MORTGAGE CREDIT BRANCH
INITIAL ENDORSEMENT DOCUMENT REVIEW

PROJECT NAME: ____

PROJECT NUMBER: ____

Answer each question. Check "N/A" only where the document/question is not applicable to the project.

		YES	NO	N/A
1.	Request for Permission to Commence construction Prior to Initial Endorsement for Mortgage Insurance, Form FHA-2415, was executed. If yes:	___	__	___
	a. Release of liens by the contractor and subcontractors are acceptable. If no, comment: ______________ ______________	___	__	___
	b. The commitment date for the start of principal payment has been modified to reflect the early start of construction. If no, comment: ______________ ______________	___	__	___
	c. Provisions have been made to escrow funds for additive change orders approved during the early start of construction but not yet completed and/or paid. If no, comment: ______________ ______________	___	__	___
	d. Mortgagor/Contractor Agreement to recognize interest costs relating to early start submitted.	___	__	___
2.	The request for an initial advance is acceptable and funds requested under the construction contract, including any for work under an early start, are supported by a Contractor's Requisition, Form HUD-92448. If no, comment: ______________ ______________	___	__	___

	YES	NO	N/A
3. 2530 Clearances.			
a. The mortgagor entity has been cleared pursuant to Form FHA-2530 procedures. If no, comment and steps taken:	___	__	___
b. Individuals or entities shown in the corporate charter, partnership agreement or incumbency certificate have been cleared pursuant to Form FHA-2530 procedures. If no:	___	__	___
c. Individuals or entities shown on the contractor's certification have been approved pursuant to Form FHA-2530 procedures. If no:	___	__	___
d. All architects and attorneys who have an identity of interest have been cleared pursuant to Form FHA 2530 procedures. If no:	___	__	___

3. 2530 Clearances.

a. The mortgagor entity has been cleared pursuant to Form FHA-2530 procedures. ___ __ ___
If no, comment and steps taken:
____
____
____

b. Individuals or entities shown in the corporate charter, partnership agreement or incumbency certificate have been cleared pursuant to Form FHA-2530 procedures. ___ __ ___
If no:

The following need clearance:
____
____

Actions taken:
____
____

c. Individuals or entities shown on the contractor's certification have been approved pursuant to Form FHA-2530 procedures. ___ __ ___
If no:

The following need clearance:
____
____

Actions taken:
____
____

d. All architects and attorneys who have an identity of interest have been cleared pursuant to Form FHA 2530 procedures. ___ __ ___
If no:

The following need clearance:
____
____

Actions taken:
____

	YES	NO	N/A
e. All identified packagers, consultants, project managers and management agents have been cleared pursuant to 2530 procedures. If no, the following need clearance:	___	___	___

Actions taken:

4. Partnership Agreement:

	YES	NO	N/A
a. Credit check, financial review and 2530 clearance are acceptable for each principal partner. If no, comment:	___	___	___
b. Rights and duties of each partner are acceptable. If No, comment:	___	___	___
c. Capital investment made/maintained for each partner is acceptable. If No, comment:	___	___	___
d. Partnership term equals or exceeds mortgage term. If no, partnership term must be: ______________	___	___	___
e. Mortgagor is a single assest mortgagor. If no, comment:	___	___	___
f. Partnership Agreement is consistent with the Regulatory Agreement. If no, comment:	___	___	___

	YES	NO	N/A
g. The partnership agreement improperly provides for the mortgagor to indemnify partners and officers against lawsuits. If yes, comment:	___	__	___

h. Comments:

5. Corporate Mortgagor.

	YES	NO	N/A
a. Credit check, financial review and 2530 clearance are acceptable for each principal investor. If no, comment:	___	__	___
b. Mortgagor is a single asset mortgagor. If no, comment:	___	__	___
c. The articles of incorporation and bylaws are consistent with the Regulatory Agreement and other documents. If no, comment:	___	__	___
d. The articles of incorporation and/or by-laws improperly provide for the mortgagor to indemnify board members against suits. If yes, comment:	___	__	___

	YES	NO	N/A
6. The Agreement and certification is acceptable. If no, comment:	___	__	___

	YES	NO	N/A
7. The amount shown in the Regulatory Agreement for the Reserve Fund for Replacements is correct. If no, the correct amount is ____________________	___	__	___
8. Construction Contract.			
a. The time for construction is correct. If no, comment: ______________________________	___	__	___
b. The amount shown for liquidated damages is correct. If no, the correct amount is __________________	___	__	___
c. The contract price agrees with the 2328. If no, the correct amount is __________________	___	__	___
d. The cash upset amount is correct. If no, the correct amount is __________________	___	__	___
e. The Construction Contract Incentive Payment in Article 3 is acceptable in language, amount and computation. If no, comment: ______________________________	___	__	___
f. The Note amount is approved, if payment is by other than cash. If no, the correct amount is __________________	___	__	___
g. Assurance of completion amount shown in Article 6 is correct. If no, the correct amount is __________________	___	__	___
h. The Cost Breakdown (Form HUD-2328) has been confirmed correct by Arch/Cost. If no, comment: ______________________	___	__	___
i. The filing period for monthly advances is acceptable.	___	__	___

If no, comment:

____
____

	YES	NO	N/A
j. The Amendment to the construction contract for identities of interest is attached and acceptable. If no, comment: ______ ______	___	__	___
9. Advances for Components Stored Offsite are involved. If yes:	___	__	___
a. Corporate surety bonds are 100 percent each for performance and payment and are acceptable. If no, comment: ______ ______	___	__	___
b. The Inventory and Cost Breakdown for Stored Components is attached to Form HUD-2328, Exhibit A to the Construction contract. If no, comment: ______ ______	___	__	___
c. The construction contract includes the addendum for offsite storage. If no, comment: ______ ______	___	__	___
10. Assurance of Completion for on-site work.			
a. The performance and payment bond(s) are for 100 percent each. If no, comment: ______ ______	___	__	___
b. The bonding company, ______________________, is acceptable to write a policy in the stated amount.	___	__	___

If no, maximum policy amount is ________________

c. Completion Assurance Agreement is correct. ___ ___ ___
If no, the correct amount is ___________________

YES NO N/A

d. Personal Undertaking, Form FHA-2459, is acceptable and in the correct amount. ___ ___ ___
If no, comment:
____
____

e. Comment: ______________________________________
____

11. The Assurance of Completion for offsite work is acceptable. ___ ___ ___
If yes, in form of:
____
____

If no, comment:
____
____

12. Owner-Architect Agreement fees and Form HUD-92403-1 agree for each design architect. ___ ___ ___
If no, comment:
____
____

13. The Certificate of Architectural/Engineering Fees agrees with prime architect contract fees and other A&E fee claims. ___ ___ ___
If no, comment:
____
____

14. Mortgage Note or Rider.

a. The interest rate is the same as shown on the commitment. ___ ___ ___
If no, the correct rate is ____________________

b. The Mortgage amount is correct. ___ ___ ___
If no, the correct amount is __________________

c. The P&I is correct. ___ ___ ___

If no, the correct amount is __________________

d. The Commencement of Amortization date is correct. ___ ___ ___
If no, the correct date is ____________________

YES NO N/A

e. The ending date for amortization is correct. ___ ___ ___
If no, the correct date is ____________________

f. The Special Provisions are consistent with other reviewed documents and financing criteria. ___ ___ ___
If no, comment: ________________________________

g. Comments:
____
____

15. Mortgage or Mortgage Modification Agreement.

a. The interest rate is the same as shown on the commitment. ___ ___ ___
If no, the correct rate is ____________________

b. The Mortgage amount is correct. ___ ___ ___
If no, the correct amount is __________________

c. The P&I is correct. ___ ___ ___
If no, the correct amount is __________________

d. The Commencement of Amortization date is correct. ___ ___ ___
If no, the correct date is ____________________

e. The ending date for amortization is correct. ___ ___ ___
If no, the correct date is ____________________

f. The Special Provisions are consistent with other reviewed documents and program financing criteria. ___ ___ ___
If no, comment:
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g. Comments:

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	YES	NO	N/A
16. Title Policy or Endorsement.			
a. Policy amount is ________________ which equals or exceeds the mortgage. If no, comment: ________________	___	___	___
b. The title company, ________________ is acceptable for a policy in that amount. If no, comment: ________________	___	___	___
17. The Building Loan Agreement is acceptable. If no, the following changes are required: ________________	___	___	___
18. The Mortgagee's Certificate is acceptable as to fees, discounts, notes, and other terms, and agrees with firm commitment processing. If no, the following changes are required: ________________	___	___	___
19. The Sponsor's Certification, Form FHA-3437, for 231 NP or 232 NP proposals is acceptable. If no, comment: ________________	___	___	___
20. The Guaranty Agreement, for 12-Month Debt Service Escrow for B&C Independent Living Units is acceptable. If no, comment: ________________	___	___	___
21. The Financial Requirements For Closing, Form FHA 2283, is attached. If no, comment:	___	___	___

____
____

YES NO N/A

22. Special Conditions of the Commitment numbered ___________________ are considered in this review. Required documents have been submitted and found acceptable for them all. ___ __ ___
If no:

a. Special Conditions numbered ___________________ have not been satisfied.

b. The following documents must be submitted:
____
____

c. The following actions have been taken:
____
____

23. Mortgagor's Sinking Fund Agreement for Section 232 projects, where medicaid reimbursement based on depreciation plus interest is acceptable. ___ __ ___
If no, comment:
____
____

24. Major/Minor Movable Equipment is involved (applicable only to Section 221d SRO, 231, 232 and 242 projects). ___ __ ___
If yes:

a. Provisions for mortgagor to finance major and minor movable equipment are acceptable. ___ __ ___
If no, comment:
____
____

b. The instrument evidencing acquisition of major equipment is acceptable. ___ __ ___
If no, comment:
____
____

c. The Financial Statement and Security

Agreement (UCC) are acceptable. ___ __ ___
If no, comment:
____
____

	YES	NO	N/A
d. The Chattel Mortgage is acceptable. If no, comment:	___	__	___

____
____

25. Evidence that the mortgagor is able to finance its required minimum financial investment is acceptable. ___ __ ___
If no, comment:
____
____

26. Comments:
____
____
____
____
____

Mortgage Credit Examiner	Chief Mortgage Credit
Date	Date

Note: The Mortgage Credit Branch is responsible for securing corrected initial draw documents directly from the mortgagee.