

Maximum Insurable Mortgage

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

Project Name		Project Number
To Lender (Mortgagee)	Borrower (Mortgagor)	
Street Address	Street Address	
City & State	City & State	

Dear Sirs:

Pursuant to the Agreement and Certification executed in connection with the above project, this office has reviewed the mortgagor's certified statement of actual cost and in reliance thereon has made certain related determinations as required under Section 227 of the National Housing Act. Accordingly, HUD will finally endorse, the above project, secured by a first mortgage upon the land and property included in the project, in an amount not to exceed that set forth herein below.

It is understood, however, that any estimated items of cost may result in a further reduction of the mortgage when the actual costs are established, that such a reduction, if any, must be made in accordance with the aforesaid Agreement and Certification, and that acceptance of items "to be paid in cash within 45 days after final endorsement" is conditioned upon proof of payment of such items in cash. Failure to comply with this requirement may result in a mandatory mortgage reduction.

Pursuant to Section 227 of the National Housing Act, all items approved herein are final and incontestable, except for fraud or material misrepresentation on the part of the mortgagor, as of the date of the final endorsement, except that items shown on Form HUD-92330 to be paid within 45 days, shall not be considered final and incontestable until the date of HUD's Recomputation of the mortgage based upon its Reconciliation of the "to be paid items" with actual receipts.

1. (a) Original Mortgage Amount		\$ _____
(b) Less: Effect of Construction Changes, if any	\$ _____	
(c) Unused Contingency Reserve, if any (Rehabilitation)	\$ _____	
(d) Other: _____	\$ _____	
(e) Total Deductions from Original Mortgage Amount		\$ _____
(f) Adjusted Original Mortgage Amount		\$ _____
2. Certified "Actual Cost" (From Form HUD-92330)	\$ _____	
3. Disallowed Amounts (Schedule 2)	\$ _____	
4. Recognized "Actual Cost" of Improvements	\$ _____	
5. Land (New Construction & Substantial Rehabilitation Involving an Acquisition)	\$ _____	
6. Total Land and Improvements	\$ _____	
7. Statutory Percentage of Total Cost (_____% x Item 6)	\$ _____	
8. For Substantial Rehabilitation-Property Owned, enter the Lesser of:		
(i) \$ _____ Existing Mortgage Indebtedness (Land and Improvements)		
or		
(ii) _____% x \$ _____ AS IS Value of Land and Improvements (before repair or rehabilitation)	\$ _____	
9. Total —line 7 plus line 8, (if applicable)		\$ _____
10. Maximum Insurable Mortgage in Multiples of \$100 (item 1(f) or item 9 whichever is the lesser)		\$ _____
if Grants involved see attached sheet to this form for Reconciliation of Adjustments, if required		

Schedule 1. Approval of the Maximum Insurable Mortgage, as stated on Line 10, is conditioned upon the following:

A. At final closing, satisfactory evidence must be provided that the "to be paid" items listed on form HUD-92330 have been paid or an escrow established to satisfy those items remaining to be paid.

Schedule 1 (continued)

Schedule 2. Disallowed Costs

Schedule 3. Computation of Mortgagor's Initial Equity Investment

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|---|----------|
| 1. Total Land and Improvements (Line 6 above) | \$ _____ |
| 2. Less: Maximum Insurable Mortgage (Line 10 above) | \$ _____ |
| 3. Mortgagor's Initial Equity Investment | \$ _____ |

Schedule 4. Tentative Disallowances. Those items which appear below are classified as tentative disallowances and may be recognized and approved as certifiable costs subsequent to the issuance of this form provided that satisfactory clarifying documentation is submitted within 30 days. Whether or not these items are subsequently approved will have no effect on the maximum insurable mortgage listed on line 10 of this form.

Assistant Secretary for Housing / FHA Commissioner

Name of Authorizing Agent

Signature of Authorizing Agent

Date