**Lender Certification for Tax Exempt Bonds and 4% Low Income Housing Tax Credit Transactions**

(Used for FHA-insured Multifamily transactions involving short-term, tax exempt bonds secured with cash collateral, in order to qualify for 4% Low Income Housing Tax Credits, in combination with Ginnie Mae securities.)

{Insert date}

{Insert HUD field office director or other official,

as appropriate, along with field office address}

Re: {Insert FHA project name, location, and number}

Dear Mr./Ms. \_\_\_\_\_\_\_\_\_\_\_:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Lender”) is making a $\_\_\_\_\_\_\_\_\_\_ mortgage loan to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Borrower”) for the [[construction] [substantial rehabilitation] and permanent financing] [[purchase financing] [refinancing]] of the mortgage loan for the captioned project, which mortgage loan is to be insured under Section of the National Housing Act (the “Loan”) pursuant to the FHA Commitment for Insurance of Advances, issued by your office on .

The financing for this project also includes issuance by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *{insert state agency issuing bonds}* of cash-collateralized bonds (the “Bonds”). As set forth in the draft Bond Loan Agreement and draft Bond Trust Indenture (the “Bond Documents”), the bond structure requires the Lender to deliver funds to the bond trustee for deposit into the bond “Collateral Fund.” The Bond Documents also govern the funding and use of a “Project Fund” and a “Bond Fund” in connection with the Bond financing.

HUD has asked us to make certain certifications regarding the funds to be used by the Lender for deposit into the Collateral Fund, as well as the operation of the Project Fund and Bond Fund pursuant to the Bond Documents. For purposes of this certification, we have defined the following terms:

“HUD-Insured Loan Funds”: funds delivered to the Borrower (or Borrower’s designee, such as the contractor) by the Lender pursuant to HUD form HUD-92403 Application for Insurance of Advance of Mortgage Proceeds. Funds do not become HUD-Insured Loan Funds unless and until directly disbursed to the Borrower (or Borrower’s designee)**.**

“Lender Funds”: funds in the Lender’s control, whether from Lender’s own account or from Lender’s warehouse bank or other funding source.

Based on the foregoing and in accordance with Section 203(e) of the National Housing Act, 12 U.S. Code Section 1709(e) (concerning fraud and misrepresentation of FHA lenders), the Lender hereby certifies as follows:

1. All funds delivered by Lender to the bond trustee for deposit into the Collateral Fund shall be Lender Funds and shall not be subject to payment under a mortgage insurance claim; HUD-Insured Loan Funds will not be sent to the bond trustee and/or deposited in the Collateral Fund, Project Fund, Bond Fund, or any other funds or accounts established through the Bond Documents to facilitate issuance of the Bonds.
2. Lender Funds are not insured by HUD and are used at the Lender’s own risk; funds do not become HUD-Insured Loan Funds until direct disbursement to the Borrower (or Borrower’s designee).

The statements and representations of fact contained in this certification and all documents submitted and executed by Lender in connection with the Loan are, to the best of Lender’s knowledge, true, accurate, and complete. This certification has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

 Sincerely,

#  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ {*insert FHA lender*}

 By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Title:

**Warning**

**Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.**