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FHA FORM NO. 2455
Rev. February 1973

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

**REQUEST FOR ENDORSEMENT OF CREDIT INSTRUMENT
CERTIFICATE OF MORTGAGEE, MORTGAGOR AND GENERAL CONTRACTOR**
(For Insurance Upon Completion only)

Project Name _____ Project No. _____
Location _____ Date of Commitment _____
Date _____ Principal Amount of Loan \$ _____

To the Federal Housing Commissioner:

We hand you herewith the original credit instrument drawn upon the form approved by you for use in the State in which the above-captioned project is located in connection with loans insured under Section of the National Housing Act, as amended, evidencing a loan to the undersigned Mortgagor, together with three conformed copies thereof, and three conformed copies of the Security Instrument of even date securing the same recorded as shown thereon, also drawn upon the form approved by you for use in said State.

We request endorsement of said instrument for mortgage insurance in the total sum of \$ _____ in accordance with the Regulations for Section _____ of the National Housing Act, as amended.

We hand you herewith a check for \$ _____ covering the first mortgage insurance premium called for in said Regulations.

We also hand you (a) a certified and two conformed copies of a Chattel Mortgage or Security Agreement and Financing Statement recorded as indicated thereon from the Mortgagor to us covering all personal property in the project not otherwise covered by the real estate mortgage to be insured or (b) certificate of Mortgagee's Attorney that no chattel mortgage or security agreement and financing statement are required to protect the interest of the Mortgagee and the Secretary, Department of Housing and Urban Development in respect to such personal property. (NOTE: For nursing homes, the personal property referred to includes the equipment required to operate the nursing facilities.)

We hand you herewith the Sponsors' Guaranty Agreement to meet a subsidy differential in the amount of \$ _____ (Applicable only to Sec. 231 and Sec. 232 nonprofit projects if required by the Commitment.)

We understand that nothing herein contained or contained in the said credit instrument or Mortgage securing the same, or in the other contract documents, is to be deemed a waiver of any of the provisions of the aforesaid Regulations, but all of said instruments are intended to be subject thereto. We hereby agree to conform with and abide by such Regulations in all matters with respect to the aforesaid loan and the project insofar as they are applicable to us. We agree to furnish you with a complete report of the results of our annual inspection of the mortgaged premises required by the said Regulations.

CERTIFICATE OF MORTGAGEE

We, the undersigned Mortgagee, hereby certify that:

1. To the best of our knowledge and belief the project has been completed, with the exception of the minor items enumerated on the Exhibit attached hereto, strictly in accordance with the Drawings and Specifications heretofore approved by you except for such changes as have heretofore been approved in writing by us and by your authorized representatives.
2. The Mortgage to be insured is current with respect to all of its requirements.
3. The project is fully covered by fire and other insurance as required by the terms of the insured mortgage in the form and amounts heretofore stipulated by you; and that all insurance policies on the project have attached thereto a standard mortgagee clause making the loss payable to the Mortgagee and the Secretary, as their interests may appear.
4. We have received a guarantee against defects due to faulty workmanship and defective materials in the form of:

(Check applicable paragraph(s))

(a) A Surety Bond on a form prescribed by you and in an amount not less than ten percent (10%) of the cost of construction, running for a period of not less than two years from the date of substantial completion* of the project, which bond has been assigned to the Mortgagee (or under which bond the Mortgagee is a joint obligee) and which is assignable to the Secretary.

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(b) By agreement between ourselves and the Mortgagor and Contractor, we retain in our possession for a period of one year following the date of substantial completion* of the project, a sum equal to two and one-half (2½%) percent of the principal amount of the mortgage, in the form of _____

(Cash) - (Letter of Credit)

which sum, upon failure of the Mortgagor or the Contractor to cure any such defects due to faulty workmanship and defective materials to the satisfaction of ourselves and your authorized representative, can be used for the purpose of curing such defects, or can be applied to the mortgage indebtedness with your consent.

* For this purpose the date of substantial completion is construed as the date the FHA Chief Underwriter signs the final Project Inspection Report.

5. We have received: (Check applicable paragraphs)

An Escrow Agreement guaranteeing the completion of off-site utilities and streets. The Mortgagor has made the deposit called for therein in the form of cash.

Evidence to the effect that required off-site utilities and streets will be provided by the public authorities having jurisdiction or by public utility companies serving the project.

An Escrow Deposit Agreement covering the incomplete on-site improvements. The Mortgagor has made the deposit called for therein in the form of cash.

A copy of the Escrow Agreement or other evidence is delivered herewith.

6. The Mortgagor has deposited with us or in a depository satisfactory to us and subject to our control, a deposit, as required by your commitment, for operating expenses from the date of initial occupancy until _____ months after endorsement in the amount of \$ _____, such funds to be disbursed only with your approval. This deposit is in the form of _____

(Cash) - (Letter of Credit)

(NOTE: For Section 232 Nursing Home projects only.)

7. An Escrow Agreement evidencing the deposit by the Sponsor of cash, U.S. Bearer bonds, or an unconditional irrevocable letter of credit in the amount of \$ _____ as required by your Commitment to meet a possible initial operating deficit has been received by us. A copy of the Escrow Agreement is delivered herewith. (Complete, if required.)

8. Beginning with the date on which the first payment toward amortization is required to be made by the terms of the insured Mortgage or at such later date as may be agreed to by you in writing, we will require a monthly deposit with us or in a depository satisfactory to us of one-twelfth (1/12) of the sum set forth in your Commitment to Insure Upon Completion constituting a "Reserve Fund for Replacements" which fund will be subject to our control and from which fund withdrawals may be made only upon the receipt of your written permission. These funds will be deposited with us by the Mortgagor in the form of cash or in the form of obligations of or guaranteed as to principal by the United States of America. We will, upon appropriate request by the Mortgagor, permit the conversion of the whole or a substantial part of such cash deposits into the form of obligations of, or fully guaranteed as to principal by, the United States of America. Notice of any failure to receive the deposits required herein will be forwarded to the Commissioner within 60 days.

9. In compliance with the provisions of the Commitment of Insurance issued with respect to the above identified case, to its best knowledge and belief no restriction upon the sale or occupancy of the mortgaged property, on the ground of race, color, or creed, has been filed of record at any time subsequent to February 15, 1950, and prior to the recording of the mortgage offered for insurance. This certification is based upon our examination of the title evidence received by us.

10. No financing charges other than charges disclosed herein have been made and we agree that no other charges for financing will be made. The term "financing charges" as used herein means any charge, direct or indirect, for supplying the loan to or servicing the loan for the mortgagor.

(Check and complete the following applicable subparagraphs a, b, c, d, e, f, g or h.)

a. No financing charges of any kind have been or will be imposed directly or indirectly.

b. We have collected in cash an initial service charge in the amount of \$ _____

c. In addition to the initial service charge referred to in (b), we have collected the amounts set forth in subparagraph(s) _____



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- d. In addition to the initial service charge, we have collected in the form of cash the amount of \$ _____ as a discount or financing charge for the construction loan.
- e. We are retaining the permanent loan. In addition to the initial service charge, we have collected in the form of cash the amount of \$ _____.
- f. We have a firm commitment from _____ to purchase the loan when insured at a financing charge or discount of _____ and we have collected in the form of cash the sum of \$ _____ to cover said charge or discount.
- g. The loan was originated for sale by the undersigned who does not, at this time, have a firm commitment or agreement to purchase the loan from which the amount of its loss, if any, in connection with such sale can be determined. The undersigned has collected in the form of cash the amount of \$ _____ to be held in escrow under an agreement to cover any discount or additional financing charge incurred by the undersigned in the bona fide sale of the mortgage. Such agreement provides that any part of the escrowed deposit not necessary to reimburse the undersigned for such discount as it may have to pay will be repaid to the mortgagor or applied to the reduction of the insured mortgage or will be deposited in the Reserve Fund for Replacements of the mortgagor as you may direct. We hereby agree to notify you of the amount of any excess deposit as soon as same has been determined and to hold such excess pending receipt of your instructions for its disposition.
- *h. Additional financing charges or discount of \$ _____ are to be collected pursuant to the attachment hereto for the purpose shown in (d), (e), (f), (g). (Strike inapplicable letters).

*The arrangement for the collection of additional financing charges or discount must be in accordance with forms and procedures prescribed by the Commissioner.

11. In any case where a letter of credit has been accepted in lieu of cash, (a) such letter of credit has been issued to us by another banking institution and is unconditional and irrevocable; (b) in the event a demand under the letter of credit is not immediately met, we will forthwith provide cash equivalent to the undrawn balance thereunder without recourse to the mortgagor, any sponsor, the general contractor or the architect; and (c) we have made every reasonable effort to satisfy ourselves that both the mortgagor and the institution which issued the letter of credit are aware that it is entirely possible that demands will be made for cash under the terms of the letter.

12. We certify that we have not paid any kickback, fee or other consideration, directly or indirectly, to any person who has received payment or other consideration from any other person in connection with this mortgage transaction, including the purchase or sale of the mortgaged property, except for compensation paid, if any, for the actual performance of services and approved by you.

Mortgagee

ATTEST:

By _____
(Signature and Title of Officer)

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CERTIFICATE OF MORTGAGOR

The undersigned Mortgagor hereby certifies that:

- 1. It possesses the powers necessary for and incidental to the ownership and operation of a project as required by the appropriate provisions of the National Housing Act and the Regulations applicable thereto.
- 2. The undersigned has read the items above and certified to by the Mortgagee concurrently herewith and to the best of its knowledge and belief considers them correct.
- 3. The project books and records will be kept in accordance with the requirements of the Commissioner from the date of this certificate, and shall be kept available to permit a speedy and effective audit. The undersigned further agrees that if the project has been occupied prior to the date of this certificate, financial reports covering the entire period of occupancy will be furnished the Commissioner, if requested.
- 4. That neither it nor anyone authorized to act for it will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the property covered by the mortgage to any person because of race, color, religion, or national origin; that any restrictive covenant on such property relating to race, color, religion, or national origin is recognized as being illegal and void and is hereby specifically disclaimed; and that civil action for preventive relief may be brought by the Attorney General in any appropriate U.S. District Court against any person responsible for a violation of this certification.

The undersigned understands that the mortgage contains a covenant by the mortgagor that until the mortgage has been paid in full, or the contract of insurance otherwise terminated, the mortgagor will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, religion or national origin, and that such covenant will be binding upon the mortgagor and his assigns and provides that upon violation thereof the mortgagee may, at its option, declare the unpaid balance of the mortgage immediately due and payable.

- 5. All funds escrowed with the Mortgagee as enumerated in the Mortgagee's Certificate, if applicable, may be held by the Mortgagee for the purposes indicated therein, or in the event of a default may be applied to the accelerated Mortgage indebtedness.
- 6. The Federal Housing Commissioner and his authorized agents and the Mortgagee are hereby granted the right to enter upon the mortgaged premises at any and all times for the purpose of inspection.
- 7. No material or equipment, for which mortgage proceeds were made available, has been purchased on a conditional sale contract or financed by a chattel mortgage.
- 8. Further, in order to induce the Commissioner to endorse the credit instrument for mortgage insurance, and with the intent that the Commissioner rely upon the statements hereinafter set forth, the undersigned makes the following certifications:

(a) That it has received the sum of \$ _____, constituting the full principal amount of the mortgage for this project.

(b) That construction of the project is substantially complete and is in accordance with the plans and specifications approved by the Federal Housing Commissioner; that said mortgage is a good and valid first lien on the property therein described; that the property is free and clear of all liens other than that of subject mortgage; that all outstanding unpaid obligations contracted by or on behalf of the mortgagor entity directly or indirectly, in connection with the mortgage transaction, the acquisition of the property, or the construction of the project are listed below:

- *(1) FHA-approved notes (copies attached) \$
- (2) Due General Contractor \$
- *(3) Other \$

(c) That, except for the amounts due on notes listed in item (1) of paragraph (b) above, the undersigned agrees to pay the foregoing obligations in cash and to furnish the Commissioner receipts, or other evidence of payment satisfactory to the Commissioner within 45 days following the date hereof.

Mortgagor

Date _____

By _____
Title

*(NOTE: If the space provided is inadequate to list all unpaid obligations, insert the total in each category and attach itemizations. If there are no outstanding obligations, so state.)



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CERTIFICATE OF GENERAL CONTRACTOR

(To be completed when there is an identity of interest between the mortgagor and the general contractor.)

TO: Federal Housing Administration

Project No. _____

The undersigned, as general contractor of the above project, makes the following certifications:

- 1. That construction is in accordance with the plans and specifications which were approved by the Federal Housing Commissioner.
- 2. That all outstanding unpaid obligations contracted by or on behalf of the undersigned in connection with the construction contract are listed below. (If space below is inadequate, continue listing on an attached sheet and so note.)

- (a) _____ \$
- (b) _____ \$
- (c) _____ \$

3. That, except for unfinished work covered by an approved escrow deposit, the undersigned agrees to pay the foregoing obligations in cash and to furnish the Commissioner receipts, or other evidence of payment satisfactory to the Commissioner, within 15 days following receipt of payment from owner.

General Contractor

Date _____

By _____
Title

NOTE: Wherever the terms "Mortgage", "Mortgagor", or "Mortgagee" are used herein, the same shall be deemed respectively to include the security instrument, whether the same is a Mortgage or Deed of Trust, the Obligor under the credit instrument secured thereby, the Trustee or Trustees and the Beneficiary of said credit instrument. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

WARNING

U. S. Criminal Code, Section 1010, Title 18, U. S. C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, passes, utters, or publishes any statement, knowing the same to be false, . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

GPO 543-546