

U.S. Department of Housing and Urban Development REQUEST FOR ENDORSEMENT OF CREDIT INSTRUMENT CERTIFICATE OF LENDER, BORROWER AND GENERAL CONTRACTOR (For Insurance Upon Completion - Section 232(i)) Federal Housing Administration		Date	Fire Safety Equipment Loan No.
Project No. of First Mortgage (if HUD insured)		Principal Amount of Loan \$	
Location		Date of Commitment	
<p>To the Secretary:</p> <p>We hand you herewith the original credit instrument drawn upon the form approved by you for use in the State in which the above-captioned project is located in connection with loans insured under Section 232(i) of the National Housing Act, as amended, evidencing a loan to the undersigned Borrower, together with three conformed copies thereof, and three conformed copies of the Security Instrument, if any, of even date securing the same recorded as shown thereon, also drawn upon the form approved by you for use in said State.</p> <p>We request endorsement of said instrument for loan insurance in the total sum of \$ _____, in accordance with the Regulations for Section 232(i) of the National Housing Act, as amended.</p> <p>We hand you herewith a check for \$ _____ covering the first Loan Insurance Premium called for in said Regulations.</p> <p>We also hand you (a) a certified and two conformed copies of a Chattel Mortgage, if any, or Security Agreement and Financing Statement, if any, recorded as indicated thereon from the Borrower to us covering all personal property in the project not otherwise covered by the real estate mortgage to be insured or (b) certificate of Lender's Attorney that no chattel mortgage or security agreement and financing statement are required to protect the interest of the Lender and the Secretary, Department of Housing and Urban Development in respect to such personal property.</p> <p>We understand that nothing herein contained or contained in the said credit instrument or Mortgage, if any, securing the same, or in the other contract documents, is to be deemed a waiver of any of the provisions of the aforesaid Regulations, but all of said instruments are intended to be subject thereto. We hereby agree to conform with and abide by such Regulations in all matters with respect to the aforesaid loan and the project insofar as they are applicable to us.</p>			
CERTIFICATE OF LENDER			
<p>We, the undersigned Lender, hereby certify that:</p> <ol style="list-style-type: none"> To the best of our knowledge and belief the fire safety equipment and related improvements have been installed, with the exception of the minor items enumerated on the Exhibit attached hereto, strictly in accordance with the Drawings and Specifications heretofore approved by you and the Secretary of Health, Education, and Welfare, or his designee, except for such changes as have heretofore been approved in writing by us and by your authorized representatives. The Loan to be insured is current with respect to all of its requirements. We have received a guarantee against defects due to faulty workmanship and defective materials in the form of: <p style="text-align: center;">(Check applicable paragraph(s))</p> (a) <input type="checkbox"/> A Surety Bond on a form prescribed by you and in an amount not less than twenty percent (20%) of the cost of construction, running for a period of not less than two years from the date of completion of installation of the fire safety equipment and related improvements; which bond has been assigned to the Lender (or under which bond the Lender is a joint obligee) and which is assignable to the Secretary. (b) <input type="checkbox"/> By agreement between ourselves and the Borrower and Contractor, we retain in our possession for a period of one year following the date of completion of installation of the fire safety equipment and related improvements; a sum equal to ten percent (10%) of the principal amount of the mortgage, in the form of _____ (Cash) - (Letter of Credit) which sum, upon failure of the Borrower or the Contractor to cure any such defects due to faulty workmanship and defective materials to the satisfaction of ourselves and your authorized representative, can be used for the purpose of curing such defects, or can be applied to the mortgage indebtedness with your consent. <p>4. We have received: (Check applicable paragraphs)</p> <input type="checkbox"/> An Escrow Agreement guaranteeing the completion of off-site utilities, if any. The Borrower has made the deposit called for therein in the form of cash. <input type="checkbox"/> Evidence to the effect that required off-site utilities, if any, will be provided by the public authorities having jurisdiction or by public utility companies serving the project. <input type="checkbox"/> An Escrow Deposit Agreement covering the incomplete on-site improvements. The Borrower has made the deposit called for therein in the form of cash. A copy of the Escrow Agreement or other evidence is delivered herewith.			

FHA FORM 2420 /8-74

CERTIFICATE OF LENDER (Continued)

5. In compliance with the provisions of the Commitment of Insurance issued with respect to the above identified case, to its best knowledge and belief no restrictions upon the sale or occupancy of the property, on the ground of race, color, or creed, has been filed of record at any time subsequent to February 15, 1950, and prior to the recording of the mortgage offered for insurance. This certification is based upon our examination of the title evidence received by us.

6. No financing charges other than charges disclosed herein have been made and we agree that no other charges for financing will be made. The term "financing charges" as used herein means any charge, direct or indirect, for supplying the loan to or servicing the loan for the Borrower.

(Check and complete the following applicable subparagraphs a, b, c, d, and e)

- (a) We have collected in cash an initial service charge in the amount of \$ _____
- (b) We have not imposed and will not impose a financing charge of any kind, directly or indirectly, other than the initial service charge, if any, set forth above.
- (c) In addition to the initial service charge, we have collected in the form of cash the amount of \$ _____ as a discount or financing charge for the construction loan.
- (d) We are retaining the permanent loan. In addition to the initial service charge, we have collected in the form of cash the amount of \$ _____
- (e) We have a firm commitment from _____ to purchase the loan when insured at a financing charge or discount of _____ to cover said charge or discount.

7. In any case where a letter of credit has been accepted in lieu of cash: (a) such letter of credit has been issued to us by another banking institution and is unconditional and irrevocable; (b) in the event a demand under the letter of credit is not immediately met, we will forthwith provide cash equivalent to the undrawn balance thereunder without recourse to the Borrower, or the General Contractor; and (c) we have made every reasonable effort to satisfy ourselves that both the Borrower and the institution which issued the letter of credit are aware that it is entirely possible that demands will be made for cash under the terms of the letter.

8. We certify that we have not paid any kickback, fee or other consideration, directly or indirectly, to any person who has received payment or other consideration from any other person in connection with this loan transaction, including the purchase or sale of the mortgaged property, except for compensation paid, if any, for the actual performance of services and approved by you.

(Lender)

ATTEST:

By _____

(Signature and Title)

*For this purpose the date of completion of installation of the fire safety equipment and related improvements is construed as the date the Department of Health, Education, and Welfare notifies HUD that the equipment and improvements have been satisfactorily installed.

CERTIFICATE OF BORROWER

The undersigned Borrower hereby certifies that:

1. It possesses the powers necessary for, and incidental to, the ownership and operation of a nursing home or intermediate care facility.
2. The undersigned has read the items above and certified to by the Lender concurrently herewith and to the best of its knowledge and belief considers them correct.
3. The project books and records will be kept in accordance with the requirements of the Secretary from the date of this certificate, and shall be kept available to permit a speedy and effective audit. The undersigned further agrees that if the facility has been occupied prior to the date of this certificate, financial reports covering the entire period of occupancy will be furnished the Secretary, if requested.
4. That neither it nor anyone authorized to act for it will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise made unavailable or deny the property covered by the Loan to any person because of race, color, religion, or national origin; that any restrictive covenant on such property relating to race, color, religion, or national origin is recognized as being illegal and void and is hereby specifically disclaimed; and that civil action for preventive relief may be brought by the Attorney General in any appropriate U.S. District Court against any person responsible for a violation of this certification.
The undersigned understands that the security instrument, if any, contains a covenant by the Borrower that until the Loan has been paid in full, or the contract of insurance otherwise terminated, the Borrower will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the property on the basis of race, color, religion or national origin, and that such covenant will be binding upon the Borrower and his assigns and provides that upon violation thereof the Lender may, at its option, declare the unpaid balance of the Loan immediately due and payable.
5. All funds escrowed with the Lender as enumerated in the Lender's Certificate, if applicable, may be held by the Lender for the purposes indicated therein, or in the event of a default may be applied to the accelerated Loan indebtedness.
6. The Secretary and his authorized agents and the Lender are hereby granted the right to enter upon the premises at any and all times for the purpose of inspection.
7. Further, in order to induce the Secretary to endorse the credit instrument for Loan insurance, and with the intent that the Secretary rely upon the statements hereinafter set forth, the undersigned makes the following certifications:

FHA FORM 2420 (8-74)

CERTIFICATE OF BORROWER (Continued)

(a) That it has received the sum of \$ _____ constituting the full principal amount of the Loan for this project.

(b) That the fire safety equipment and related improvements have been installed and are in accordance with the plans and specifications approved by the Secretary and the Secretary of Health, Education and Welfare, or his designee; that said loan is a good and valid lien on the property; that the property is free and clear of all liens other than any lien previously approved by the Secretary; that all outstanding unpaid obligations contracted by or on behalf of the Borrower entity directly or indirectly, in connection with the loan transaction, or the purchase and installation of fire safety equipment and related improvements are listed below:

* (1) FHA-approved notes (copies attached) \$ _____

(2) Due General Contractor \$ _____

* (3) Other \$ _____

(c) That, except for the amounts due on notes listed in Item (1) of paragraph (b) above, the undersigned agrees to pay the foregoing obligations in cash and to furnish the Secretary receipts, or other evidence of payment satisfactory to the Secretary within 45 days following the date hereof.

(Borrower)

(Date)

By _____

(Signature and Title)

(NOTE: If the space provided is inadequate to list all unpaid obligations, insert the total in each category and attach itemizations. If there are no outstanding obligations, so state.)

CERTIFICATE OF GENERAL CONTRACTOR

The undersigned, as general contractor of the facility covered by the Fire Safety Equipment Loan, makes the following certifications:

1. That construction is in accordance with the plans and specifications which were approved by you and the Secretary of Health, Education, and Welfare, or his designee.

2. That all outstanding unpaid obligations contracted by or on behalf of the undersigned in connection with the construction contract are listed below. (If space below is inadequate, continue listing on an attached sheet and so note.)

(a) _____ \$ _____

(b) _____ \$ _____

(c) _____ \$ _____

3. That, except for unfinished work covered by an approved escrow deposit, the undersigned agrees to pay the foregoing obligations in cash and to furnish the Secretary receipts, or other evidence of payment satisfactory to the Secretary, within 15 days following receipt of payment from owner.

(General Contractor)

(Date)

By _____

(Signature and Title)

4600.2

APPENDIX 9

NOTE: Wherever the terms "Loan", "Borrower", or "Lender" are used herein, the same shall be deemed respectively to include the security instrument, whether the same is a Mortgage or Deed of Trust, the Obligor under the credit instrument, the Trustee or Trustees and the Beneficiary of said credit instrument. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

WARNING

U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, passes, utters, or publishes any statement, knowing the same to be false. . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

FHA FORM 2420 (8-74)