

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 12/31/2023)

FHA Case Number:

Borrower's Name:

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: Anyone who knowingly submits a false claim, or makes false statements is subject to criminal and civil penalties, including confinement for 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)