

**Request for Construction
Changes on Project
Mortgages
Section 232**

**U.S. Department of Housing
and Urban Development
Office of Residential Care Facilities**

OMB Approval No. 2502-0605
(exp. 11/30/2022)

Public reporting burden for this collection of information is estimated to average 2 hours 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. The information is being collected to obtain the supportive documentation that must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be derived from the National Housing Act Section 232 Healthcare Facility Insurance Program. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Warning: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Project Name:	FHA Project Number:	Reference Number (HUD use):
Project Address:		
Borrower Name:	Contractor Name:	
Lender Name:		

To the Residential Care Facilities: You are requested to consider the following proposed changes in the project. The changes are satisfactory to the parties hereto, as indicated by the signatures below. Description of Changes	Mortgagor Estimated Effect on Cost	HUD Estimated Effect on Cost	V = Acceptable O = Unacceptable		
			Arch.	Val.	
b.					
d.					
f.					
h.					
j.					
l.					
n.					
p.					
r.					
t.					
v.					
x.					
z.					
Amount on deposit with mortgagee to cover increased cost of changes pursuant to conditions of Request No.	\$	Total \$		Initial & Date	Initial & Date

I certify that I have no financial interest in this project beyond the fee for my professional services, and that I have no interest with the borrower, contractor, or any subcontractor or supplier. The changes set forth in this request conform to the intent of the contract documents and I recommend that the changes be approved.

Signatures:

Architect	Contractor	Borrower	Lender
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The following is required on requests involving cooperatives and non-profit borrowers with respect to any increase or decrease in cost resulting from acceptable changes: (check appropriate box.)

- The above-signed Contractor agrees to assume any additional costs and agrees that he will not assert any claim against the Borrower in connection therewith.
- The above-signed Borrower, acting pursuant to a resolution adopted at a meeting of its stockholders or members, and the above-signed Contractor, agree to the above described construction changes and agree that the construction contract executed by them (date) is amended by **increasing** the contract price of \$ set forth in Article 4 thereof to \$ all other provisions of the Construction Contract (HUD-92442-ORCF) remain unchanged.

The above-signed Borrower and the above signed Contractor agree to the construction changes described above and agree that the Construction Contract executed by them (date) _____ is amended by **decreasing** the contract price of \$ _____ set forth in Article 4 thereof to \$ _____; all other provisions of the Construction Contract (HUD-92442-ORCF) remain unchanged.

ORCF Findings:

1. Borrower's Estimate			2. Net effect on Construction Costs			
a. Effect on cost of previously accepted changes \$	b. Effect on cost to date of all changes \$	c. Percent %	a. Present changes \$ <input type="checkbox"/> Increase <input type="checkbox"/> Decrease	b. Previous changes \$ <input type="checkbox"/> Increase <input type="checkbox"/> Decrease	c. Total \$ <input type="checkbox"/> Increase <input type="checkbox"/> Decrease	d. Percent %
3. <input type="checkbox"/> Changes _____ are acceptable and the drawings and specifications amended, provided:						
<input type="checkbox"/> a. That a total sum of \$ _____ is on deposit with the mortgage to cover net increase in cost resulting from present and previous construction changes. This supersedes any previous requirements. The money will not be released without written consent of HUD prior to final completion and acceptance of the project construction. No further advances of the mortgage proceeds under the Building Loan Agreement (HUD-92441-ORCF) will be approved unless the total sum is on deposit with you.						
<input type="checkbox"/> b. That in order to reflect the net decrease in cost or reduction in mortgage based on net income or number of family units, resulting from acceptable present and previous construction changes, the amount of \$ _____ shall be deducted from the amount entered on the line entitled "(7) Sum of Cost Breakdown Items Plus Inventories of Materials" (HUD-92448-ORCF). This amount may be modified by later changes.						
<input type="checkbox"/> c. Consent of surety to these changes is obtained in writing and a signed copy sent to this office prior to effecting the change.						
<input type="checkbox"/> d. There is compliance with the "Conditions of Acceptance" listed below.						
4. <input type="checkbox"/> Changes _____ are not acceptable. See "Reasons for Unacceptability" listed below.						
5. Reasons for Unacceptability or						
6. ORCF Conditions for Approval Required: Yes: <input type="checkbox"/> No: <input type="checkbox"/> If Yes, describe below:						
ORCF analysis and findings reviewed and approved: ORCF Authorized Agent (Name and Signature):					Date	

Conditions of Acceptance or Reasons for Unacceptability:

This form is not used for off-site changes. Such changes must be submitted in writing, using this form as a guide.

Instructions

Send a complete PDF copy to HUD through the lender.

Under "Description of Changes" describe each proposed change and enter the amount by which the construction cost will be increased or decreased as the net result of each proposed change. Attach documentation including (1) reason for each change, (2) general scope, (3) full detailed description of work to be omitted and/or added and the cost for each trade affected, (4) reference any attachments showing proposed revisions, and (5) a written narrative from the Architect as described in HUD Handbook 4232.1, Section II - Production, Chapter 10.9 A.2.

Estimate the cost of each change on the basis of the current cost of items omitted, substituted or added. Estimates include job overhead and builder's fee, or job overhead and general overhead, as applied in the HUD estimate of the project. No allowance for "Builder's and Sponsor's Profit and Risk" is included. No architect's or engineer's fee is included.

To be acceptable to HUD, a proposed change must be due to necessity, or be an appropriate betterment, or qualify as an equivalent. In accepting any changes, it is assumed that they will be executed (HUD Handbook 4232.1, Section II, Production, Chapter 10.9.C). If an accepted change is not executed, it must be nullified by submitting a Request for Construction Changes amending the drawings and specifications so as to restore the drawings and specifications to prior status or to a status acceptable to HUD.

When the HUD-estimated cost of all accepted changes results in a net decrease in the total construction cost, the insurable mortgage will be similarly decreased; but if the net effect is an increase, the additional costs will be defrayed by the mortgagor. The acceptance of any

change or changes involving a net increase does not increase the mortgage amount.

Send requests for a time extension on a separate HUD-92437-ORCF form.