CHAPTER 6. BOND FINANCED PROJECTS

6-1. REQUIRED INFORMATION. If more than 3.5 percent in total financing fees is certified, the mortgagor's accountant must detail in the notes to the financial statement:

A. Amount of interest paid on the obligations.

B. Source of the interest payments.
   1. Construction loan proceeds.
   2. Monies advanced from the developer.
   3. Excess investment income.

C. Net amount of excess investment income.

D. Disposition of all escrowed funds, including any excess investment income, as specified in the trust indenture. For example:
   1. Payment of project related costs.
   2. Payment of interest on the bonds.
   3. Retirement of the bonds.
   4. Reimbursement of any remaining investment income to either the issuer of the obligations or the mortgagor entity.

6-2. NET EXCESS INVESTMENT INCOME. Reflect the amount of net excess investment income used to pay project costs on line 16a of Form HUD-92330 as a reduction to total costs.

6-1  4/94