Gentlemen:

We invite you to submit, through your mortgagee, an application for Conditional Commitment __________, Firm Commitment __________, for project mortgage insurance on the captioned project.

The project shall have the following characteristics:

* Total Units __________, Type Building __________, consisting of ________ total gross square feet and having a unit composition of:

<table>
<thead>
<tr>
<th>Type of Unit</th>
<th>Sq. Ft.</th>
<th>Number</th>
<th>Monthly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency 1 bath</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>One Bedroom bath(s)</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Two Bedroom bath(s)</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Three Bedroom bath(s)</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Four Bedroom bath(s)</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

* Land Use Intensity Rating __________

Equipment and Services included in rent are:

Commercial Area __________ Sq. Ft. Estimated Monthly Rental
$ __________

Number of Parking Spaces: Enclosed __________, Open __________
Estimated Monthly Parking Rental $ __________

Estimated Monthly Income from Other Sources $ __________

* Estimated Monthly Expense $ __________ F.U.E.A.

Of This, Taxes Represent $ __________ F.U.E.A.

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The maximum project cost supportable by the economics of this proposal is indicated to be $__________ distributed as follows:

* Tentative FHA Land Value (with off-site improvements installed) $__________
  "As Is" Value or Entering Indebtedness (if rehabilitation) $__________
  Carrying Charges and Financing Charges $__________
  Legal and Organization Expense $__________
  Consultant Fee (if applicable) $__________
  Design Architect (prior to construction) $__________
  Supervisory Architect (in the construction period) $__________
  Bond Premium $__________
  Other Fees $__________
  Supplemental Management Fund $__________
  Contingency Reserve (if rehabilitation) $__________
  Construction Budget, or Project
    Rehabilitation Budget (if applicable)
    (including Builders General Overhead and Profit of Builders General Overhead and BOPRA of $__________)
  $__________

* Excess construction cost resulting from unusual on-site conditions provided for in the construction cost estimate will be deducted from FHA Land Value (with off-site improvements installed). Any reduction in improved value will also be reflected in "As Is" Value for cost certification purposes.

Your architect should be fully aware of the significance of the project construction budget (or project rehabilitation budget, if applicable), which is the upper limit available for construction (or rehabilitation) recognized by FHA. The insurable mortgage will not exceed $__________. The cash you will be expected to furnish at closing is estimated to be $__________ which includes equity investment, working capital, operating deficit, discount and off-site costs (if applicable).

* This letter is an initial evaluation of the project as proposed. HUD reserves the right to make any adjustments deemed necessary up to the time of issuance of conditional and/or firm commitment.

* (Section 236 Assistance Payment Funds in the amount of $__________), or (Rent Supplement Funds in the amount of $__________), have been allocated to this project and will be available for the life of this Feasibility Letter and any Conditional or Firm Commitment hereafter issued.

If you request a Conditional Commitment, your application must be accompanied by the application fee of $1.50 per thousand dollars of
the amount of the loan for which you are applying. If you elect immediately to request a Firm Commitment, your application must be accompanied by the application-commitment fee of $3.00 per thousand dollars of the loan amount for which you are applying. In addition, contract drawings and detailed specifications, together with the firm cost estimate shown on Form 2328, must be included as part of the case submission.

* You must meet the target dates that are established for this proposal. If an allocation of interest subsidy funds is required, a request for an extension of target dates cannot be granted, unless it is demonstrated that further delay will not tie up subsidy funds that could be used more expeditiously by other sponsors.

This letter will expire if you fail to submit your application with the required fee within _____ days of the date hereon. Any subsequent resubmission will require our reexamination of your proposal and another Feasibility Conference.

The FHA Design Representative for this project will be Mr. _____________ He will render any assistance you may require in the preparation of your plans. The architect is required to submit evidence with the Application for Firm Commitment and at initial closing that he carries professional liability insurance.

Sincerely yours,

Director
Area, Insuring, Office