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U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
HOUSING-FEDERAL HOUSING COMMISSIONER

OMB No. 2502-0057  
(Exp. 10/31/85)

**REQUEST FOR DETERMINATION OF ELIGIBILITY AS  
NONPROFIT SPONSOR AND/OR MORTGAGOR**

\_\_\_\_\_  
*(Name of Proposed Project)*

\_\_\_\_\_  
*(Location)* *(Program (Section of Act))*

The instructions relating to this request have been read and are fully understood. A determination as to the eligibility of the proposed mortgagor as a nonprofit corporation or association is requested. In order to assist in the determination, the following information and that on the attached exhibits is supplied. The information provided in this form 3433 will be evaluated in conjunction with the statements responding to Appendices 1, 2 and 3, Questionnaire for Sponsors, Questionnaire for Managing Agent, and Management Plan Requirements, of Circular HM 4381.2, "Management Requirements in Processing Insured Multi-family Housing Projects," which will be submitted together with this form.

The \_\_\_\_\_ received its Charter  
*(Name of Sponsoring Group)*

or, if unincorporated, was organized on \_\_\_\_\_ pursuant to \_\_\_\_\_  
*(Date)* *(Local Statute)*

\_\_\_\_\_ laws of the State of \_\_\_\_\_. The sponsoring group was formed for the following purpose (as stated in its Charter or Constitution, if unincorporated): \_\_\_\_\_

1. A. What is your motivation for sponsoring the project? *(Please explain in detail).*
  
- B. What evidence of support for participation has been demonstrated by your organization?
  
- C. Has your organization, Board of Directors or Trustees taken a vote on participating in such projects, in general, or in the proposed project, in particular? If the answer is "yes," indicate the results.
  
- D. If a national, state or regional organization is involved as a co-sponsor, what support have they agreed to provide?
  
- E. What evidence can your organization provide which will demonstrate that it will have the necessary longevity to continue as sponsor through the full term of the mortgage?
  
2. A. What is your understanding of the responsibilities and obligations of the sponsorship of a project?
  
- B. What kind of activity has your organization undertaken which you feel qualifies it to carry out the development and management of your proposed project? Provide details, including information on the organization's record of production and management of projects insured by HUD of financed by direct Federal or conventional loans. Cite project location, type of project, number of units, periods involved, and current status. Attach supplementary sheets, if necessary.

Previous Editions are Obsolete

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3. A. What financial and other resources do you have to carry out a project of the size you are proposing? Cite the source and amount of funds for the following expenses requiring cash outlay by the sponsor prior to receipt of the insured loan advances (if borrowed, give terms of the loan):

1. HUD application and commitment fees, as appropriate.

2. Option or downpayment on project site.

3. Advance legal, consultant, and architect fees.

- B. What are your principal sources of income? Give details.

- C. What cash or service resources are you prepared to provide if the project encounters difficulty during the construction period?

4. Furnish complete information for each of the items set forth below. Where arrangements have not been made, so state and supply information as to what is contemplated.

A. Submit copy of charter and bylaws, or constitution, as currently amended. Unless covered by charter and bylaws, or constitution, explain structure for normal management of organizational business.

- B. 1. Does your organization have a currently effective exemption from income tax? If so, furnish copies of any ruling establishing such exemption.

2. If you have no such exemption, have you ever been denied such an exemption? If so, furnish a copy of any ruling denying such exemption.

3. If application for any such exemption is pending, explain its legal and factual basis and its present status.

- C. List the officers and directors or trustees of the sponsoring group including names, addresses and titles of positions.

- D. Attach résumés on all principals and staff who will actively participate in the development of the proposed project.
- E. Relationship between sponsoring group and mortgagor (existing connections or proposed, if mortgagor has not been formed).
- F. Detailed statement of the arrangements made or proposed for the following, listing the principals involved, the relationship between such principals and the sponsor and mortgagor, giving the terms of the arrangement and describing the circumstances surrounding each:
1. Land upon which the project is to be built.
  2. Construction of the project, including the selection of the general contractor, subcontractors and architect.
  3. Legal and consultant services.
  4. Financing of the project including required discounts, if any.
  5. Furnish a current audited financial statement as well as financial statements for the past three years. If the sponsoring group has not been in existence for three years, the financial statement must be submitted from the date of the formation of the group. If any required funds are to be provided by anyone other than the sponsoring group, then the other contributor(s) must also submit a current financial statement as well as statements for the past two years. Each financial statement submitted must contain the original signature of an officer of the sponsoring group. All statements must be supported by adequate schedules. All statements not submitted on Form FHA-2417 must contain the certification which appears on the reverse side of Form FHA-2417. Section 202 borrowers must certify pursuant to U.S. Criminal Code 1001, Title 18, which appears on the reverse side of this form.
  6. A signed written resolution of its directors or trustees to acknowledge the responsibilities and obligations of sponsorship and continuing ownership, and this position reflects the will of its membership.
  7. A current audited financial statement on the general contractor with adequate supporting schedules. All statements not submitted on Form FHA-2417 must contain the certification which appears on the reverse side of Form FHA-2417. Section 202 Borrowers must certify pursuant to U.S. Criminal Code 1001, Title 18 which appears on the reverse side of this form.\*
- B. Current bank and trade references.
- C. A current résumé of the proposed general contractor's construction experience. In evaluating the current résumé of the proposed general contractor's construction experience, particular attention will be paid to the following:
1. Type and size of buildings the contractor has constructed;
  2. Geographic area of contractor's construction business involvement; and,
  3. Length of time the general contractor has acted in that capacity.

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To the best of my knowledge and belief, the foregoing information and that contained in the attached exhibits is true and correct.

	_____
	(Signature)
_____	_____
(Date)	(Title-Officer of Sponsoring Group)
_____	_____
(Witness)	(Address)
	_____
	(Telephone Number)

**WARNING**

U. S. Criminal Code, Section 1818, 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, issues, 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."

**APPLICABLE TO SECTION 202 DIRECT LOAN BORROWERS**

U.S. Criminal Code, Section 1861, Title 18 U.S.C. provides as follows: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."

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