**Lender Certification**  
**New Construction, Cost Certifications**  
Section 232

**Public reporting** burden for this collection of information is estimated to average 3.5 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be served. This agency will not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. No confidentiality is assured.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

| Project: | Project Name |
| FHA Loan Number: | FHA Number |
| Lender: | Lender Name |
| HUD Mortgagee No.: | HUD Mortgagee Number |
| Underwriter: | Underwriter Name |
| Loan Servicer: | Loan Servicer Name |
| Mortgagor: | Mortgagor Name |
| Operator (Lessee): | Operator/Lessee Name |
| General Contractor: | General Contractor Name |
| Audit Firm: | Audit Firm (that prepared owner’s cost audit) |
| Final Completion Date: | Cost Cut Off Date: |

**Part I. General Contractor.**

- [ ] **Lump Sum Contract.** The General Contractor is not required to provide a cost certification.
- [ ] **Cost Certification Required.** The General Contractor was required to certify the actual construction costs. The Lender has reviewed the General Contractor’s cost certification and
  - [ ] Accepts the certified costs.
  - [ ] Accepts the certified costs with modification. An explanation of the modifications is attached.

The Accepted costs:

- [ ] Support the construction contract amount, as amended by approved change orders.
- [ ] Reduce the construction contract amount. The allowable construction contract amount is ______.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

As of 2-3-09  
Page 1 of 3  
Initials: _______
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)  

Page 2 of 3

Initials: _______
Part II. Subcontractors.

☐ Not Required. No subcontractors are required to provide a cost certification.

☐ Cost Certification Required. The following Subcontractors were required to certify the actual construction costs: list Subcontractors required to cost certify.

The Lender has reviewed the cost certifications provided by the Subcontractors and

☐ Accepts the certified costs.

☐ Accepts the certified costs with modification. An explanation of the modifications is attached.

The Accepted costs:

☐ Support the construction contract amount, as amended by approved change orders.

☐ Reduce the construction contract amount. The allowable construction contract amount is ______.

Part III. Operator (Lessee).

☐ Not Applicable. The facility is not leased.

☐ The facility is leased to a non-identity-of-interest operator and the lease payment is reflected as income on the Mortgagor’s operating statement.

☐ The facility is leased to an identity-of-interest operator and the operating statement includes the income and expenses of the facility as if it were not a leased facility.

Part IV. Mortgagor.

The Lender certifies to the following with respect to the loan application submitted for the Project:

1. The Auditor for the Mortgagor’s cost certification states:
   a. that the audit “presents fairly” the actual costs and financial position of the Mortgagor.
   b. that the audit was conducted in compliance with Government Auditing Standards accepted in the United States of America and the Consolidated Audit Guide for Audits of HUD Programs.

2. The dates and time periods recited in the audit are appropriate to the development of the facility and reflect the correct cut off and completion dates.

3. The Auditor
   ☐ did NOT identify any deficiencies considered to be material weaknesses.
   ☐ identified deficiencies considered to be material weaknesses. An explanation of how the Mortgagor is addressing those material weaknesses is attached.

4. The Lender has reviewed the cost certification provided by the Mortgagor and compared form HUD-92330, Mortgagor’s Certificate of Actual Cost, against the mortgage advances made to date and

   ☐ Accepts the certified costs.
   ☐ Accepts the certified costs with modification. An explanation of the modifications is attached.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)
Part V. Recalculation of Mortgage.

☐ Mortgage Increase Requested. Required narrative report is provided with this certification.

☐ Based on the accept certified cost (as modified, if applicable) the Loan to Cost criterion is recalculated as follows:

- Mortgagor’s Certified Cost: __________
- Lender Modifications: __________
- Warranted price of land fully improved: __________
- Total Replacement Cost: __________
- Multiplied by Loan to Cost Ratio at Initial Closing: __________
- Supported Loan to Cost Loan Amount: __________

The mortgage is re-calculated to be the lower of:
- Original Loan Amount: __________
- Supported Loan to Cost Loan Amount: __________

Based on the cost certification, the Mortgage Amount

☐ is unchanged OR ☐ will be reduced.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)
Lender Certification (continued)
for Section 232, New Construction, Cost Certifications

Part VII. Signature.
The individual signing below on behalf of the Lender certifies that he/she is an authorized representative of the Lender, has acted as the Underwriter for the loan which is the subject of these Lender Certifications and has sufficient knowledge to make these certifications on behalf of the Lender.

The Underwriter acknowledges that they have reviewed the cost certifications and the original underwriting and that the reported costs, as modified by the Lender, are reasonable based on the original underwriting.

Executed this _______ day of ______________, 20____.

Lender Name

By:

Signature

(Printed Name & Title)

Loan Servicer
I certify that:
1. I am responsible for approving the loan advances on behalf of the Lender for this loan.
2. I have reviewed the form HUD-92330 provided in the Mortgagor’s cost certification audit.
3. I am in agreement with the Mortgagor’s Certified Cost as adjusted/modified above.
4. The attached form HUD-92451 (or equivalent) reflects the mortgage advances made to the Mortgagor as of the date below.

Executed this _______ day of ______________, 20____.

By:

Signature

Loan Servicer Name, Title

(Printed Name & Title)

Enclosures:
☐ Draft Maximum Insurable Mortgage Letter (required)
☐ Cost Certification – Mortgagor (required)
☐ Cost Certification – General Contractor
☐ Current form HUD-92451 for subject loan (required)
☐ Lender Narrative Cost Certification Supplement for Mortgage Increase Request
☐ General Review Comments

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)