

U.S. Department of Housing and Urban Development

**AGREEMENT TO CERTIFY ACTUAL COST**

Federal Housing Administration

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( For submission with Applications for Insurance of Fire Safety Equipment Loans)

TO: SECRETARY OF HOUSING AND URBAN DEVELOPMENT

In consideration of your issuance of a commitment to insure a Fire Safety Equipment Loan on the property located at or described as: \_\_\_\_\_

1. The undersigned Borrower agrees upon completion of the purchase and installation of the fire safety equipment and related improvements and prior to insurance of the loan, to certify the actual cost of the purchase and installation of the equipment and related improvements on a form prescribed by the Secretary:
2. The undersigned Lender agrees that prior to insurance of the loan the certificate of actual cost executed by the Borrower will be furnished to the Secretary:
3. The undersigned Borrower and Lender agree that if the actual cost of the purchase and installation of the equipment and related improvements is less than the amount authorized in the commitment for such work, the amount of the loan shall be reduced accordingly, and that the amount of the loan may be further adjusted to a loan multiple prescribed by you:
4. Borrower certifies that the financial interests or family relationships which exist between Borrower or any of its officers, directors, or stockholders with the Architect and with the General Contractor, subcontractors, suppliers, or equipment lessors are: (if none, so state): and
5. Borrower agrees to notify the Secretary, in writing, prior to final endorsement of the loan for insurance, of any changes in relationship subsequent to the execution of this agreement which results in an identity of interest of the Borrower with the General Contractor or any subcontractor, supplier, or equipment lessor. It is agreed that the absence of such notice may be treated by the Secretary as a representation that no change in relationship has occurred which creates any such identity of interest.
6. Borrower agrees to require the General Contractor, in the event that a Cost-Plus Contract is used, to certify his actual costs at the time of endorsement on a form prescribed by the Secretary.

Signature of Lender	Date	Signature of Borrower	Date
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FHA Form 2422  
(8-74)