
**U.S. Department of Housing and Urban Development (HUD)
Project-based Rental Assistance Contract Administration**

**CONSENT TO ASSIGNMENT
OF Senior Preservation Rental Assistance Contracts
(SPRAC)
AS SECURITY FOR FINANCING**

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I. IDENTIFICATION OF SPRAC

SPRAC Number: _____

Project Name: _____

Project Location:

II. NAMES

Contract administrator _____

Contract administrator address

Owner _____

Owner address

Lender _____

Lender address

III. DEFINITIONS

ASSIGNMENT AS SECURITY. The creation of a security interest in the owner's interest pursuant to the SPRAC, and a transfer of such security interest to a successor secured party.

CONTRACT ADMINISTRATOR. HUD or party acting on behalf of HUD.

FULL ASSIGNMENT. An assignment of the SPRAC other than an assignment as security. "Full Assignment" includes a sale, conveyance or other transfer of the SPRAC, voluntary or involuntary, to a successor in interest.

Senior Preservation Rental Assistance Contract (SPRAC). The SPRAC for units in the project. The SPRAC was entered between the owner and the contract administrator pursuant to Section 202 Supportive Housing for the Elderly Act of 2010.

PROJECT. The project identified in section I of the consent to assignment.

SECURED PARTY. A party that holds a security interest in the owner's interest pursuant to the SPRAC, including the lender, and successors to the lender's security interest.

SUCCESSOR. The term "successor" includes an assignee.

IV. BACKGROUND

Pursuant to the terms of the SPRAC, the SPRAC(including any interest in the SPRAC or any payments under the SPRAC) may not be assigned without the prior written consent of HUD.

The owner has advised the contract administrator that the owner wants to grant the lender a security interest in the SPRAC, as security for a loan by the lender to the owner with respect to the project.

V. CONSENT TO ASSIGNMENT AS SECURITY

By execution of this consent to assignment as security, the HUD consents to the assignment as security of the SPRAC by the owner to the lender as security for a loan by the lender to the owner with respect to the project.

HUD consents to transfer of the lender's security interest to successor secured parties.

VI. EFFECT OF CONSENT TO ASSIGNMENT

The contract administrator is not a party to the loan or the loan documents, nor to any assignment of the SPRAC by the owner to the lender as security for the loan, nor to any transfer of the SPRAC or the loan by the lender. Issuance of the consent to assignment does not signify that HUD has reviewed, approved or agreed to the terms of any financing or refinancing; to any term of the loan documents; or to the terms of any assignment of the SPRAC by the owner to the lender as security for the loan, or by the lender to any transferee of the loan.

The consent to assignment of the SPRAC as security for the loan does not change the terms of the SPRAC in any way, and does not change the rights or obligations of the contract administrator or the owner under the SPRAC.

The creation or transfer of any security interest in the SPRAC is limited to amounts payable under the SPRAC in accordance with the terms of the SPRAC.

VII. EXERCISE OF SECURITY INTEREST - ASSIGNEE ASSUMPTION OF SPRAC OBLIGATIONS

Notwithstanding HUD's grant of consent to assignment by the owner of a security interest in the SPRAC to the lender as security for the loan, and to further transfer of such security interest to successor secured parties, HUD's execution of this consent does not constitute consent to a full assignment of the SPRAC to any entity, including the lender or any successor secured party.

A secured party may not exercise any rights or remedies against the contract administrator or HUD under the SPRAC, and shall not have any right to receive housing assistance payments that may be payable to the owner under the SPRAC, until and unless:

- HUD has approved the secured party as successor to the owner pursuant to the SPRAC, and
- The secured party seeking to exercise such rights or remedies, or to receive such payments, has executed and delivered, in a form acceptable to HUD in accordance with HUD requirements, an agreement by the assignee to comply with all the terms of the SPRAC, and to assume all obligations of the owner under the SPRAC.

VIII. PAYMENT TO SECURED PARTY

When a secured party notifies the contract administrator, in writing, that housing assistance payments payable pursuant to the SPRAC should be directed to the secured party (in accordance with paragraph VII above), the contract administrator may make such payments to the secured party instead of the owner. In making such payments, the contract administrator is not required to consider or make any inquiry as to the existence of a default under the loan documents, but may rely on notice by the secured party; and any payments by the contract administrator to the secured party shall be credited against amounts payable by the contract administrator to the owner pursuant to the SPRAC.

IX. WHEN ASSIGNMENT IS PROHIBITED

The consent to assignment as security shall be void *ab initio* if HUD determines that any assignee, or any principal or interested party of the assignee, is debarred, suspended or subject to a limited denial of participation under 24 CFR part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

HUD

Name of Authorized Representative (Print)

By: _____

Signature of authorized representative

Name and official title (Print)

Date _____

CONTRACT ADMINISTRATOR

Name of Authorized Representative (Print)

By: _____

Signature of authorized representative

Name and official title (Print)

Date _____

OWNER AGREEMENT TO ASSIGNMENT AS SECURITY

The owner has read the terms of HUD's consent to assignment by the owner of a security interest in the SPRAC to the lender as security for the loan, and to further transfer of such security interest to successor secured parties. In consideration for HUD's grant of such consent to assignment, the owner agrees to all the terms of the consent to assignment, and agrees that any assignment by the owner is subject to all such terms.

OWNER

Name of Owner (Print)

By _____
Signature of authorized representative

Name and title (Print)

Date _____