

**Request for Approval  
of Advance/Release of  
Escrow Funds  
Section 232**

**U.S. Department of Housing  
and Urban Development**  
Office of Residential  
Care Facilities

OMB Approval No. 2502-0605  
(exp. 06/30/2017)

**Public reporting** burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information 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 information 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. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**Warning:** Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions.

**Request for Approval of Advance/Release of Escrow Funds:** Completed by the depository institution. Submit to HUD in duplicate. The definition of any capitalized term or word used herein can be found in this Request for Approval of Advance of Escrow Funds or the Regulatory Agreement between Borrower and HUD, the Note, and/or the Security Instrument.

Facility Name:	Name of Borrower/Owner:	Date of Escrow Agreement:
FHA Project Number:	Escrow Amount without Contingency: \$	Contingency Amount: \$
Payment Amount Requested: \$	Escrow Account Balance after this payment excluding Contingency: \$	Advance Number:  Is this a Final/Closeout/Submission? <input type="checkbox"/> YES <input type="checkbox"/> NO

The Payment Requested is for:

- Offsite facilities
- Construction changes
- Non-critical repairs
- Minor movables
- Construction costs not paid at final endorsement
- Release of Latent Defect Escrow
- (Other) \_\_\_\_\_

The undersigned received the Request for Payment (see pages 3-6 and 4-6) from the above-named Borrower. To the best of our knowledge, information, and belief, the sum requested has been verified for accuracy and is now payable.

We intend to disburse that sum on or about (date): \_\_\_\_\_ upon your approval.

Name of the Depository Institution:		
Authorizing Official Name & Phone Number:	Authorizing Official Signature:	Date (mm/dd/yyyy)
Submitting Official Name & Phone Number:	Submitting Official Signature:	Date (mm/dd/yyyy)

Note: Original and one (1) copy must be signed.

**Approval of Advance of Escrow Funds:** Completed by HUD.

Disbursement of funds is approved from the Escrow Deposit for:		
<input type="checkbox"/> Offsite Improvements <input type="checkbox"/> Construction changes <input type="checkbox"/> Non-critical repair <input type="checkbox"/> Minor movables <input type="checkbox"/> Construction costs not paid at final endorsement <input type="checkbox"/> Release of Latent Defect Escrow <input type="checkbox"/> (Other)_____		
Payment Approved: \$ _____ Disapproved: \$ _____		
Comments/Notes:		
Approval Recommended: Name of Account Executive/Financial Analyst	Signature of Account Executive/Financial Analyst  X	Date (mm/dd/yyyy)
Name of Authorized Agent for HUD	Signature of Authorized Agent for HUD  X	Date (mm/dd/yyyy)

**Request for Payment** to be completed by Borrower and verified for accuracy by Lender. Use more than one sheet, if necessary, for the number of repairs to be performed, and tally the totals on the last page. This form is to be submitted to the depository institution in duplicate, **along with invoices labeled with each line item number (1., 2., ...) entered as the first column is completed.**

Facility Name:	FHA Project Number:	Amount Requested:\$
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Firm Commitment Exhibit <u>C</u> Repair List, or Construction Change Request Number or Item	A. <b>Estimated Cost</b> as stated in an Escrow Agreement or Form HUD-92437 or Firm Commitment Exhibit B or C	B. Requested Funds for work completed <b><u>for this reimbursement or advance only.</u></b>	C. Cumulative/ Total of <b><u>all work completed to date</u></b> for each line item.	D. HUD Approved Amount
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
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	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
<b>Subtotal</b>	\$	\$	\$	\$

Firm Commitment Exhibit C Repair List, or Construction Change Request Number or Item	A. Estimated Cost as stated in an Escrow Agreement or Form HUD-92437 or <b>Firm Commitment Exhibit CCB or C</b>	B. Requested Funds for work completed <b>for this reimbursement or advance only.</b>	C. Cumulative/ Total of <b>all work completed to date</b> for each line item.	D. HUD Approved Amount
<b>Subtotal(s) from prior page(s)</b>	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
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	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Latent Defect *	\$	\$	\$	\$
Contingency	\$	\$	\$	\$
<b>Total</b>	\$	\$	\$	\$
Less Retained ___%(Holdback) **	\$	\$	\$	\$
<b>Balance:</b> Total Amount due to date	\$	\$	\$	\$
-Less previous payments	\$	\$	\$	\$
<b>Net amount due</b> on this requisition	\$	\$	\$	\$

\*To be completed during final submission and close out of Escrow Account, if applicable.

\*\*20% for 223(f) s and 10% for 223a (7)s or reference project’s Escrow Agreement

The undersigned Borrower hereby requests a payment of funds covering advances provided by the Escrow Agreement, heretofore executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, for:

offsite facilities as indicated by the net amount due for work performed up to the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, according to the following statement with respect to all items of construction listed in Exhibit "A" attached to the Agreement;

construction costs not paid at final endorsement and listed in Exhibit "A" attached to the Escrow Agreement for Incomplete Construction;

construction change(s) as identified by request number(s): \_\_\_\_\_;

non-critical repairs pursuant to Section 223(f),  Section 223(a) (7), or (other). Non-Critical Repairs **are required to be COMPLETED within a 1 year time frame** from the date of closing.

Date of Closing \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_.

Latent Defect Escrow 223(f) \_\_\_\_\_ 223(a) (7) \_\_\_\_\_

Each signatory below hereby certifies that each of their statements and representations contained in this instrument and all their supporting documentation thereto are true, accurate, and complete. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.

Borrower Name: \_\_\_\_\_

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

Printed Name, Title: \_\_\_\_\_

Dated: \_\_\_\_\_

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

Printed Name, Title: \_\_\_\_\_

Dated: \_\_\_\_\_

[ADD ADDITIONAL LINES IF MORE THAN TWO SIGNATORIES]

**Offsite and Construction Change Certification:**

The undersigned hereby certifies that *(mark the appropriate box)*

- the total cost has been paid in full and in cash from funds other than Loan proceeds;
- upon release of the amount deposited for this offsite item or construction change, payment in full shall be made to the contractor prior to the next request for an insured advance or Loan disbursement and a receipt of payment from the general contractor shall be submitted with the next request for an insured advance or Loan disbursement.

The undersigned further certifies that all work, labor and materials to be paid under this Request are satisfactory and in accordance with the contract documents.

Name of Borrower:	Signature of Authorized Borrower Official	Date (mm/dd/yyyy)
	X	

**Architect's Offsite and Construction Change Certification:**

I certify based on my on-site observations (or those of my authorized representative), that to the best of my knowledge, information and belief, the Work covered by the aforementioned has been completed.

Architect's Signature/Date:

x

**Inspector's Offsite and Construction Change Certification:**

I certify that to the best of my knowledge, information and belief, the aforementioned work has been acceptably completed.

Inspector's Signature/Date:

x

**Warning:**

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**Owner's Certification -  
Completion of Non-Critical Repairs**

**U.S. Department of Housing  
and Urban Development**  
Office of Insured Health Care Facilities  
Federal Housing Commissioner

To: Secretary of Housing and Urban Development ("HUD")	Project Name:
And to: ("Lender")	FHA Project Number:

(Enter Mortgagor Name), a (Enter Mortgagor type e.g. LLC) organized and existing under the laws of (Enter State) (the "Owner"), the owner of the above-referenced project located at \_\_\_\_\_, \_\_\_\_\_ (the "Project"), hereby certifies to HUD and Lender as follows:

1. At Loan closing, an escrow totaling \$\_\_\_\_\_ was established. This escrow amount included \$\_\_\_\_\_ which represents 100% of the estimated cost of all Non-Critical Repairs and/or Owner-elected Repairs, and an additional escrow amount of \$\_\_\_\_\_, which represents   % of the cost estimate to be held in cash or Letter of Credit.
2. Pursuant to the terms of the Commitment, the Owner is obligated to complete Project repairs as described in the list of Non-Critical Repairs and/or Owner-elected Repairs, within 12-months of Loan closing.
3. The attached Form HUD-92464, Request for Approval of Advance of Escrow Funds, Advance Number \_\_\_\_\_, includes any corresponding photographs and invoices, documenting the completed Non-Critical Repairs and/or Owner-elected Repairs for this advance.
4. The Owner hereby certifies that the completed Non-Critical Repairs and/or Owner-elected Repairs are acceptable and have been completed in a good and workmanlike manner.
5. During the course of repairs the Secretary and his/her representatives shall at all times have access to the Project and the right to inspect the progress of the repairs. The Owner is aware that periodic spot inspections may be made, by HUD and his/her representative, to verify completion of repairs.
6. The Lender shall use funds in the repair escrow account to complete any repairs not completed and accepted by the Secretary within the prescribed timeframe.

Date:\_\_\_\_\_

**OWNER**

(Enter Mortgagor Name)

a(n) (Enter Mortgagor type e.g. LLC)

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

Name: \_\_\_\_\_

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

**WARNING**

Title 18, U.S.C. 1001, provides in part the whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than 5 years, or both

Procedures for the Certification of Completed Non-Critical Repairs  
and the Release of Related Escrow Funds  
(LEAN 232/223(f) Version)

1. Upon completion of all or a portion of the Non-Critical Repairs and/or Borrower Proposed Repairs, the project Owner generates, for each escrow request
  - a. Two (2) original copies of Form HUD-92464, Request for Approval of Advance of Escrow Funds (primarily the top half of Page 2 of 2), referencing the completed portions of those Non-Critical Repairs and/or Borrower Proposed Repairs from the Firm Commitment. All repairs must be numbered consecutively, and listed in the first column of the table found on page 2 of the form. The estimated cost of each repair line item (from the List of Repairs agreed to at Loan closing) shall be identified in column A and/or B, with the completed amount for each line item listed in column C.
  - b. All related invoices
  - c. Photographs of each completed repair, which individually exceeds \$5,000 per the Firm Commitment
  - d. Description of Work Completed Attachment A
  - e. "Owner's Certification – Completion of Non-Critical Repairs,"
  - f. A copy of the Firm Commitment detail of the Non Critical Repairs indicating for which items this release is applicable, which items have been requested previously and which items remain to be completed.
  - g. The Owner sends the complete package to the Lender.
2. The Lender reviews and completes the top half of page 1 of each Form HUD-92464. Note: the Architect, and Inspector's Offsite and Construction Change Certifications, will not be completed at this time. The Lender signs both copies and sends the following to the Office of Insured Health Care Facilities (OIHCF) Account Executive.
  - a. Two (2) original copies of Form HUD-92464, Request for Approval of Advance of Escrow Funds
  - b. Description of Work Completed Attachment A
  - c. "Owner's Certification – Completion of Non-Critical Repairs,"
  - d. A copy of the Firm Commitment detail of the Non Critical Repairs indicating for which items this release is applicable, which items have been requested previously and which items remain to be completed.
  - e. A copy of the Escrow Deposit Agreement.
3. The OIHCF Account Executive reviews Form HUD-92464, the Description of Work Completed Attachment A, the Firm Commitment detail and the "Owner's Certification – Completion of Non-Critical Repairs," and if acceptable, the Account Executive fills in Column D and then executes the document approval under the Authorizing Agent for the Department of Housing and Urban Development on page 1 of each original copy.
4. The OIHCF Account Executive then sends one original copy of the fully executed Form HUD-92464 (only the two page form, not all the attachments) to the Lender, authorizing them to release escrow funds to the Owner.
5. The OIHCF Account Executive maintains the other original copy, along with the documents submitted, in the official HUD file for that project.

**Closeout of the escrow account:** funds remaining in the escrow account, including the holdback portion, may be released when the Owner and Lender have confirmed in writing and provided documentation that:

- (1) All repairs have been satisfactorily completed;
- (2) If requested, evidence of clear title provided to the HUD Office; and



- (3) Latent defects assurances have been provided to and confirmed by the Lender using one of the following:
- (a) An escrow in cash, or letter of credit at the option of the Lender, equal to 2 ½ percent (or greater percentage as warranted) of the repair cost maintained for 15 months from completion of repairs to cover situations where the defect is discovered in the twelfth month and additional time is necessary to correct it.
  - (b) A Surety Bond covered by FHA Form 3259 from a surety on the accredited list of the U.S. Treasury for at least 10 percent of the repair cost. (The bond runs for a period of two years from the date of completion of repairs.)
- (4) A Supplemental Cost Certification has been provided to HUD: this document is only required when:
- (a) After completion of all required repairs/improvements, there are funds remaining in the 100% portion of the escrow, and
  - (b) Such funds are not being deposited into the project's replacement reserve account
- (5) If the total dollar amount of repairs is less than \$100,000 we encourage lenders to request a waiver of the latent defect assurance requirement.
- Please submit the waiver request via letter outlining the details to the Account Executive

2 November 2009



**Borrower Certification and Request Detail**  
Section 232

**U.S. Department of Housing and Urban Development**  
Office of Residential Care Facilities

OMB Approval No. 2502-0605  
(exp. 06/30/2017)

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**Project Name:** \_\_\_\_\_ **FHA Project No.:** \_\_\_\_\_  
**Reserve Account Balance:** \_\_\_\_\_ **As Of:** \_\_\_\_\_  
**Monthly Deposits Required:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Number of Project Units:** \_\_\_\_\_ **Number of Beds:** \_\_\_\_\_

We are requesting reimbursement / advance of \$\_\_\_\_\_ from the Reserve for Replacement account of the subject property. Attached is a completed form HUD-9250-ORCF. If requesting **advance**, included is a copy of signed contract which shows payment schedule and dates. Additional supporting documentation listed will be provided upon request. A breakdown of the services or materials purchased/requested is as follows:

Name of Supplier	Description of Item or Work	Location or Unit No.	Date of Purchase	Check No.	Amount of Purchase
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
<b>TOTAL</b>					\$

I, \_\_\_\_\_, certify that: Funds expended **have been or will be** used for the work indicated in this request; I **have inspected/will inspect** the work and **have determined/will determine** that the damaged area(s) or equipment have been restored to as good or better condition; No mechanic's or material man's liens **have been or will be** attached to the property as a result of the repair; The repairs **have been or will be** completed in accordance with all applicable building codes and ordinances; all contract materials, supplies, and services, as applicable, have been obtained at the most reasonable costs and on terms most advantageous to the property; all discounts, rebates, and commissions have been credited to the property; any expenditures that are determined in a review by HUD (or the Mortgagee) to be ineligible, will be repaid (from non-project funds) to the property's Reserve Fund.

All goods and services purchased from individuals or companies with which the Borrower, Operator or Management Agent has an identity-of-interest were or will be purchased at costs not in excess of those that would have been incurred in making arms-length purchases on the open market. (All identity of interest transactions must be specifically identified in the project's annual financial statements.)

Borrower hereby certifies that the statements and representations contained here and all supporting documentation thereto is true, accurate, and complete and that each signatory has read and understands the terms of this instrument. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD and may be relied upon by HUD as a true statement of the facts contained therein.

Signature (Borrower/ Agent) \_\_\_\_\_ Date: \_\_\_\_\_  
 Name & Title (Authorized Agent of Borrower) \_\_\_\_\_

**UPDATED CONTACT INFORMATION:**

<b>Name of Borrower</b>		<b>Name of Operator/Lessee (if any)</b>		<b>Name of Management Agent (If any)</b>	
Address:		Address:		Address:	
Tel. No.		Tel. No.		Tel. No.	
Fax No.		Fax No.		Fax No.	
Email:		Email:		Email:	