

**Residual Receipts Note (Nonprofit Borrowers) Section 232** — **U.S. Department of Housing and Urban Development** — OMB Approval No. 0000-0000 (Exp. 00/00/00)

**Residual Receipts Note (Nonprofit Borrowers) Section 232** — **U.S. Department of Housing and Urban Development Office of Healthcare Programs** — OMB Approval No. 9999-9999 (exp. mm/dd/yyyy)

**Public Reporting Burden** ~~reporting burden~~ for this collection of information is estimated to average 0.5 hours ~~per response, including. This includes the time for collecting, reviewing instructions, searching existing data sources, gathering, and maintaining~~ ~~reporting the data needed, and completing and reviewing the collection of.~~ ~~The information.~~ Send comments regarding ~~is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this burden estimate or any other aspect of this collection of information, including suggestions for reducing to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing~~ ~~information, and Urban Development, Washington, DC 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2502-0468), Washington, DC 20503. Do not send you are not required to complete this completed form to either of the above addresses, unless it displays a currently valid OMB control number. No confidentiality is assured.~~

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

**Project Name:** \_\_\_\_\_

**HUD Project No.** \_\_\_\_\_

For value received \_\_\_\_\_ **(Maker)**  
 promises to pay to \_\_\_\_\_ **(Payee)** the sum of \_\_\_\_\_ Dollars

(\$ \_\_\_\_\_) at \_\_\_\_\_  
 with interest at the rate of \_\_\_\_\_% (\_\_\_\_\_ per centum) per annum,  
 which shall not be compounded, subject to the following:

1. The balance of principal, if any remaining unpaid, plus accrued interest, shall be due and payable on the maturity date ("**Maturity Date**"), which is hereby defined as the date on or after the maturity date of that certain Loan financing the Project and secured by the Security Instrument dated \_\_\_\_\_, 20\_\_ in the principal amount of \$\_\_\_\_\_ (as the same may be now or hereafter amended, the "**Security Instrument**") originally in favor of \_\_\_\_\_ (together with its successors and assigns "**Lender**"). Such Loan is insured by HUD. Any capitalized term or word used herein can be found in this Residual Receipts Note, the Security Instrument, the Note, or the Regulatory Agreement between Borrower/Maker and HUD.
2. If the Note secured by the Security Instrument is prepaid in full, the holder of this Residual Receipts Note, at its option and without notice, may declare the whole principal sum or any balance thereof, together with interest thereon,

immediately due and payable. Notwithstanding the foregoing, in the event the Indebtedness is paid in full by way of any substitute indebtedness of Maker secured by any substitute security instrument insured or held by HUD under Section 223 (a)(7) of the National Housing Act, as amended, the maturity date of this Residual Receipts Note shall be automatically extended to the maturity date of the substitute security instrument without the consent of Payee.

3. So long as HUD is the insurer or holder of the Note secured by the Security Instrument, payments due under this Residual Receipts Note shall be payable only from Residual Receipts or as described in Paragraph 5 below. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of Maker to pay the indebtedness evidenced by this Residual Receipts Note.
4. Prepayments to principal and interest on this Residual Receipts Note may be made only from Residual Receipts and only after obtaining the prior written approval of HUD, except as permitted in Paragraph 5 below. No prepayments shall be made until after final endorsement for mortgage insurance by HUD of the Note and after the end of a semiannual or an annual fiscal period of Maker.
5. Notwithstanding the provisions of Paragraphs numbered 3 and 4, Maker also may make payments due hereunder from sources other than Project income or Project Assets.
6. This Residual Receipts Note is non-negotiable.
7. In the event that the maturity date of the Note and the Security Instrument is extended and such extension is approved by HUD, then, in such event, the Maturity Date of this Residual Receipts Note shall automatically be extended to the extended maturity date of the Note and the Security Instrument without the consent of Payee.
8. Any unauthorized payments on this Residual Receipts Note, as determined by HUD, shall be returned to the Project.
9. This Residual Receipts Note is made and delivered in payment of \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
10. Presentation, demand and notice of demand, non-payment and protest of this Residual Receipts Note are waived.

11. The terms and provisions of this Residual Receipts Note are also for the benefit of and are enforceable by HUD against any party hereto, their successors or assigns.

IN WITNESS WHEREOF Maker has signed this Residual Receipts Note on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**MAKER:**

\_\_\_\_\_

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

Title: \_\_\_\_\_

Payee hereby certifies that this is a bona fide transaction and that Payee fully understands all the requirements of this Residual Receipts Note, and that no prepayment of principal or interest shall be accepted without evidence that HUD has authorized such prepayment, unless such prepayment is from non-Project sources as described in Paragraph 5. If an unauthorized prepayment is accepted, the funds shall be returned to the Project immediately upon discovery.

PAYEE:

\_\_\_\_\_

By: \_\_\_\_\_  
Name and Title: