



APPENDIX 43

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
HOUSING-FEDERAL HOUSING COMMISSIONER
MORTGAGEE'S ASSURANCE OF COMPLETION

NOTE: This is not an escrow agreement. The mortgagee must take such action as it considers necessary to safeguard interests of mortgagor in case item 1 that the work will be completed if not performed by the mortgagee. The Department holds the mortgagee responsible for the completion of the work to be completed.

HUD Form No. 7507-0189 (Rev. 5-31-89)

INSTRUCTIONS: Complete Paragraph A if a Cash Escrow is to be established in Paragraph B if a Commercial Letter of Credit is to be used. Complete all other items in the form using information from the Outstanding Compliance Report or HUD Commitment for Insurance identified above and there is evidence of the Completion Inspection Report, Section Parts 1 and 2 to the HUD field office with closing papers. Complete and submit Part 4 to HUD field office on or before specified completion date.

PHS Case No.



PROPERTY ADDRESS

PROPERTY LOCATION

(Check appropriate box)

HUD COMMITMENT

PDAM HUD-01661

COMPLETION DATE

TO THE FEDERAL HOUSING COMMISSIONER: In consideration of your issuing a Mortgage Insurance Certificate in the above numbered case, the undersigned will see that the incomplete construction, alterations and repairs as set forth in the HUD Compliance Report or HUD Commitment for Insurance identified above are completed on or before the specified completion date. The undersigned further agrees that at the time of completion it will certify to its personal inspection and the satisfactory completion of all items.

THE ITEMS TO BE COMPLETED ARE:

A. **CASH ESCROW:** To assure completion of these improvements on or before the specified completion date, the undersigned agrees to hold the sum of \$ _____, hereinafter referred to as the "Fund," and not to expend or disburse said Fund until a representative of the undersigned has made a personal inspection of the work and found that all items have been satisfactorily completed and there is evidence satisfactory to the undersigned that there are no liens or possibilities of liens in connection with said improvements on the premises covered by the above.

The undersigned further agrees, if it is an institution which is required by HUD regulations to segregate mortgage escrow funds, that it will hold said sum in a special custodial bank account separate and apart from its general assets.

B. **COMMERCIAL LETTER OF CREDIT:** To assure completion of these improvements on or before the specified completion date, the undersigned has accepted from _____, builder, an irrevocable letter of credit drawn upon _____, a commercial bank, dated _____, in the amount of \$ _____, which letter will make available to the undersigned \$ _____ for the completion of these improvements, and the undersigned agrees to not release the right to draw upon said letter of credit, hereinafter referred to as the "Fund," until a representative of the undersigned has made a personal inspection of the work and found that all items have been satisfactorily completed and there is evidence satisfactory to the undersigned that there are no liens or possibilities of liens in connection with said improvements on the premises covered by the above. The undersigned further engages and confirms, if a letter of credit constitutes the "Fund," that the issuing bank will honor said letter of credit or that the undersigned will, itself, honor said letter of credit.

The undersigned agrees to notify the field office when final disbursement is made, and further agrees that, in the event of offering the credit and security instruments to the above-numbered case for sale or transfer prior to such final disbursement or release of the letter of credit, it will notify the prospective purchaser thereof in full detail. It is understood that the HUD will not release the original mortgage from its responsibility unless the transferee assumes the responsibilities of the transferor either by execution of a new form, or by making a proper endorsement on the existing form to the effect that it accepts the new agreement and assumes the responsibility of the transferor.

The undersigned further agrees that in further consideration for issuance of a Mortgage Insurance Certificate in this case, this instrument shall constitute a primary obligation of the undersigned to complete these improvements in a manner satisfactory to comply with the requirements of the Compliance Inspection Report or HUD Commitment for Insurance identified above regardless of the adequacy for such completion of the "Fund".

Date _____ Signature and Title of Mortgagee's Official _____