

MANAGEMENT CERTIFICATION FOR COINSURED PROJECTS
(For Owner-Managed Projects)

OMB No. 2502-0272
(Exp. 4/30/86)

Project Name: _____ FHA Project No.: _____

Acting on behalf of _____, the Project Owner, I make the following certifications and agreements to the Lender regarding management of the above project.

1. I certify that:

a. the ownership entity listed above will manage this project for the fee described below. No management agent will be hired without the Lender's prior written approval.

1) Fee: _____

2) Calculation of Estimated Yield: _____

b. I will disburse management fees from project income only after I have submitted this Certification to the Lender. I understand that no fees may be earned or paid after the Lender or HUD has terminated my authority to manage the project.

c. the Management Agent Profile dated _____ is accurate and current as of the date of this Certification.

d. I have read and understand all applicable HUD Handbooks, notices and policy directives.

e. I will comply with this project's Regulatory Agreement, Mortgage and Mortgage Note, any Subsidy Contract or Workout/Modification Agreement, and any applicable HUD Handbooks, notices or other policy directives.

2. I also certify that I have obtained, and will at all times maintain, the following types of insurance policies. These policies will list the Lender and the Secretary as additional payees.

a. fidelity bond coverage for all individuals who will handle the project's cash. Coverage will be at least equal to the project's gross potential income for two months.

Appendix 11a

- b. hazard insurance coverage in an amount required by the project's Mortgage.
 - c. public liability coverage.
3. I understand that with 30 days advance written notice HUD or the Lender, with or without cause, can terminate this self-management arrangement and require the Owner to hire a Management Agent. In the event HUD or the Lender requires the Owner to do so, I agree to promptly select an Agent that will be acceptable to HUD and the Lender. Upon receiving the Lender's approval of the Agent, I agree to immediately turn over to the new Agent all of the project's cash, trust accounts, investments, and records.
4. I certify that I have read and understand HUD's definition of identity-of-interest and that: (Check applicable box)

No identity-of-interest exists between the owner and any individuals or companies that regularly do business with the project.

Only the individuals and companies listed below have an identity-of-interest with the owner. (Show the name of the individual or company; list the services rendered; and describe the nature of the identity-of-interest relationship. Attach additional sheets, if necessary.)

- a. _____

- b. _____

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false,, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

4561.1

Appendix 11a

12 U.S.C. 1715z-4 provides in part: "Whoever, as an owner of a property which is security for a mortgage (covering multifamily housing, as defined in the regulations of the Secretary) or as a stockholder ... beneficial owner... trust ... or as an officer, director or agent of any such owner (1) willfully uses or authorizes the use of any part of the rents or other funds derived from the property covered by such mortgage in violation of a regulation... (2) willfully and knowingly uses or authorizes the use, while such mortgage is in default, of any part of the rents or expense...shall be fined not more than \$5,000 or imprisoned not more than three years or both.

Signed By:

Project Owner

_____/_____/_____
 Signature Date

Name

Title

Acknowledged By:

Lender

_____/_____/_____
 Signature Date

Name

Title

4561.1

Appendix 11b

Project
Name: _____

FHA Project
No.: _____

Acting on behalf of _____, the Project Owner, and _____, the Management Agent, we make the following certifications and agreements to the Lender regarding management of the above project.

1. We certify that:

a. we have executed a Management Agreement for this project. This Agreement provides that the Management Agent will manage the project for the term and fee described below. Changes in the term or fee will be implemented only in accordance with the Lender's requirements.

1) Term of Agreement: _____

2) Fee: _____

3) Calculation of Estimated Yield: _____

b. we will disburse management fees from project income only after we have submitted this Certification to the Lender. We understand that no fees may be earned or paid after the Lender or HUD has terminated the management agreement.

c. the Management Agent Profile dated _____, is accurate and current as of the date of this Certification.

d. the Agent has read and understands all applicable HUD Handbooks, notices and policy directives.

e. we will comply with this project's Regulatory Agreement, Mortgage and Mortgage Note, any Subsidy Contract or Workout/Modification Agreement, and any applicable HUD Handbooks, notices or other policy directives.

2. We certify that the Management Agreement contains provisions:

a. acknowledging HUD's and the Lender's right to terminate the Management Agreement, with or without cause, thirty days after HUD or the Lender has mailed the Owner and the Agent a written notice of its desire to terminate the Management Agreement. If

HUD or the Lender exercises this right, the owner agrees to promptly make arrangements for providing management that is satisfactory to HUD and the Lender.

- b. acknowledging that HUD's and the Lender's rights and requirements will prevail in the event that the Management Agreement conflicts with HUD's or the Lender's requirements or restricts HUD's or the Lender's rights.
 - c. requiring the Management Agent to turn over to the Owner all of the project's cash, trust accounts, investments, and records within thirty days of the date the Management Contract is terminated.
3. We also certify that we have obtained, and will at all times maintain, the following types of insurance policies. These policies will list the Lender and HUD as additional payees.
- a. fidelity bond coverage for all individuals who will handle the project's cash. Coverage will be at least equal to the project's gross potential income for two months.
 - b. hazard insurance coverage in an amount required by the project's Mortgage.
 - c. public liability coverage with the Agent designated as one of the insured.
4. We certify that we have read and understand HUD's definition of identity-of-interest and that: (Check applicable box)

No identity-of-interest exists among the owner, the agent and any individuals or companies that regularly do business with the project.

Only those individuals and companies listed in Section 10 of the Management Agent Profile have an identity-of-interest with the agent.

Only the individuals and companies listed below have an identity-of-interest with the owner. (Show the name of the individual or company; list the services rendered; and describe the nature of the identity-of-interest relationship. Attach additional sheets, if necessary.)

- a. _____

- b. _____

c.

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

12 U.S.C. 1715z-4 provides in part: "Whoever, as an owner of a property which is security for a mortgage (covering multifamily housing, as defined in the regulations of the Secretary) or as a stockholder beneficial owner... trust ... or as an officer, director or agent of any such owner (1) willfully uses or authorizes the use of any part of the rents or other funds derived from the property covered by such mortgage in violation of a regulation... (2) willfully and knowingly uses or authorizes the use, while such mortgage is in default, of any part of the rents or expense ... shall be fined not more than \$5,000 or imprisoned not more than three years or both.

Signed By:

Project Owner

Management Agent

_____/____/____
Signature Date

_____/____/____
Signature Date

Name

Name

Title

Title

Acknowledged By:

Lender

_____/____/____
Signature Date

Name

Title
