SAMPLE LETTER TO OBTAIN MISSING OR CORRECTED FINANCIAL STATEMENTS

Dear Mortgagor

Subject: ABC Arms
Project No. ______________________

In reviewing your annual financial statements submitted for 19___ on the noted project, the following checked items were omitted or not completed in accordance with HUD Handbooks 4370.1, 4370.3, and IG 2000.4:

_____ Proper IPA Certification
_____ Proper Mortgagor Certification
_____ Proper Management Agent Certification (if applicable)
_____ Balance Sheet
_____ Statement of Income
_____ Statement of Cash Flows
_____ Statement of Retained Earnings
_____ Notes to Financial Statements
_____ Schedule of Changes in Fixed Asset Accounts
_____ Schedule of Accounts/Notes Receivable
_____ Schedule of Delinquent Tenant Accounts Receivable
_____ Schedule of Mortgage Escrow Deposits
_____ Schedule of Tenant Security Deposits
_____ Schedule of Reserve for Replacement
_____ Schedule of Accounts Payable
_____ Schedule of Accrued Taxes
_____ Schedule of Compensation of Partners or Officers
_____ Schedule of Identity of Interest Firms
_____ Schedule of Unauthorized Distributions of Project Income
_____ Computation of Surplus Cash, Distributions and Residual Receipts
_____ Auditor's Report on Financial Statements
_____ Auditor's Report on Internal Control Structure
_____ Auditor's Report on Compliance w/ Mgmt Letter or Schedule of Findings and Questioned Costs
_____ Auditor's Comments on Audit Resolution Matters
_____ Auditee's Response or Corrective Action Plan
_____ Other _______________________________

Please submit those items checked above to this office within the 15 working days from the date of this letter. If the missing items will not be available within the required period, please specify in writing the reason why and when they will be available.

If you have any questions, contact _______________________________ at ( ) ____________________.

Sincerely,

Loan Management Staff

cc: Management Agent
FORM LETTER TO NOTIFY OWNERS TO SUBMIT DELINQUENT FINANCIAL STATEMENTS

Dear Mortgagor

Subject: Annual Financial Report for FY'____
        Project No. __________________________

To date, we have not received the following information requested for the financial statements for the project noted:

_____ Proper IPA Certification
_____ Proper Mortgagor Certification
_____ Proper Management Agent Certification (if applicable)
_____ Balance Sheet
_____ Statement of Income
_____ Statement of Cash Flows
_____ Statement of Retained Earnings
_____ Notes to Financial Statements
_____ Schedule of Changes in Fixed Asset Accounts
_____ Schedule of Accounts/Notes Receivable
_____ Schedule of Delinquent Tenant Accounts Receivable
_____ Schedule of Mortgage Escrow Deposits
_____ Schedule of Tenant Security Deposits
_____ Schedule of Reserve for Replacement
_____ Schedule of Accounts Payable
_____ Schedule of Accrued Taxes
_____ Schedule of Compensation of Partners or Officers
_____ Schedule of Identity of Interest Firms
_____ Schedule of Unauthorized Distributions of Project Income
_____ Computation of Surplus Cash, Distributions and Residual Receipts
_____ Auditor's Report on Financial Statements
_____ Auditor's Report on Internal Control Structure
_____ Auditor's Report on Compliance w/ Mgmt Letter or Schedule of Findings and Questioned Costs
_____ Auditor's Comments on Audit Resolution Matters
_____ Auditee's Response or Corrective Action Plan
_____ Other ____________________________

Your failure to furnish this information is a violation of the project Regulatory Agreement. To avoid our exercising further rights given to us under the Regulatory Agreement, you must submit the delinquent reports within 10 working days from the date letter. Until these reports are submitted, this office will consider withholding any requests for withdrawals from the Reserve for Replacement Fund and any concessions regarding mortgage requirements.

If you have any questions, contact ____________________________ at (___) ____________________________.

Sincerely,

Loan Management Staff
cc: Management Agent