

FORMAT
AGREEMENT AND CERTIFICATION
(For use in 223(f) coinsurance projects)

This Agreement made this _____ day of _____, 19__ by
and between the _____ a _____*
(hereinafter called Mortgagor), and _____ a
_____ corporation (hereinafter called lender).

WHEREAS, Mortgagor has applied to lender for a mortgage loan
for the purpose of financing a housing project to be located at
_____ and identified _____;
and the lender intends to coinsure said mortgage loan under
Section _____ of the National Housing Act; and

WHEREAS, the lender has issued its commitment to coinsure
said mortgage loan in the amount of \$ _____, subject to
reduction of said amount as provided in the National Housing Act and
the Regulations promulgated pursuant thereto; and

WHEREAS, under the provisions of the National Housing Act and
the Regulations promulgated pursuant thereto, this agreement is
required;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

(1) That in consideration of the agreement by the lender to
make said loan, Mortgagor agrees to submit to the lender prior to
the receipt of any advance under the mortgage, a fully completed and
executed Mortgagor's Certificate of Actual Cost on a form prescribed
by the Commissioner.

(2) The Mortgagor and lender agree that the total advances
of mortgage monies shall not exceed the amount permitted by the
National Housing Act and the Regulations promulgated pursuant thereto.

(3) The Mortgagor agrees that if it receives from the lender
monies in excess of that permitted under the National Housing Act and
the Regulations promulgated pursuant thereto, it will pay upon demand
forthwith to the lender any such excess for application to the
reduction of the then outstanding principal balance of the mortgage.
lender agrees that upon its receipt of such excess the contract of
mortgage insurance is reduced by the amount of such excess.

The Mortgagor further agrees that if the lender, for cost
certification purposes, accepts estimates of costs for any items, the
Mortgagor will, upon a determination of actual costs, submit in a
form satisfactory to the lender a certification of actual costs

which shall be reduced by the net amount (total receipts less expenses of perfecting claims) of settlement of claims against bonding companies or others, and that if the substitution of such certified actual costs for the estimates of cost which were used at final endorsement would have required a reduction of the mortgage amount, the Mortgagor will, on demand, pay forthwith to the lender the amount of such reduction for application to the then outstanding principal balance of the mortgage or for deposit in the Reserve Fund for Replacements as directed by the lender, provided that the disposition of such payment may be divided between application to the mortgage and deposit in said Reserve Fund.

(4) The Mortgagor understands that amounts allowed in the cost certification which are not required to be paid in cash may result in an excess of the cash proceeds of the mortgage over actual cash disbursements necessary to complete the project and the Mortgagor agrees that, if required by the lender, any such excess cash shall, prior to final endorsement of the mortgage for insurance, be deposited in a special account from which disbursements may be made only with the prior written consent of the lender.

(5) Mortgagor certifies that the financial interests or family relationships which exist between Mortgagor or any of its officers, directors, or stockholders with the Architect and with the General Contractor, subcontractors, suppliers, or equipment lessors are: (If none, so state.)

(6) Mortgagor agrees to notify the lender, in writing, prior to final endorsement of the loan for insurance, of any changes in relationship subsequent to the execution of this agreement which results in an identity of interest of the Mortgagor with the General Contractor or any subcontractor, supplier, or equipment lessor. It is agreed that the absence of such notice may be treated by the Commissioner as a representation that no change in relationship has occurred which creates any such identity of interest.

(7) Mortgagor agrees to maintain and keep adequate records of all costs referred to in (1) above, and to make such records available for examination by the lender upon request.