

**Performance-Payment
Bond**

Dual Oblige

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

OMB Approval No. 2502-0297
(exp. 8/31/2013)

Under Section 202 of the Housing Act 1959 and

Section 811 of the National Affordable Housing Act of 1990

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 maintaining 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 projects. This information is required in order to obtain benefits. This information is considered non-sensitive and no assurance of confidentiality is provided.

Project Number:	Project Name:	Location:

Know all men by these presents: That we (Name of Contractor) _____

a (Corporation, Partnership, or Individual) _____ hereinafter called

“Principal”and (Surety) _____ of, State of, _____ hereinafter

called the “Surety” are held and firmly bound unto (Owner) _____

of, _____ hereinafter call “Owner” and unto the Secretary of Housing and

Urban Development, hereinafter called “HUD” as their respective interests may appear as Obligees in the penal sum of _____

Dollars (\$) _____) in lawful money of the United States, for the payment of which sum well and truly to be made, we

bind ourselves, our heirs, executors, administrators, and successors , jointly and severally, firmly by these presents.

The Condition Of This Obligation is such that Whereas the Principal entered into a certain contract with the Owner,

dated the _____ day of _____, 20____, a copy of which is hereto attached and made a part hereof

for the construction of: _____

And Whereas, HUD has agreed to lend to Owner a sum of money to be secured by a mortgage on said project and to be used in making payment under said contract, and desires protection as its interest may appear, in event of default by Principal under said contract, said protection to be subject to the performance by the Obligees, or either of them, of the obligations to Principal in connection with said Contract.

Now Therefore, if the Principal shall well, truly and faithfully perform its duties, all the undertakings, covenants, terms, conditions, and agreements of said Contract during the original term thereof, and any authorized extension or modification thereof, with or without notice to the Surety, and if he shall satisfy all claims and demands incurred under such contract, and fully indemnify and save harmless the Obligees from all costs and damages which they may suffer by reason of failure to do so, and shall reimburse and repay the Obligees all outlay and expense which they may incur in making good any default, and shall promptly make payment to all persons, firms, subcontractors, and corporations furnishing materials for or performing labor in the prosecution of the work provided for in such contract, and any authorized extension or modification thereof, including all amounts due for materials, lubricants, oil, gasoline, coal and coke, repairs on machinery, equipment and tools, consumed or used in connection with the construction of such work, and all insurance premiums on said work, and for all labor, performed in such work whether by subcontractor or otherwise, then this obligation shall be void; otherwise to remain in full force and effect.

Provided, Further, that the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

Provided, Further, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

In Witness Whereof, this instrument is executed in six (6) counterparts, each one of which shall be deemed an original, this the _____ day of _____, 20__.

ATTEST:

(Principal)

(Principal) Secretary

(SEAL)

By _____

(Address - ZIP Code)

(Surety)

ATTEST:

By _____

(Attorney-in Fact)

(Address - Zip Code)

(Surety) Secretary

(SEAL)

Witness as to Surety

(Address - Zip Code)

NOTE: Date of Bond must not be prior to date of Contract. If Contractor is Partnership, all partners a must execute Bond.