

Following is an excerpt from the agreement regarding process for lenders to report to HUD on their use of incentive payments funds:

- A. Documentation and Reporting on use of grant payments. Grantee shall maintain records on its use of incentive grant payments such as invoices and receipts to support all LOCCS draw requests for payment. Grantee is responsible for submitting documentation supporting all uses of grant funds, including development and start-up costs.

Grantee shall report to HUD semi-annually on their use of incentive grant payments, describing the amount and uses of grant funds and the impacts of the grant funds, i.e., benefit to borrowers. Reports are due not later than thirty days after each six month period beginning on the date of grant agreement and shall include, but not limited to, the following information: a reasonably-detailed accounting of Grant Funds spent to date for the eligible activities, with an explanation of any variances; number borrowers served.

Should additional reporting requirements become applicable, HUD may request that Grantee provide to HUD additional reporting should this become necessary.