

SPECIMEN LETTER  
AGREEMENT AUTHORIZING DEFERMENT OF PRINCIPAL PAYMENTS FOR  
LEVEL ANNUITY MONTHLY PAYMENT

(Insert Date)

(Insert Mortgagee's Name and Address)

Re: (Insert Project No.)

Gentlemen:

This letter will serve as our approval of the request for a (further\*) stay in the commencement of principal payments on the mortgage covering the subject project. In this connection, the following stipulations are pertinent:

1. It is agreed that principal payments shall be (further\*) deferred for the period beginning \_\_\_\_\_ to \_\_\_\_\_.
2. The Level Annuity Monthly Payment (Principal and interest) required to amortize the amount of \$ \_\_\_\_\_ at \_\_\_\_\_% in \_\_\_\_\_ payments from \_\_\_\_\_ through \_\_\_\_\_ is \$ \_\_\_\_\_.

These changes will not affect the eligibility of the mortgage for insurance under the provisions of Section \_\_\_\_\_ of the National Housing Act, as amended, and applicable FHA Regulations, provided that prior to final endorsement of the Mortgage Note, the Building Loan Agreement, the Construction Contract and the mortgage instruments are all modified in a manner satisfactory to the Department of Housing and Urban Development Closing Attorney assigned to the case.

In the event of subsequent claim against the mortgage insurance, insurance benefits will be computed on the basis of the date of default as determined under the terms of the modified mortgage. For the purpose of determining such date, all funds collected during the period of the modification agreement and prior to your election to claim mortgage insurance benefits will be applied to full monthly installments in the order in which they fall due under the mortgage as modified, and the date of default will be the due date of the first installment not fully paid when the funds are so applied.

\* Insert when applicable

APPENDIX 2

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Evidence your acceptance of this agreement to modify by signing all five copies of this letter in the space provided and returning three of them to \_\_\_\_\_(insert name and address of the Director, Housing Development)\_\_\_\_\_.

Very truly yours,

ACCEPTED: \_\_\_\_\_  
(Date) (Office Manager)

\_\_\_\_\_  
(Mortgagee)

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