

APPENDIX 3

UNDERWRITER CERTIFICATION

The underwriter executing form HUD-54113 has personally reviewed the appraisal report (if applicable) and credit application, including the analysis performed on the mortgage credit analysis worksheet, and certifies, for and on behalf of the mortgagee, that the mortgage complies with HUD underwriting requirements as contained in all outstanding HUD handbooks and Mortgagee Letters, and is in compliance with the applicable regulations described below. The mortgage loan is eligible for mortgage insurance under the Direct Endorsement program. This underwriter certification is in addition to any certifications required of the mortgagee, the mortgagor, or both on form HUD-92900-A. If a requirement from 24 CFR Part 203 is incorporated in a different regulation by cross-reference (e.g., 203.40 in Certification 1 is cross-referenced in 221.1), a reference to the Part 203 requirement in a certification shall also be deemed a reference to each instance where the requirement is incorporated by cross-reference. Each of the below-listed certifications apply to the loan submitted for endorsement, except to the extent the certification itself defines the situation to which it applies.

- (1) The mortgaged property is located in a community where the housing standards and location meet the requirements of 24 CFR 203.40 or 234.63 (condominiums).
- (2) There is located on the mortgaged property a dwelling unit designed principally for residential use for not more than four families, as required by 24 CFR 203.38, or for eleven families if 220.20 is applicable.
- (3) The mortgage is executed by a mortgagor who is to occupy the dwelling as a principal residence (as described in 24 CFR 203.18(f)(1) or 234.27(e)(1)) or, if the mortgagor is a non-occupant, the mortgagor is eligible under 24 CFR 203.18(f)(3), 234.27(e)(3), or is purchasing the dwelling from HUD.
- (4) The mortgagor's monthly mortgage payments will not be in excess of his or her reasonable ability to pay, as required either under 24 CFR 203.21, 203.45(d) (GPMs), 203.47(a) (GEMs), 220.1, or 234.36 (condominiums).
- (5) The mortgagor's income is and will be adequate to meet the periodic payments required to amortize the mortgage submitted for insurance, as required under 24 CFR 203.33, or 234.56 (condominiums).
- (6) The mortgagor's general credit standing is satisfactory, as required under 24 CFR 203.34, or 234.57.

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- (7) The buildings on the property secured by the mortgage comply with

203.17(e) and property standards issued by HUD as required by the applicable provisions of 24 CFR part 200, subpart S, for proposed construction, and 203.39, 203.50(d) (if a Section 203(k) mortgage), 220.15 (urban renewal), 234.25(d) (if a condominium unit) or the standards set forth in HUD handbook 4905.1 for existing construction as applicable.

- (8) In cases where the mortgaged property is subject to a junior mortgage or lien, the applicable requirements of 24 CFR 203.32(b), (c) or (d), or 234.55(b), (c) or (d) (condominiums), are met.
- (9) For a condominium unit, the mortgaged property is in a project that has been approved by HUD and all other requirements under 24 CFR 234.26 are met.
- (10) In the case of proposed or new construction in a new subdivision, the property covered by the application for insurance meets the requirements of 24 CFR 203.12.
- (11) The property covered by the mortgage is not located in an area that is precluded from receiving Federal financial assistance pursuant to the Coastal Barrier Resources Act (Pub. L. 97-349).
- (12) If the mortgage loan is for rehabilitation under Section 203(k), the mortgage also meets the requirements of 203.50(c) (dwelling at least one year old), 203.50(d)(2) (meets energy conservation standards), and 203.50(e) (is an acceptable risk).
- (13) If the property is located in an older declining urban area and is to be insured under Section 223(e) of National Housing Act, it also meets the additional requirements of 24 CFR 203.43a.

SPECIFIC CERTIFICATIONS FOR SECTION 235(r) MORTGAGES. The certifications contained in Items (1) through (13) do not apply to mortgages insured under Section 235(r). The certifications which do apply are the following:

- (14) The mortgagor meets all the eligibility requirements of 24 CFR 235.1202(b)(6)(i) through (viii).
- (15) The monthly payments of principal and interest at the 235(r) interest rate on the mortgage submitted for insurance are less than the monthly payments of principal and interest on the mortgage being refinanced.
- (16) The computation of the amount of assistance payments which the Secretary will pay on behalf of the mortgagor was computed in accordance with the formula contained in 24 CFR 235.1210(a).