

APPENDIX 23

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
FEDERAL HOUSING ADMINISTRATION

Letter Agreement Authorizing Deferment of Commencement  
of Principal Payments for Section 236 Projects (and  
Section 221(d)(3) to be Converted to 236 at Final En-  
dorsement) When Maturity Date Cannot be Extended.

In Reply Refer To:  
(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 stay in the commencement of principal payments on the mortgage covering the subject project. It is agreed that principal payments shall be deferred for the period beginning \_\_\_\_\_ to the first day of the first month which falls not less than thirty days following final endorsement. The factor to be used in computing the interest reduction payments for the period commencing with the cut-off date for cost certification to, but not including the date of final endorsement, will be based on a 480-month term. At final endorsement, an adjustment in the term of the mortgage to reflect the deferment period will be made and the factor to be used in computing the interest reduction payments thereafter will be based on the reduced mortgage term.

This change will not affect the eligibility of the mortgage for insurance under the provisions of Section 236 of the National Housing Act, as amended, and applicable FHA Regulations, provided that prior to final endorsement the Mortgage and Note will be 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.

You are requested to 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 appropriate field office director)

Very truly yours,

ACCEPTED \_\_\_\_\_  
(Date)  
\_\_\_\_\_  
(Mortgagee)

Assistant Secretary-Commissioner  
By \_\_\_\_\_  
Authorized Agent

By \_\_\_\_\_