

Escrow Agreement Additional Contribution by Sponsors

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

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Public reporting burden for this collection of information is estimated to average 30 minutes 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. This information is required to obtain benefits and voluntary. 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 projects meet statutory requirements, ensuring the continued marketability of the projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

Whereas, _____
and _____
are sponsors of a project located in _____, identified as
Project No. _____, which project has been, is being, or will be, constructed from capital advance proceeds, pursuant to a
mortgage (or deed of trust) from _____
to the Secretary of Housing and Urban Development (HUD), with respect to which mortgage HUD has issued a commitment to make capital advances
for the construction of the proposed project, and

Whereas, said commitment is conditioned upon assurance that additional funds be made available for project purposes;

Now, therefore this agreement witnesseth:

1. That the sponsors have deposited with _____, Depository,
 (a) in cash, (b) in United States bearer bonds at market value,
\$ _____, receipt of which is acknowledged by the Depository, to be held and disbursed by the
Depository as hereinafter set out.
2. Said deposit shall be held subject to disbursement at the direction of HUD for a period of _____ months following final closing that
may be required. Disbursements from the escrow will be authorized, as necessary, by HUD to meet any cash deficit in the operation of the project
immediately following completion of construction. In determining the amount of such cash deficit, effect will be given to the owner's deposits
in the Reserve for Replacements, but not to management fees to the owner or sponsor(s) of the project.
3. The deposit will be subject to immediate application to a reduction in the capital advance amount in the event of default under the mortgage at
any time prior to the expiration of the escrow period.
4. It is understood and agreed that at the expiration of the escrow period, or at such earlier date as HUD determines, any balance remaining on deposit
will be returned to the sponsors, without interest.
5. It is further understood and agreed that the depository will hold and disburse this escrow at the sole direction of HUD; and the sponsors hereby
authorize the Depository, in the event the deposit hereunder is other than in cash, to sell the bonds to the extent necessary to provide the cash
necessary to make the disbursements directed by HUD.
6. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender, shall be applicable to all
genders.

Dated: _____

(Sponsor)

By: _____ (SEAL)

(Sponsor)

By: _____ (SEAL)

(Depository)

By: _____ (SEAL)