

CHAPTER 6. BOND FINANCED PROJECTS

6-1. REQUIRED INFORMATION. If more than 3.5 percent in total financing fees is certified, the mortgagor's accountant must detail in the notes to the financial statement:

- A. Amount of interest paid on the obligations.
- B. Source of the interest payments.
 - 1. Construction loan proceeds.
 - 2. Monies advanced from the developer.
 - 3. Excess investment income.
- C. Net amount of excess investment income.
- D. Disposition of all escrowed funds, including any excess investment income, as specified in the trust indenture. For example:
 - 1. Payment of project related costs.
 - 2. Payment of interest on the bonds.
 - 3. Retirement of the bonds.
 - 4. Reimbursement of any remaining investment income to either the issuer of the obligations or the mortgagor entity.

6-2. NET EXCESS INVESTMENT INCOME. Reflect the amount of net excess investment income used to pay project costs on line 16a of Form HUD-92330 as a reduction to total costs.