

# Mortgagor's Certificate

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

To Federal Housing Commissioner  
c/o

Project Name:

Project Number:

The undersigned hereby agrees to accept a loan insured by you upon the terms set forth in your Commitment dated \_\_\_\_\_, 19\_\_\_\_\_, for the above captioned Project (hereinafter referred to as the "Project") and extensions and amendments thereof, and certifies to you as follows:

- 1) That the undersigned possesses the powers necessary for and incidental to the ownership, construction, and operation of a multifamily project as required by the provisions of the Housing Act and the Regulations applicable thereto.
- 2) That the instrument securing said loan is a good and valid first lien on the property therein described, and the mortgaged premises are free and clear of all liens other than that of the insured Mortgage except those specifically permitted by you.
- 3) That upon completion of the Project there will not be outstanding any unpaid obligations contracted in connection with the purchase of the property, construction of the Project, or the mortgage transaction except such obligations as may be approved by you as to terms, form, and amount.
- 4) That the undersigned has read the Mortgagee's Certificate submitted to you concurrently herewith and agrees to be bound by the terms thereof wherever applicable.
- 5) That, except as has been previously approved in writing by you, no construction has been commenced on the mortgaged premises prior hereto.
- 6) That the Project will be constructed in accordance with applicable local, State, and Federal Building Codes, the terms of the Construction Contract, if any, and with the "Drawings and Specifications" which include the "AIA General Conditions of the Contract" prescribed by you, and the FHA Supplementary General Conditions, three copies of which Contract, together with the "Master Set," and three sets of said "Drawings and Specifications" are herewith delivered to you as required by your Commitment.
- 7) That the requests for payment of Mortgage money will be made to the Mortgagee on the basis of the "Trade Payment Breakdown" as set forth in the Construction Contract, if any, and the Building Loan Agreement. Further, that no material or equipment, for which mortgage proceeds will be available, will be purchased on a conditional sale contract or financed by a chattel mortgage, and that all work performed and material and equipment furnished will be paid for in cash following receipt of the advance of mortgage proceeds intended for these items.
- 8) That, as the construction of the Project progresses, the undersigned will procure and submit to you all necessary building and other permits from the legally constituted authorities and that all such permits now obtainable have been procured as witness the certified copies thereof hereby presented.
- 9) That the determination of the Department of Labor with respect to prevailing wages (Davis Bacon) has been received by the undersigned and is included as a part of the aforesaid specifications for the construction of the Project, and all Contractors employed by the undersigned have been or will be fully advised prior to performance of any work that all laborers and mechanics employed on construction of the Project must be paid not less than such prevailing wages, and that each such Contractor, as a condition precedent to any payment to him/her, must certify in the form prescribed by HUD, that all laborers and mechanics employed by him/her or his/her subcontractors on the Project have been paid not less than such wages.
- 10) That the fees and expenses enumerated in the Mortgagee's Certificate have been fully paid or payment provided for as set forth therein, and that the funds deposited with the Mortgagee, as enumerated in the said Mortgagee's Certificate will be used for the purposes indicated therein.
- 11) That you and your authorized representatives are hereby granted the right to enter upon the mortgaged premises at any and all times for the purposes of the inspection thereof.
- 12) That occupancy of the Project in whole or in part will not be permitted without first having received your written permission and proper permits from all legal authorities having jurisdiction.
- 13) That the undersigned has no obligations except those approved by HUD and that except for such approved obligations the land included in the mortgage has been paid for in full by the undersigned and is free from any liens at the time of closing.

- 14) That,
- a) from this date and for so long as the mortgage is insured or held by HUD:
    - 1) the Project books and records will be established and maintained in accordance with the requirements of HUD, and in such condition as to permit a speedy and effective audit;
    - 2) such books and records will be retained for such period as may be prescribed by HUD;
  - b) the Project books and records will be available to HUD and to the Comptroller General of the United States for such examination and audits as they may desire to make.
- 15) That neither it nor anyone authorized to act for it will refuse to rent, after the making of a bona fide offer, or refuse to negotiate for the rental of, or otherwise make unavailable or deny the property covered by the Mortgage to any person because of race, creed, color, religion, sex, age, disability, familial status, or national origin; that any restrictive covenant on such property relating to race, creed, color, religion, sex, handicapping condition, or national origin is recognized as being illegal and void and is hereby specifically disclaimed; and that civil action for preventive relief may be brought by the Attorney General in any appropriate U.S. District Court against any person responsible for a violation of this certification.
- 16) That if the project is occupied during construction, the undersigned will submit an accounting for all receipts and disbursements during the period beginning of marketing and rent-up activities and ending, at the option of the undersigned, either (a) the last day of the month in which the Project is determined by you as acceptably complete, the date of such determination to be furnished by you, or (b) one month from the date the Project is determined by you as acceptably complete. The undersigned further agrees that the excess of receipts over proper disbursements as determined by you during the accountable period shall be treated as a recovery of constructions cost.
- 17) That if the scheduled date of the first payment to principle under the mortgage is more than three months after the date the Project is determined by you as acceptably complete, the undersigned will submit an accounting for all receipts and disbursements for the period prescribed by you. The undersigned further agrees that any "net income" as defined by you for such period shall be applied to advance amortization or in such other manner as you may direct.
- 18) \*\*\* That the undersigned has not collected, nor will the undersigned collect, from Project residents or from prospective Project residents, admission fees, founders' fees, life-care fees, or similar payments pursuant to any agreement, oral or written, whereby the undersigned agrees to furnish accommodations or services in the Project to persons making such payments.

Date: \_\_\_\_\_

Mortgagor: \_\_\_\_\_

Attest: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature and Title Officer)

Secretary of Housing and Urban Development  
Acting By and Thru the  
Federal Housing Commissioner

\_\_\_\_\_ Date \_\_\_\_\_

\*\* Not applicable for non-profit and builder-seller mortgagors.  
\*\*\* Applicable only to housing for the elderly projects and Section 232 projects.