

FHA FORM NO. 3220  
Rev. August 1969  
(Previous revisions obsolete)

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL HOUSING ADMINISTRATION

**MORTGAGEE'S CERTIFICATE**

(For Use in Sections 213\* and 234 Projects and in Management and  
Investor-Sponsor Projects Under Sections 221(d)(3) and 236)  
(Execute in triplicate)

FEDERAL HOUSING COMMISSIONER

MORTGAGOR \_\_\_\_\_

c/o \_\_\_\_\_

PROJECT NAME \_\_\_\_\_

PROJECT NO. \_\_\_\_\_

Dear Sir:

We hand you herewith our check for \_\_\_\_\_ dollars  
(\$ \_\_\_\_\_) covering the first mortgage insurance premium\*\*, together with the documents called for  
in your Commitment dated \_\_\_\_\_, 19\_\_\_\_, and in any extensions or amendments thereof, and we  
certify that:

(1) To the best of our knowledge and belief all of the statements made in our Application for Mortgage Insur-  
ance in the above-captioned case are correct and all of the conditions of the above-mentioned Commitment and any  
amendments thereof have been fulfilled.

(2) We agree to give you at least \_\_\_\_\_ days notice of the date and amount of any advance of mortgage  
money for which insurance is desired upon your form "Application for Insurance of Advance of Mortgage Proceeds"  
(FHA Form No. 2403), each such application to be accompanied by Forms as required by you.

(3) Only the charges enumerated below have been collected from the Mortgagor:

- (a) FHA application and commitment fee . . . . . \$ \_\_\_\_\_
- (b) Initial service charge, if any (not exceeding 2%\*\*\* . . . . . \$ \_\_\_\_\_
- (c) Title and recording expense (including cost of surveys,  
recording fees, mortgage and stamp taxes, etc.) . . . . . \$ \_\_\_\_\_
- (d) Inspection Fee . . . . . \$ \_\_\_\_\_
- (e) Mortgage Insurance Premium\*\* . . . . . \$ \_\_\_\_\_

(4) The undersigned has collected from the Mortgagor and has on deposit a Working Capital Deposit of \$ \_\_\_\_\_  
in the form of \_\_\_\_\_ (Cash) \_\_\_\_\_ (Letter of Credit) to be applied for the purposes and in the manner  
specified in your Commitment.

(5) The Mortgagor has deposited with us or in a depository satisfactory to us and subject to our control, the  
following sums required by your Commitment: (Check applicable paragraphs.)

- Funds required, if any, over and above the proceeds of the Mortgage, to complete the project, which funds  
will be used before any mortgage money is advanced, in the amount of \$ \_\_\_\_\_.
- Escrow deposit guaranteeing the completion of off-site utilities and streets in the amount of \$ \_\_\_\_\_.  
This deposit is in the form of \_\_\_\_\_ (Cash) \_\_\_\_\_ (Letter of Credit).
- (Applicable only to Investor-Sponsor and Condominium Mortgagors) Escrow deposit of \$ \_\_\_\_\_  
to cover the cost of the legal and organizational expenses of the proposed\*\*\*\* (cooperative) (condominium)  
purchaser. Under the terms of this escrow, no disbursement for such expenses is to be made without the  
prior written approval of the Federal Housing Commissioner, and in the event a transfer to \*\*\* (cooperative)  
(condominium) ownership is not consummated with the approval of the Commissioner, any sum remaining  
in this escrow shall be disbursed in such manner and for such purposes as the Commissioner may direct.
- (Applicable only to existing construction projects insured under Section 213(i)).  
The sum of \$ \_\_\_\_\_ to be held in the replacement reserve to cover deferred re-  
placement items as specified in the commitment for insurance.

\* In cases where the cooperative is purchasing an existing construction project under Section 213 (i) and advances for im-  
provements are involved, Mortgagee's Certificate FHA Form 3220-A should be used.

\*\* No mortgage insurance premium is required in Section 221(d)(3) below market interest rate cases.

\*\*\* Not exceeding 3 percent in sales type cases where the amount also covers the individual loans upon release of the pro-  
ject mortgage.

\*\*\*\* Delete inapplicable phrase.

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(6) We have received the following assurance for the completion of the project. (Check applicable paragraph.)

- Contract Bond in the penal sum of \$ \_\_\_\_\_
- Assurance of Completion Agreement reflecting the deposit with \_\_\_\_\_ of a fund in the amount of \_\_\_\_\_ in the form of \_\_\_\_\_ which fund has been deposited and is subject to our order and will be disbursed with your written approval in the manner and for the purposes provided for in said agreement.
- (Cash) (Letter of Credit)

(7) Upon completion of the project we will require from the Mortgagor a Chattel Mortgage or similar instrument if required to cover any property owned by the mortgagor which is not clearly subject to the lien of the insured Mortgage under the laws of the jurisdiction. If not required, our attorney's opinion to that effect will be submitted.

(8) Beginning with the date on which the first payment toward amortization is required to be made by the Mortgagor by the terms of the insured Mortgage or at such later date as may be agreed to by you in writing, we shall require a monthly deposit with us or in a depository satisfactory to us of the sum set forth in your Commitment for Insurance constituting a Fund for Replacements which fund will be subject to our control and from which withdrawals may be made only upon the receipt of your written permission; provided that in the event of a default in the terms of the insured Mortgage, pursuant to which the loan has been accelerated, such funds of the Mortgagor as may then be in our hands may be applied on the amount due under the Mortgage debt, as accelerated. We understand that these funds will be deposited with us by the Mortgagor in the form of cash; and that we will, upon appropriate request by the Mortgagor, permit the conversion of the whole or a substantial part of these funds into the form of obligations of, or fully guaranteed as to principal by, the United States of America. Notice of any failure to receive the monthly deposit herein required will be forwarded to the Commissioner within 60 days from its due date.

(9) We understand that nothing herein contained or contained in the closing documents, is to be deemed a waiver of any of the provisions of the aforesaid Regulations, but all of said instruments are intended to be subject thereto. We hereby agree to conform with and abide by such Regulations in all matters with respect to the aforesaid loan and the project in so far as they are applicable to us. We agree to furnish you promptly with a complete report of the results of our annual inspection of the mortgaged premises required by said Regulations.

(10) In the event of a default by the Mortgagor in its obligation to complete the construction of the improvements on the mortgaged premises, we have the right to complete the project, which right is transferable to the Commissioner, and for that purpose the undisbursed balance of the Mortgage will be available in the event the completion of the project is undertaken by either of us. Such undisbursed balance may be used to discharge any and all valid liens or claims against the project and all such advances will be considered as made for the account of the Mortgagor and will be covered by the terms of the Mortgage. It is understood that all funds so advanced for the completion and preservation of the property will be covered by the Contract of Mortgage Insurance.

(11) So long as the Contractor, and/or Mortgagor, or upon default, the Surety, or any other person acting on behalf of, or in substitution for them, shall be ready, able and willing to complete the Contract for the construction of the project, we will, upon notice from you, advance the undisbursed balance of the Mortgage for that purpose. The term "Contractor" shall mean all persons, firms or corporations contracting directly with the Mortgagor for the construction of all or any portion of the project.

(12) All insurance policies on the project required by the terms of the insured Mortgage will have attached thereto a standard Mortgage clause making the loss payable to the Mortgagee and the Commissioner, as interest may appear.

(13) We certify and agree that:

(Check and complete the following applicable subparagraphs (a), (b), (c), (d), (e) or (f)).

- (a) We have not imposed and will not impose a financing charge of any kind directly or indirectly, other than the initial service charge, if any, set forth above.
- (b) In addition to the initial service charge, we have collected in the form of \_\_\_\_\_ (Cash) \_\_\_\_\_ the amount of \$ \_\_\_\_\_ as a discount or financing charge (Letter of Credit) for the construction loan.
- (c) We intend to retain the permanent loan. In addition to the initial service charge, we have collected in the form of \_\_\_\_\_ (Cash) - (Letter of Credit) the amount of \$ \_\_\_\_\_
- (d) We have a firm commitment from \_\_\_\_\_ to purchase the loan when fully disbursed and fully insured at a financing charge or discount of \_\_\_\_\_ and we have collected in the form of \_\_\_\_\_ (Cash) \_\_\_\_\_ the sum of \$ \_\_\_\_\_ to cover said charge or discount. (Letter of Credit)

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(e) The loan was originated for sale by the undersigned who does not, at this time, have a firm commitment or agreement to purchase the loan from which the amount of its loss, if any, in connection with such sale can be determined. The undersigned has collected in the form of \_\_\_\_\_ the amount of \$ \_\_\_\_\_ to be held \_\_\_\_\_  
(Cash) - (Letter of Credit)  
in escrow under an agreement to cover any discount or additional financing charge incurred by the undersigned in the bona fide sale of the mortgage. Such agreement provides that any part of the escrowed deposit not necessary to reimburse the undersigned for such discount as it may have to pay will be repaid to the mortgagor or applied to the reduction of the insured mortgage or will be deposited in the Reserve Fund for Replacements of the mortgagor as you may direct. We hereby agree to notify you of the amount of any excess deposit as soon as same has been determined and to hold such excess pending receipt of your instructions for its disposition.

(f) Additional financing charges or discount of \$ \_\_\_\_\_ are to be collected pursuant to the attachment hereto for the purpose shown in (b), (c), (d), (e). (Strike inapplicable letters).

\*To be used where collection of additional financing charge or discount will be deferred. The deferment arrangement must be in accordance with forms and procedures prescribed by the Commissioner.

No financing charges other than charges disclosed herein have been or will be made. Until final endorsement for insurance by the Commissioner, all funds collected pursuant to items (c), (d), or (e) above and not paid over to the permanent lender, plus any funds returned by the permanent lender, shall be held for the account of the mortgagor and shall be subject to your control and direction in the event of claim under the contract of insurance.

(14) Except for mortgage advances approved by the Commissioner or notes executed pursuant to (14) (e), we do not have outstanding and will not make loans or advances to the mortgagor, any of the sponsors, the general contractor, or the architect for any purpose connected directly or indirectly with this project without prior written approval of the Commissioner. We have not made or offered, and will not make or offer, any guarantees, pledges, reservations of sums to become due or other inducements to any entity or person to make loans or advances which we would be prohibited from making under the terms of this paragraph.

(15) We certify that in any case where a letter of credit has been accepted in lieu of cash, (a) such letter of credit is unconditional and irrevocable; (b) in the event a demand under the letter of credit is not immediately met, we will forthwith provide cash equivalent to the undrawn balance thereunder without recourse to the mortgagor, any sponsor, the general contractor or the architect; (c) we have not made and will not make any inducements as described in Paragraph (15) above to procure issuance of letters of credit; and (d) we have made every reasonable effort to satisfy ourselves that both the mortgagor and the institution which issued the letter of credit are aware that it is entirely possible that demands will be made for cash under the terms of the letter and that no possibility exists that mortgage proceeds will be available to reimburse the issuing bank for such cash payouts.

(16) (Applicable only to Investor-Sponsor Mortgagors where an incentive provision is included in the Construction Contract, FHA Form 2442-A, with the approval of the FHA.) It is the escrow agent for the purposes set forth in Article III of the Construction Contract and that it will make distribution therefrom in accordance with the provisions of Article III of said construction contract.

(17) (Applicable only to Section 221(d)(3) Investor-Sponsor mortgagors.) We agree to transfer into an escrow prior to final endorsement the sum specified in Condition 3.a. of the Commitment for Insurance and to disburse same only in the manner provided in said commitment.

(18) Whenever the terms "Mortgage", "Mortgagor", or "Mortgagee" are used herein, the same shall be deemed to include respectively: the security instrument whether the same be a Mortgage or a Deed of Trust, the Obligor of the debt secured thereby; the Obligees, or the Trustee(s) and the Beneficiary of said credit instrument. The term "financing charge(s)", as used herein, shall mean any charge, direct or indirect, for supplying the loan to or servicing the loan for the mortgagor. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders.

DATE: \_\_\_\_\_ (Mortgagor)

ATTEST: \_\_\_\_\_ BY \_\_\_\_\_

\_\_\_\_\_  
(Title)

DATE: \_\_\_\_\_ (Sponsor - Contractor)

ATTEST: \_\_\_\_\_