to HUD pursuant to 24 CFR §811.108(a)(3)). The trustee indenture or bond resolution should be submitted with the claim. The trustee statement of reserve fund balances and all final balances owed HUD must be remitted, after receiving the final settlement, to the following address:

Department of Housing and Urban Development
Multifamily Claims Branch
P.O. Box 44135
Washington, DC 20026

The remittance description should clearly state the Project Name, Project Number, and Excess Bond Proceeds.

Please execute Form HUD-2537, Mortgagee's Application for Partial Settlement, Form HUD-2747, Application for Insurance Benefits, and Form HUD-1044-D, Payment Information Form and return them immediately. If the mortgage is subject to a Debenture Lock Agreement, please forward a copy of the agreement with the other three forms. On the date the assignment of mortgage is filed for record,, you must send a telefax to the Chief, Multifamily Claims Branch, at (202) 619-8259. The telefax must contain all the information requested in Exhibit A.

The Department of Housing and Urban Development and the Department of Treasury use electronic funds transfer to pay Multifamily cash claims. If your claim is payable in cash and is \$5,000 or more, your claim will be made through the Treasury Financial Communications System (TFCS). The TFCS provides on-line access to the Federal Reserve Communications System (FRCS). This system enables payments to be made to financial institutions that do not have access to Federal Reserve Banks.

In order to make payments by TFCS, the holding mortgagee must complete the Payment Information Form, Form HUD-1044-D and return it to the Multifamily Claims Branch, along with Form HUD-2537 and Form HUD-2747.

Please note that no insurance benefits will be paid and debenture interest will be curtailed if the forms mentioned above and other appropriate forms are not completed and returned within the designated time frames.

Immediately after recording the assignment, you should notify the appropriate taxing authority that HUD is now the mortgagee and provide the taxing authority with the following address for sending future bills and notices of levy:

Department of Housing and Urban Development
Multifamily Notes Servicing Branch
Project Number _____
P.O. Box 44804
Washington, DC 20026-4804

If any of the funds accumulated in the Reserve for Replacement Fund were invested in United States Government Bonds, or if bonds held in the reserve are not in bearer form, the securities should be redeemed on assignment of the mortgage and the proceeds thereof placed in the fund. It is necessary

that an accounting be furnished showing all transactions relating to the purchase and sale of bonds and all interest accruals.

Inform the mortgagor that mortgage payments, after the mortgage has been assigned, must be sent to:

Multifamily Payment Processing Center
P.O. Box 530256
Atlanta, GA 30353-0256

For claims to be settled in debenture, the mortgagee must also remit all escrow funds held on account of the mortgage to the address above within seven calendar days of the date the assignment of mortgage is filed for record.

If you have any questions concerning the Fiscal Instructions, please call the Multifamily Claims Branch at (202) 401-2168. All fiscal forms and documents relating to the claim sent by REGULAR MAIL should be addressed to:

HUD
Chief, Multifamily Claims Branch
P.O. Box 44003
Washington, DC 20026

All over-night mail or other special handling mail should be addressed to:

HUD
Chief, Multifamily Claims Branch
ROOM 6254
451 7TH Street, S.W.
Washington, DC 20410

Requests for extensions to submit the Fiscal Forms and documents should be sent to one of the Multifamily Claims Branch addresses listed above.

Requests for extensions to submit the legal documents or questions concerning the Legal Instructions should be addressed to Arnette Georges at (202) 708-4090, Extension 5257.

Sincerely,

Beverly J. Miller
Director,
Office of Asset Management

Exhibit A

The telefax must be sent on the date the assignment of mortgage is filed for record to the Chief, Multifamily Claims Branch, at (202) 619-8259. The telefax must contain the following information:

“Assignment of mortgage for (name of Project), Project No. _____ filed for record and endorsement of hazard insurance policies accomplished on _____, 20__.”

- (1) Date of default (except for Section 221(g)(4) mortgages)
- (2) Unpaid principal balance
- (3) Monthly amount due for principal and interest, taxes, hazard insurance, and reserve for replacement escrows (listed separately)
- (4) Date and amount of last taxes paid

- (5) Due date of next taxes payable
- (6) Escrow balances for taxes, hazard insurance, reserves for replacements, and mortgage insurance premiums
- (7) Initial and final endorsement dates
- (8) Date of commitment
- (9) Your telefax number
- (10) Mortgagor name, address and tax identification number
- (11) Mortgagor type of entity (individual, partnership, corporation, etc.)
- (12) Name and address of company managing the project
- (13) Is the mortgage Bond Financed? Yes No
If yes, please state 'Bond Type.' _____
- If the mortgage is bond financed, please follow the instructions above and Mortgagee Letter 99-33.
- (14) A certification that the mortgagee or servicer has completed and submitted HUD Form 2537, Mortgagee's Application for Partial Settlement, HUD Form 2747, Mortgagee's Application for Insurance Benefits, and the Payment Information Form and Debenture Lock Agreement, if any.