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FOREWORD

Under the provisions of the regulatory agreement, project owners are required to submit certain financial accounting reports to the Department for review. The financial statements are a critical tool through which Loan Management staff can evaluate the performance of a project. In addition, the timely review of financial statements can identify actions needed to avoid defaults and minimize insurance claims against the Department.

This Handbook provides the information needed to understand concepts and terms necessary to accomplish the Loan Management staffs review of audited financial statements and monthly accounting reports. This Handbook should be used in conjunction with:

- o IG 2000.4 Consolidated Audit Guide for Audits of HUD Programs
- o HUD 4080.1 Compliance Handbook for Housing
- o HUD 4350.1 Insured Project Servicing
- o HUD 4350.3 Occupancy Requirements of Subsidized Multifamily Housing
- o HUD 4355.1 Flexible Subsidy
- o HUD 4370.1 Reviewing Annual and Monthly Financial Reports
- o HUD 4370.2 Financial Operations and Accounting Procedures for Insured Multifamily Projects
- o HUD 4370.3 Uniform System of Accounts for Cooperatives Using Computer and Manual Systems
- o HUD 4381.5 Management Documents, Agents & Fees
- o HUD 4470.1 Mortgage Credit Analysis for Project Mortgage Insurance, Section 207
- o HUD User Manuals on Multifamily Information Processing System (MIPS) Loan Management Module