MORTGAGEES CERTIFICATE

(FOR USE IN Sections 213 and 226 Projects and in Management and
Investment-Sponsor Projects Under Sections 211, 212 and 226)

Dear Sirs,

We hereby order our check for $______ the first mortgage insurance premium**, together with the documents called for in our Commitment dated __________ and in any extensions or amendments thereto, and we certify that:

(1) To the best of our knowledge and belief all of the statements made in our Application for Mortgage Insurance in the above-captioned case are correct and all of the conditions of the above-mentioned Commitment and any amendments thereto have been fulfilled.

(2) We agree to give you at least 10 days notice of the date and amount of any advance of mortgage money for which insurance is desired upon your Form "Application for Insurance of Advancement of Mortgage Proceeds" (FHA Form No. 2412), such such application to be accompanied by Form as required by law.

(3) Only the charges enumerated below have been collected from the Mortgagor:

(a) FHA application and commitment fee $________

(b) Initial service charge, if any (not exceeding 2%) $________

(c) Title and recording expense (including cost of surveys, recording fees, mortgage and stamp taxes, etc.) $________

(d) Inspection Fee $________

(e) Mortgage Insurance Premium** $________

(4) The undersigned has collected from the mortgagor and has no deposit a Working Capital Deposit of $________ in the form of ________ (Cash or Letter of Credit) to be applied for the purposes and in the manner specified in your Commitment.

(5) The mortgagor has deposited with us as in a depositary satisfactory to us and subject to our control, the following sums required by your Commitment: (Check applicable paragraphs.)

☐ Funds required, if any, over and above the proceeds of the Mortgage to complete the project, which funds will be used before any mortgage money is advanced in the amount of $________.

☐ Proceeds guaranteeing the completion of off-site utilities and streets in the amount of $________.

☐ This deposit is in the form of ________ (Cash or Letter of Credit).

☐ (Applicable only to Investor-Sponsor and Condominium Mortgages) Funds deposit of $________ to cover the cost of the legal and organizational expenses of the proposed cooperative (condominium) purchaser. Under the terms of this advance, an endorsement for such expenses is to be made without the prior written approval of the Federal Housing Commissioner, and in the event a transfer is made (cooperative) (condominium) ownership is not consummated with the approval of the Commissioner, any sum remaining in this escrow shall be disbursed in such manner and for such purposes as the Commissioner may direct.

☐ (Applicable only to existing construction projects insured under Section 213(b)) The sum of $________ to be held in the replacement reserve to cover deferred replacement items as specified in the commitment for insurance.

* In cases where the commitment is in connection with an existing construction project under Section 213(b) in a non-urban area, the Mortgage's Commitment FHA Form 2260-A should be used.

** No mortgage insurance premium is required in Section 211(a)(2) below market interest rate cases.

*** Depending on case type cases where the amount also covers the interest issues upon release of the project mortgage.

**** means mortgage insurance.
(6) We have received the following assurance for the completion of the project. (Check applicable paragraph):  
☐ Contract Bond in the penal sum of $ ____________  
☐ Assurance of Completion Agreement reflecting the deposit with ____________ of a fund in the amount of ____________ in the form of ____________ which fund has been deposited and is subject to our order and will be disbursed with your written approval in the manner and for the purposes provided for in said agreement.

(7) Upon completion of the project, we will request from the Mortgagee a Certificate of Completion or similar instrument if required to cover any property owned by the mortgagor which is not clearly subject to the lien of the insured Mortgage under the laws of the jurisdiction. If not required, our attorney's opinion to that effect will be submitted.

(8) Beginning with the date on which the first payment toward construction is required to be made by the Mortgagor by the terms of the insured Mortgage or at such later date as may be agreed to by you in writing, we shall require a monthly deposit with us in a escrow account in the amount of the sum set forth in your Commitment for Insurance constituting a Fund for Repayment which fund will be subject to our control and from which withdrawals may be made in the event of your written permission, provided that in the event of a default in the terms of the insured Mortgage, pursuant to which the loan has been accelerated, such funds of the Mortgagor may then be in our hands may be applied on the amount due under the Mortgage debt, as accelerated. We understand that these funds will be deposited with us by the Mortgagor in the form of cash, and that we will, upon appropriate request by the Mortgagee, permit the conversion of the whole or a substantial part of these funds into the form of obligations of or fully guaranteed as to principal by the United States of America. Notice of any failure to remit the monthly deposits hereinafore required will be furnished to the Commissioner within 10 days from the due date.

(9) We understand that nothing herein contained or contained in the closing documents, is to be deemed a waiver of any of the provisions of the aforementioned Regulations, but all said instruments are intended to be subject thereto. We have agreed to conform with and abide by such Regulations in all matters with respect to the aforementioned Loan and the project, or as far as they are applicable to us. We agree to furnish you promptly with a complete report of the results of our annual inspection of the mortgaged premises required by said Regulations.

(10) In the event of a default by the Mortgagor in its obligations to complete the construction of the improvements on the mortgaged premises, we have the right to complete the project, which right is insurable to the Commissioner, and for that purpose the undischarged balance of the Mortgage will be available in the event the completion of the project is undertaken by another of us. Each undischarged balance may be used to discharge any and all valid liens or claims against the project and all such advances will be considered as made for the account of the Mortgagor and will be covered by the terms of the Mortgage. It is understood that all funds so advanced for the completion of the property will be covered in the Contract of Mortgage Insurance.

(11) So long as the Contractor, or/and Mortgagor, or/and default, theSurety or any other person acting on behalf of, or in substitution for them, shall be ready, able and willing to complete the Contract for the construction of the project, we will, upon notice from you, advance the undischarged balance of the Mortgage for that purpose. The term "Contractor" shall mean all persons, firms or corporations contracting directly with the Mortgagor for the construction of all or any portion of the project.

(12) All insurance policies on the project required by the terms of the insured Mortgage will have attached thereto a standard Mortgage clause making the loss payable to the Mortgagee and the Commissioner, as interest may appear.
☐ [ ] The loan was originated for sale by the undersigned who does not, at this time, have a firm commitment or agreement to purchase the loan from which the amount of its fees, if any, in connection with such sale can be determined. The undersigned has collected on the form of ________ the amount of $________ to be held

[Enc. Letter of Credit]

in escrow under an agreement to cover any discount or additional financing charge incurred by the undersigned in the bona fide sale of the mortgage. Such agreement provides that any part of the excess deposit not necessary to reimburse the undersigned for such discount as it may have to pay will be remitted to the mortgagor or applied to the reduction of the insured mortgage or will be deposited in the Reserve Fund for Repurchases of the mortgage as you may direct. We hereby agree to notify you of the amount of any excess deposit as soon as same has been determined and to hold each such excess pending receipt of your instructions for its disposition.

☐ [ ] Additional financing charges or discount of $________ to be collected pursuant to the attachment herein for the purpose shown in (b), (c), (d), (e). (Strike applicable letters)

*To be used where collection of additional financing charges or discount will be deferred. The different arrangement must be in accordance with forms and procedures prescribed by the Commissioner.

No finance charges other than those disclosed herein have been or will be made. Until final endorsement for insurance by the Commissioner, all funds collected pursuant to items (c), (d), or (e) above and not paid over to the permanent lender, plus any funds returned by the permanent lender, shall be held for the account of the mortgagor and shall be subject to your control and direction in the event of claim under the contract of insurance.

14 Except for mortgage advance approved by the Commissioner or notes executed pursuant to (14) (e), we do not have outstanding and will not make loans or advances to the mortgagor, any of the sponsors, the general contractor, or the architect for any purpose connected directly or indirectly with this project without your written approval of the Commissioner. We have not made or offered, and will not make or offer, any guarantees, pledges, reservations of assets to become due or other endorsements to any entity or persons to make loans or advances which we would be prohibited from making under the terms of this paragraph.

15 We certify that in any case where a letter of credit has been accepted in lieu of cash, (c) each letter of credit is unconditional and irrevocable, (d) in the event a demand under the letter of credit is not immediately met, we will forthwith provide cash equivalent to the unpaid balance thereunder without recourse to the mortgagor, any sponsor, the general contractor or the architect, (e) we have not made and will not make any inducements as described in Paragraph (15) above to procure issuance of letters of credit, and (c) we have made every reasonable effort to satisfy ourselves that both the mortgagor and the institutions which issued the letter of credit are aware that it is entirely possible that demands will be made for each under the terms of the letter and that no possibility exists that mortgage proceeds will be available to reimburse the issuing bank for such cash payments.

16 (Applicable only to Investor-Sponsored Mortgages where an escrow provision is included in the Construction Contract. FHA Form 2445.6, with the approval of the FHA.) It is the surety agent for the purpose set forth in Article III of the Construction Contract and that it will make distribution therefore in accordance with the provisions of Article III of said construction contract.

17 (Applicable only to Section 221(d)(3) Investor-Sponsored mortgage.) We agree to transfer into an escrow prior to final endorsement the sum specified in Condition 3.a. of the Commitment for Insurance and to disburse same only in the manner provided in said commitment.

18 Whenever the terms “Mortgagee,” “Mortgagor,” or “Mortgages” are used herein, the same shall be deemed to include respectively: the security instrument whether the same be a Mortgage or a Deed of Trust; the Obligor of the debt accrued thereby; the Obligor, or the Trustee(s) and the Beneficiary of said credit instrument. The term “financing charge(s)” as used herein, shall mean any charge, direct or indirect, for any of the expenses incurred in servicing the loan for the mortgagor. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

DATE:

(Mortgagor)

ATTEST:

BY

(Date)

(Firm)

(Sponsor - Contractor)

[Handwritten note:]

IN: N.Y., Aug. 15

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[Address: N.Y., N.Y.]