OMB Control Number 2502–0587
form HUD–9651; exp. XX/XX/XXXX

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF MULTIFAMILY HOUSING PROGRAMS

PROJECT-BASED SECTION 8 CONTRACT ADMINISTRATION

CONSENT TO ASSIGNMENT OF HAP CONTRACT AS SECURITY FOR FNMA FINANCING

This form is used when the Owner of a project wishes to grant a security interest in a HAP Contract to a lender as security for a loan made by the lender to the Owner of the project, when the lender will assign the loan to Fannie Mae. The public reporting burden for completing this form is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, and gathering and maintaining the data needed. The information collected is required to obtain benefits. HUD may disclose certain information to Federal, State, or local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Information collected will not otherwise be disclosed or released outside of HUD, except as required and permitted by law. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Identification of ACC and HAP Contract

Annual Contributions Contract Number: _____

Section 8 HAP Contract Number: _____

Section 8 Project Number: _____

Project Name: _____

Project Location:_____

_____

2. Names

_____
Contract administrator

_____
Contract administrator address

_____
Owner

_____
Owner address

_____
Lender

_____
Lender address

3. Definitions

Fannie Mae. The Federal National Mortgage Association (FNMA).

HAP Contract. The Housing Assistance Payments Contract for units in the project. The HAP Contract was entered between the owner and the contract administrator pursuant to Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Project. The project identified in section I of the consent to assignment.

4. Assignment of HAP Contract

Pursuant to the terms of the HAP Contract, the HAP Contract (including any interest in the HAP Contract or any payments under the HAP Contract) may not be assigned without the prior written consent of HUD. Assignment includes the creation of a security

interest in the HAP Contract, or any sale, conveyance or other transfer of the HAP Contract, voluntary or involuntary, to any assignee, transferee or successor in interest.

The owner has advised HUD that the owner wants to assign the owner's interest in the HAP Contract to the lender, as security for a loan by the lender to the owner, and that the lender will assign the loan to Fannie Mae.

HUD consents to assignment of the HAP Contract by the owner to the lender as security for the loan, and consents that the lender may assign its security interest in the HAP Contract to Fannie Mae. The consent to assignment is not consent for any other or further assignment of the HAP Contract (including any interest in the HAP Contract or any payments under the HAP Contract) by the owner, lender or Fannie Mae, to any other assignee, transferee or successor in interest.

5. Effect of Consent to Assignment

Neither the contract administrator nor HUD is a party to the loan or the loan documents, nor to any assignment of the HAP Contract by the owner to the lender, nor to any assignment of the HAP Contract or the loan to Fannie Mae. Issuance of the consent to assignment does not signify that HUD or the contract administrator has reviewed, approved or agreed to the terms of any financing or refinancing; to any term of the loan documents; or to the terms of any assignment by the owner to the lender, or by the lender to Fannie Mae.

The consent to assignment of the HAP Contract does not change the terms of the HAP Contract in any way, and does not change the rights or obligations of HUD, the contract administrator or the owner under the HAP Contract.

The creation or transfer of any security interest in the HAP Contract is limited to amounts payable under the HAP Contract in accordance with the terms of the HAP Contract.

The grant of consent by HUD to assignment of the HAP Contract by the owner to the lender, and the grant of consent by HUD to assignment of the HAP Contract by the lender to Fannie Mae, does not constitute consent to any further assignment or other transfer of the HAP Contract or of any interest in the property, including any further assignment or transfer to any assignee, transferee or successor in interest.

6. Exercise of Security Interest: Assignee Assumption of HAP Contract Obligations

Notwithstanding HUD's grant of consent to assignment by the owner of a security interest in the HAP Contract to the lender, and to further assignment of such security interest by the lender to Fannie Mae, the assignee (lender or Fannie Mae) may not exercise any rights or remedies against the contract administrator or HUD under the HAP Contract, and shall not have any right to receive housing assistance payments that may be payable to the owner under the HAP Contract, until and unless the assignee seeking to exercise such rights or remedies, or to receive such payments, has executed and delivered, in a form acceptable to the contract administrator in accordance with

HUD requirements, an agreement by the assignee to comply with all the terms of the HAP Contract, and to assume all obligations of the owner under the HAP Contract.

7. Payment to Assignee

When the assignee (lender or Fannie Mae) notifies the contract administrator, in writing, that housing assistance payments payable pursuant to the HAP Contract should be directed to the assignee, the contract administrator may make such payments to the assignee instead of the owner. In making such payments, the contract administrator is not required to consider or make any inquiry as to the existence of a default under the loan documents, but may rely on notice by the assignee; and any payments by the contract administrator to the assignee shall be credited against amounts payable by the contract administrator to the owner pursuant to the HAP Contract.

8. When Assignment is Prohibited

The consent to assignment shall be void ab initio if HUD determines that any assignee, or any principal or interested party of the assignee, is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

SIGNATURES

U.S. Department of Housing and Urban Development (HUD)

_____
Name of Authorized Representative (print or type)

By:_____
Signature of authorized representative

_____
Name and official title (print or type)

_____
Date (mm/dd/yyyy)

Contract Administrator (CA)

_____
Name of Authorized Representative (print or type)

By:_____
Signature of authorized representative

_____
Name and official title (print or type)

_____
Date (mm/dd/yyyy)

Owner Agreement

The owner has read the terms of HUD's consent to assignment by the owner of a security interest in the SPRAC to the lender as security for the loan, and to further transfer of such security interest to successor secured parties. In consideration for HUD's grant of such consent to assignment, the owner agrees to all the terms of the consent to assignment, and agrees that any assignment by the owner is subject to all such terms.

_____

Name of Owner (print or type)

By:_____

Signature of authorized representative

_____

Name and title (print or type)

_____

Date (mm/dd/yyyy)