

FORM LETTER TO NOTIFY OWNERS TO SUBMIT DELINQUENT FINANCIAL
STATEMENTS

Dear Mortgagor

Subject: Annual Financial Report for FY' _____
Project No. _____

The conditions under which the above-captioned project was insured require that you file audited financial statements no later than 60 days after the close of the fiscal year. To date, we have not received the financial statements for this project. Your failure to furnish these statements is a violation of the project Regulatory Agreement. To avoid our exercising further rights given to us under the Regulatory Agreement, you must submit the delinquent statements within 15 days from the date of this letter. Until these statements are submitted, we will consider withholding any requests for withdrawals from the Reserve for Replacement Fund and any concessions regarding mortgage requirements.

The form and content of the financial statements and auditor's reports are outlined in HUD Handbook 4370.2, Financial Operations and Accounting Procedures for Insured Multifamily Projects, a copy of which has previously been provided to you. Your report, signed and certified as specified in the Handbook, is to be forwarded to us without delay.

If you have any further questions, please feel free to contact
_____ at _____.

Sincerely,

Loan Management Staff

cc: Management Agent