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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF MULTIFAMILY HOUSING PROGRAMS

PROJECT-BASED SECTION 8 CONTRACT ADMINISTRATION

CONSENT TO ASSIGNMENT OF SENIOR PRESERVATION RENTAL ASSISTANCE CONTRACT (SPRAC) AS SECURITY FOR FINANCING

This form is used when the Owner of a project wishes to grant a security interest in a Senior Preservation Rental Assistance Contract (SPRAC) to a lender as security for a loan made by the lender to the Owner with respect to the project. 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 SPRAC

SPRAC Number:_____

Project Name:_____

Project Location:_____

_____

2. Names

_____
Contract Administrator

_____
Contract Administrator Address

_____
Owner

_____
Owner Address

_____
Lender

_____
Lender Address

3. Definitions

Assignment as Security. The creation of a security interest in the owner's interest pursuant to the SPRAC, and a transfer of such security interest to a successor secured party.

Contract Administrator. HUD or party acting on behalf of HUD.

Full Assignment. An assignment of the SPRAC other than an assignment as security. "Full Assignment" includes a sale, conveyance or other transfer of the SPRAC, voluntary or involuntary, to a successor in interest.

Senior Preservation Rental Assistance Contract (SPRAC). The SPRAC for units in the project. The SPRAC was entered between the owner and the contract administrator pursuant to Section 202 Supportive Housing for the Elderly Act of 2010.

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

Secured Party. A party that holds a security interest in the owner's interest pursuant to the SPRACSPRAC, including the lender, and successors to the lender's security interest.

Successor. The term "successor" includes an assignee.

4. Background

Pursuant to the terms of the SPRAC, the SPRAC(including any interest in the SPRAC or any payments under the SPRAC) may not be assigned without the prior written consent of HUD.

The owner has advised the contract administrator that the owner wants to grant the lender a security interest in the SPRAC, as security for a loan by the lender to the owner with respect to the project.

5. Consent to Assignment as Security

By execution of this consent to assignment as security, the HUD consents to the assignment as security of the SPRAC by the owner to the lender as security for a loan by the lender to the owner with respect to the project.

HUD consents to transfer of the lender's security interest to successor secured parties.

6. Effect of Consent to Assignment

The contract administrator is not a party to the loan or the loan documents, nor to any assignment of the SPRAC by the owner to the lender as security for the loan, nor to any transfer of the SPRAC or the loan by the lender. Issuance of the consent to assignment does not signify that HUD 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 of the SPRAC by the owner to the lender as security for the loan, or by the lender to any transferee of the loan.

The consent to assignment of the SPRAC as security for the loan does not change the terms of the SPRAC in any way, and does not change the rights or obligations of the contract administrator or the owner under the SPRAC.

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

7. Exercise of Security Interest: Assignee Assumption of SPRAC Obligations

Notwithstanding HUD's grant of 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, HUD's execution of this consent does not constitute consent to a full assignment of the SPRAC to any entity, including the lender or any successor secured party.

A secured party may not exercise any rights or remedies against the contract administrator or HUD under the SPRAC, and shall not have any right to receive housing assistance payments that may be payable to the owner under the SPRAC, until and unless:

- HUD has approved the secured party as successor to the owner pursuant to the SPRAC, and

- The secured party seeking to exercise such rights or remedies, or to receive such payments, has executed and delivered, in a form acceptable to HUD in accordance with HUD requirements, an agreement by the assignee to comply with all the terms of the SPRAC, and to assume all obligations of the owner under the SPRAC.

8. Payment to Secured Party

When a secured party notifies the contract administrator, in writing, that housing assistance payments payable pursuant to the SPRAC should be directed to the secured party (in accordance with paragraph VII above), the contract administrator may make such payments to the secured party 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 secured party; and any payments by the contract administrator to the secured party shall be credited against amounts payable by the contract administrator to the owner pursuant to the SPRAC.

9. When Assignment is Prohibited

The consent to assignment as security 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)