

Maximum Capital Advance

For Use Under Section 202 of Housing Act of 1959 or
Section 811 of the National Affordable Housing Act

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

Project Name	Project Number
--------------	----------------

To Name of Owner

Street Address

City & State

Dear Sirs:

Pursuant to the Agreement and Certification executed in connection with the above project, this office has reviewed the Owner's certified statement of actual cost and in reliance thereon has made certain related determinations. Accordingly, HUD will finally close the above project, secured by a first mortgage upon the land and property included in the project, in an amount not to exceed that set forth herein below.

It is understood, however, that any estimated items of cost may result in a further reduction of the mortgage when the actual costs are established, that such a reduction, if any, must be made in accordance with the aforesaid Agreement and Certification, and that acceptance of items "to be paid in cash within 45 days after final closing" is conditioned upon proof of payment of such items in cash. Failure to comply with this requirement may result in a mandatory capital advance reduction.

All items approved herein are final and incontestable, except for fraud or material misrepresentation on the part of the Owner, as of the date of the final closing, except that items shown on form HUD-92330 to be paid within 45 days, shall not be considered final and incontestable until the date of HUD's recomputation of the capital advance based upon its reconciliation of the "to be paid items" with actual receipts.

- | | | |
|---|----------|----------|
| 1. (a) Original Capital Advance Amount | | \$ _____ |
| (b) Capital Advance Increase | \$ _____ | |
| (c) Adjusted Original Capital Advance Amount | | \$ _____ |
| 2. Certified "Actual Cost" (from form HUD-92330) | \$ _____ | |
| 3. Disallowed Amounts (Schedule 2) | \$ _____ | |
| 4. Recognized "Actual Cost" of Improvements | \$ _____ | |
| 5. Land (New Construction & Substantial Rehabilitation involving an Acquisition) | \$ _____ | |
| 6. Total Land and Improvements | \$ _____ | |
| 7. For Substantial Rehabilitation-Property Owned, enter the Lesser of | | |
| (i) \$ _____ Existing Mortgage Indebtedness (Land and Improvements) | | |
| or | | |
| (ii) _____ % x \$ _____ AS IS Value of Land and Improvements | | |
| (before repair or rehabilitation) | \$ _____ | |
| 8. Total —line 6 plus line 7, (if any) | | \$ _____ |
| 9. Plus Savings to be placed in Replacement Reserve Account, if applicable | | \$ _____ |
| (Original capital advance reservation amount minus line 8 x 50% or 75%) | | |
| 10. Sum of line 8 plus line 9 | | \$ _____ |
| 11. Maximum Capital Advance in Multiples of \$100 (item 1(c) or item 10, whichever is the lesser) | | \$ _____ |

Schedule 1. Approval of the Capital Advance as stated on line 11 is conditional upon the following:

- A. At final closing, satisfactory evidence must be provided that the "to be paid" items listed on form HUD-92330 have been paid or an escrow established to satisfy those items remaining to be paid.

Schedule 1 (continued)

Schedule 2. Disallowed Costs

Schedule 3. Tentative Disallowances. Those items which appear below are classified as tentative disallowances and may be recognized and approved as certifiable costs subsequent to the issuance of this form provided that satisfactory clarifying documentation is submitted within 30 days. Whether or not these items are subsequently approved will have no effect on the maximum capital advance listed on line 11 of this form.

Assistant Secretary for Housing / FHA Commissioner

Name of Authorizing Agent

Signature of Authorizing Agent

Date