

# Borrower's Contract with Respect to Hotel and Transient Use of Property

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB Approval No. 2502-0059  
(Expires 10/31/26)

FHA Case Number:	Borrower's Name:
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Property Address:

By this contract between the person signing as Borrower/Mortgagor, and hereinafter referred to as the Borrower, and the Secretary of Housing and Urban Development, hereinafter referred to as the Secretary, the parties hereto agree and covenant as follows:

The Secretary has been requested to insure a mortgage on the housing identified in the caption hereof under the provisions of the National Housing Act, as amended:

The Borrower, as the owner of said property by reason of such mortgage insurance, will receive the benefits of said Act;

Section 513(a) of the National Housing Act, as amended, provides that as long as mortgage insurance is outstanding, no portion of the housing covered by any such mortgage shall be used for transient or hotel purposes;

The Secretary has defined the term transient or hotel purposes to mean (1) any rental for a period less than 30 days, or (2) any rental if the occupants of the housing accommodations are provided customary hotel services such as room service for food and beverages, maid service, furnishing and laundering of linen, and bellboy service.

In consideration of the foregoing the Borrower covenants and agrees that so long as any of the housing identified in the caption hereof or any part thereof is subject to a mortgage insured under the provisions of the National Housing Act, the Borrower, his/her successors and assigns, will not rent, offer to rent, permit the rental or permit the offering for rental of such housing or any part thereof for transient or hotel purposes.

Pursuant to 28 U.S.C. Section 1746, I certify under penalty of perjury that the foregoing is true and correct.

**Warning:** HUD will seek prosecution of anyone who knowingly submits a false claim, or makes false statements and will be subject to criminal and civil penalties, including confinement up to 5 years, fines and civil penalties. (18 U.S.C. §§ 287, 1001, and 31 U.S.C. § 3729)

Date on which this Contract is Executed:	Borrower's Signature:
	Co-Borrower's Signature:

Secretary of HUD, by Federal Housing Commissioner:  
(Signature of HUD Authorized Agent)

## Privacy Act Notice

Authority: Section 203 of the National Housing Act (12 U.S.C. § 1709) and Section 255 of the National Housing Act (12 U.S.C. § 1715z-20) authorize HUD to process applications for FHA insurance of eligible Single Family and Home Equity Conversion Mortgages and respond to inquiries regarding applications for mortgage insurance. 31 U.S.C. § 7701 and 42 U.S.C. § 3543 authorize HUD to collect taxpayer identifying numbers, which may include Social Security Numbers (SSNs).

Purpose: HUD will use this information to determine eligibility for FHA mortgage insurance, and for other purposes described in the published Privacy Act System of Records Notice (SORN).

Routine Uses: Pursuant to the published SORN, HUD may share the information with other program offices within HUD, law enforcement, other government agencies, government sponsored enterprises (GSEs), lenders, and other program participants, as necessary to verify eligibility, process mortgage insurance applications, engage in research and analysis, enforce the law, assist in matters related to court proceedings, respond to potential or actual threats to the security of Federal information systems and related data, and for any other routine use published in the SORN.

Disclosure: Providing this information is voluntary; however, failure to provide the requested information may delay or restrict your eligibility for an FHA-insured mortgage loan, or other benefits you are seeking.

The System of Records Notice (SORN) for this collection is the Computerized Homes Underwriting Management System (CHUMS), and is publicly available at: [https://www.hud.gov/program\\_offices/officeofadministration/privacy\\_act/pia/fednotice/SORNs\\_LoB#housing](https://www.hud.gov/program_offices/officeofadministration/privacy_act/pia/fednotice/SORNs_LoB#housing).