

Mortgagee's Application for Partial Settlement Multifamily Mortgage

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

OMB Approval No. 2502- 0427
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Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is collected to obtain required fiscal data for HUD to compute a partial settlement of insurance benefits prior to a complete examination of the claim. HUD minimizes expenses incurred while paying insurance benefits and provides immediate financial relief to the claimant. Payment of such benefits is cited in 12 USC 1713(g). The information requested does not lend itself to confidentiality.

Instructions: Prepare this form in four parts (original & 3 copies) immediately upon receipt and submit three parts to the:

U.S. Department of Housing and Urban Development,
Office of Mortgage Insurance Accounting and Servicing,
Attn: Multifamily Accounting and Servicing Division, HOMMI
Washington, D. C. 20410 - 8000.

On the date the assignment or deed is filed for record, a telegram is to be sent to the:

U.S. Department of Housing and Urban Development,
Office of Mortgage Insurance Accounting and Servicing,
Attn: Multifamily Accounting and Servicing Division, HOMMI
Washington, D. C. 20410 - 8000

advising the date that the assignment or deed was filed for record. For assignments, the telegram must also include:

- date of default;
- unpaid principal balance
- monthly amount due for principal and interest, tax escrow, and reserve for replacements;
- date and amount of last taxes paid;
- due date of next taxes payable; and
- escrow balances for taxes, MIP, and hazard insurance.

The following claims will be paid in cash unless the mortgagee presents a written request for debentures: Sections 220, 221 and 233 endorsed on or after July 7, 1961; 235(j)(1) Section 241 loans

made in connection with any of the foregoing and endorsed on or after July 15, 1978; 236 and all other multifamily mortgages endorsed under another section of Titles II or XI pursuant to Section 223(e). All other multifamily claims are settled by issuance of debentures.

For multifamily mortgage assignments which are to be settled by issuance of debentures, all escrow deposits, reserves for replacement funds, undisbursed mortgage proceeds, any undisbursed balance under a letter of credit, and other monies held by the mortgagee for the account of the mortgagor must be remitted to HUD on the date the assignment is filed for record. The mortgagee will retain net income from operation of the project and receipts from any source after the date of default irrespective of whether the claim is settled in debentures or cash. For multifamily property conveyances, and for all cash settlements, all funds are to be retained by the mortgagee, and the amount thereof will be deducted from the settlement.

If the mortgage has been finally endorsed for insurance, partial settlement of approximately 90% of the unpaid principal balance will be made on cash settlements upon receipt of the above telegram. If the project is not completed, the amount of the partial settlement will depend upon the extent of completion. The final settlement will be made after receipt of the fiscal data and the title requirements, which are to be submitted within 45 days after the assignment of the mortgage, or deed, was filed for record, or such further time as may be granted in writing.

1. Project Number	2. Name & Location of Project	3. Date of this Notice
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4. Payment in Default (specify date, amount, & nature)

5. Aggregate Cash Escrows on Hand at this Date (including Reserves for Replacement) \$	6. Unpaid Principal Balance \$	7. Undisbursed Mortgage Proceeds \$
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The undersigned hereby certifies and agrees that in the event HUD finds it necessary to reconvey the property or reassign the mortgage, the mortgagee will promptly reimburse HUD in full for the amount of the settlement without prejudice to the mortgagee's right to file an application for insurance benefits at a subsequent date. The undersigned further certifies that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

8. Mortgagee's Name, Address & Zip Code	9. Servicer's Name, Address & Zip Code
8a. Employer Identification Number	
10. Signature & Title of Mortgagee Official X	11. Signature & Title of Servicer Official X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Send the original and 2 copies to HUD at the above address. Mortgagee/Servicer should retain 1 copy.

form HUD-2537 (3/91)
ref. Handbook 4110.2