

Legal Opinion: CIM-0106

Index: 3.600
Subject: Section 241(f) Commitment for Insurance

January 12, 1995

MEMORANDUM FOR: Linda D. Cheatham, Director, Office of Insured
Multifamily Housing Development, HMI

THROUGH: John J. Daly, Associate General Counsel,
Office of Insured Housing, CI

FROM: David R. Cooper, Assistant General Counsel
Multifamily Mortgage Division, CIM

SUBJECT: Language For Firm Commitment For Insurance
For A Section 241(f) Loan

This memorandum is in response to an oral request by Kerry Mulholland of your staff that our office provide language for the firm commitment for insurance for a Section 241(f) loan in connection with the preservation program. If you have any questions, please contact Gayle E. Bohling at 708-4107.

The following language should be added to the firm commitment for insurance under the paragraph labeled "Special Conditions":

The closing and endorsement of the mortgage for insurance under the terms of this commitment are conditioned upon the execution of a Section 8 Agreement to Enter Into a Housing Assistance Payments Contract or a Section 8 Housing Assistance Payments Contract between the Department of Housing and Urban Development and the Mortgagor for this project pursuant to an approved plan of action under the Low-Income Housing Preservation and Resident Homeownership Act of 1990, as amended (12 U.S.C. Sections 4101 et seq.).

The following language should be added to the end of the firm commitment for insurance (if not already included on the HUD Form):

This commitment and exhibits referred to herein together with the applicable Federal Housing Administration Regulations constitute the entire agreement between the Commissioner and the Mortgagee, and acceptance of the terms hereof is evidenced by the signatures of the Mortgagor and Mortgagee upon the lines provided therefor below.

SECRETARY OF HOUSING AND
URBAN DEVELOPMENT
BY: FEDERAL HOUSING COMMISSIONER

Dated _____ By _____
Authorized Agent

Attest/Witness

Mortgagor

By

Attest/Witness

Mortgagee

By