

## Sample

# Mark-to-Market Certification of FHA Underwriting

Form 4.9

RE: (Project Name)  
(FHA Project Number)  
(REMS I.D. #)

CERTIFICATION AS A CONDITION FOR THE ISSUANCE OF A *FIRM COMMITMENT*:

We certify that the subject loan has been underwritten in accordance with the policies and guidelines of the Federal Housing Administration for loans insured pursuant to Section 223(a)(7) of the National Housing Act in connection with Section 8 rent reductions and mortgage debt restructuring under the Mark-to-Market program.

1. Rents are supported by market comparison, as documented by a State-certified General Real Estate Appraiser.
2. Operating expenses are supported by market data, and have been adjusted for special features of assisted projects.
3. The principal amount of the new loan insured pursuant to section 223(a)(7) does not exceed the unpaid principal balance (UPB) of the existing insured mortgage.
4. The mortgage term does not exceed the unexpired term of the existing insured mortgage,

OR

The remaining physical and economic life of the property supports an extended mortgage term and this term does not exceed the remaining term of the existing insured mortgage by more than 12 years.

5. The debt coverage ratio is 1.2, at a minimum.
6. The repair estimate is reasonable and consistent with the PAE's conclusions regarding the Physical Condition Assessment prepared for the project. Funds for any non-critical repairs necessary in the first 12 months after closing will be escrowed using the required Escrow Agreement.

7. Both the initial deposit and the ongoing deposit to the Reserve for Replacements are consistent with the PAE's conclusions regarding the needs identified in the Physical Condition Assessment and adequately maintain the property.
8. The social security numbers and/or the tax identification numbers of the principals have been run through the HUD 2530 system and any issues raised have been addressed.
9. The Environmental Restrictions Checklist and the Environmental Assessment and Compliance Findings for the Related Laws (HUD Form 4128) have been completed and all issues have been addressed.
10. The underwriting conclusions reflected in the Firm Commitment and processing forms for the loan to be insured pursuant to Section 223(a)(7) are consistent with the Restructuring Commitment.
11. Application fees have been collected (or waived), or evidence of wire transfer has been received, and are in accordance with the amounts required under Section 223(a)(7).
12. The up-front mortgage insurance premium will be collected in accordance with the amount required under Section 223(a)(7) at the closing.

Signed and certified by:

**(PAE Official with Review and Certification Authority)**  
**(Title of PAE Official)**

Dated:

**(Write in date signed)**

Signed and certified by:

**(Mortgagee)**  
**(Title)**

Dated:

**(Write in date signed)**