

Borrower's Certificate of Actual Cost Section 242

**U.S. Department of Housing and Urban Development
Office of Hospital Facilities**

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Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The collection of this information is required by 24 C.F.R. 242.42. This form must be completed so that HUD can make an informed determination of mortgage insurance acceptability and to prevent windfall profits. The data collected is from the borrower relative to the actual cost of the project. The actual cost data is reviewed by HUD staff to determine that the borrower's original endorsement mortgage is supported by the applicable percentage of approved costs. Failure to receive and review the cost certification data could result in the Department's over-insurance of the mortgage in violation of the law. No questions of a sensitive nature are included on this form.

To: Federal Housing Commissioner	Project Number
	Project Name
	Location
No mortgage shall be insured unless a Certificate of Actual Cost is executed upon completion of all physical improvements on the mortgaged property and prior to final endorsement (24 C.F.R. 242.422.)	

This Certificate is made pursuant to the provisions of that Agreement and Certification of (Borrower) _____ dated (mm/dd/yyyy) _____ and in order to induce you to finally endorse the mortgage for insurance.

The actual cost to the owner of labor and materials and necessary services for construction of the physical improvements in connection with the subject project, after deduction of all kickbacks, rebates, adjustments, discounts, promotional or advertising recoupment made or to be made to the borrower, sponsor or any corporation, trust, partnership, joint venture or other legal entity in which they or any of them hold any interests set forth below, the cost of construction is (is not) supported by Form HUD-92330-A, Contractor Certificate of Actual Cost. (Form HUD-92330-A must be submitted when there is an identity of interest between borrower and general contractor and when a Cost Plus Contract is required in nonprofit projects.)

Note: This Certificate must be supported by a certification as to actual cost by an independent Certified Public Accountant or by an independent public accountant if required by HUD regulations or handbooks.

The undersigned hereby certifies that, except as noted below, there has not been and is not now any identity of interest between borrower and general contractor and/or any subcontractor, material supplier, or equipment lessor. It is further certified that, except as noted, there are not and have not been any such relationships between sponsor(s) of this project and general contractor and/or subcontractor, material supplier and equipment lessor.

All references to "Identity of Interest" herein made are made in the context of the definition printed below, which has been read by the undersigned.

Identity of Interest between the borrower and/or sponsor as parties of the first part and general contractors, subcontractors, material suppliers, or equipment lessors as parties of the second part will be construed as existing under any of the following conditions:

When there is any financial interest of the party of the first part in the party of the second part; when one or more officers, directors or stockholders of the party of the first part is also an officer, director, or stockholder of

the party of the second part; when any officer, director, or stockholder of the party of the first part has any financial interest whatsoever in the party of the second part; when the party of the second part advances any funds to the party of the first part; when the party of the second part provides and pays on behalf of the party of the first part the cost of any architectural or engineering services other than those of a surveyor, general superintendent, or engineer employed by a general contractor in connection with his or its obligations under the construction contract; when the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; when there exists or comes into being any side deals, agreements, contracts or undertaking entered into or contemplated, thereby altering, amending, or cancelling any of the required closing documents except as approved by the commissioner; when any relationship (e.g. family) existing which would give the borrower or general contractor control or influence over the price of the contract or the price paid to the subcontractor, material supplier or lessor of equipment.

The following identities of interest exist (if none, so state):

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Signature of Borrower	
Printed Name and Title	Date (mm/dd/yyyy)

Warning: Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 13 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Item	Column A	Column B	Column C
* Attach itemized schedules and copies of bills and receipts where applicable	Paid in Cash	To be paid in cash within 45 days after final endorsement	Total
Amount due under terms of Lump-Sum Construction Contract (as adjusted)			
* 1a. Amount due under terms of Construction Manager's Agreement(as adjusted)			
2a. Architect's Fee - Design			
2b. Architect's Fee - Supervision			
* 2c. Architect's Fee - Additional Services			
* 3. Interest During Construction			
* 4. Taxes During Construction			
* 5. Property Insurance			
* 6. Mortgage Insurance Premium (MIP)			
7. FHA Examination Fee			
8. FHA Inspection Fee			
* 9. Title and Recording Fees			
* 10. Allowance To Make Project Operational (AMPO)			
* 11a. Initial Financing Fee			
* 11b. Permanent Placement fee			
* 11c. Discounts			
* 11d. Other Approved Financing Expenses			
* 12a. Legal			
* 12b. Organization			
* 12c. Borrower's Cost Certification Audit Fee			
* 13. Other (exclusive of items required by the Construction Contract)			
Subtotal			
15a. Consultant's Fee			
* 15b. Major Moveable Equipment			
* 15c. Offsite and Demolition			
* 15d. Other			
Subtotal			
* 16a. Reduction (if any) resulting from Operating Statement Attached			
* 16b. Reduction (if any) resulting from Grants / Loans			
Total			