

Format Letter, Agreement Authorizing Deferment of Commencement of Principal payments for Section 202 projects when Maturity Date is Not Extended.

(Insert Mortgagee's Name and Address) Re: (Insert Project No.)

Dear Sir or Madam:

This letter will serve as our approval of the request for a stay in the commencement of principal payments on the mortgage covering the subject project. In this connection, the following stipulations are pertinent:

1. It is agreed that principal payments shall be deferred for the period beginning _____ to _____.
2. Interest is payable to HUD at the permanent loan rate of ____ percent per annum commencing as of the date established in the Note and computed on the amount specified therein.
3. The Level Annuity Monthly Payment (principal and interest) required to amortize the amount of \$ _____ at ____% in ____ payments from _____ through _____ is \$ _____.

(Note: This payment provision is subject to modification in the event that the principal indebtedness is altered by cost certification.)

These changes will not affect the eligibility of the mortgage for a loan under the provisions of Section 202 of the Housing Act of 1959, as amended, and applicable HUD Regulations, provided that prior to final closing the Mortgage and Note will be modified in a manner satisfactory to the Department of Housing and Urban Development Closing Attorney assigned to the case.

You are requested to evidence your acceptance of this agreement to modify by signing all five copies of this letter in the space provided and returning three of them to (Insert name and address of appropriate Area Office Manager).

ACCEPTED _____
(Date)

Very truly yours,

Assistant Secretary-Commissioner

(Borrower)

By _____
Authorized Agent

By _____