

SAMPLE LETTER TO OBTAIN MISSING OR CORRECTED FINANCIAL STATEMENTS

Dear Mortgagor

Subject: ABC Arms
Project No. _____

In reviewing your annual financial statements submitted for 19__ on the noted project, the following checked items were omitted or not completed in accordance with HUD Handbooks 4370.1, 4370.3, and IG 2000.4:

- _____ Proper IPA Certification
- _____ Proper Mortgagor Certification
- _____ Proper Management Agent Certification (if applicable)
- _____ Balance Sheet
- _____ Statement of Income
- _____ Statement of Cash Flows
- _____ Statement of Retained Earnings
- _____ Notes to Financial Statements
- _____ Schedule of Changes in Fixed Asset Accounts
- _____ Schedule of Accounts/Notes Receivable
- _____ Schedule of Delinquent Tenant Accounts Receivable
- _____ Schedule of Mortgage Escrow Deposits
- _____ Schedule of Tenant Security Deposits
- _____ Schedule of Reserve for Replacement
- _____ Schedule of Accounts Payable
- _____ Schedule of Accrued Taxes
- _____ Schedule of Compensation of Partners or Officers
- _____ Schedule of Identity of Interest Firms
- _____ Schedule of Unauthorized Distributions of Project Income
- _____ Computation of Surplus Cash, Distributions and Residual Receipts
- _____ Auditor's Report oil Financial Statements
- _____ Auditor's Report on Internal Control Structure
- _____ Auditor's Report on Compliance w/ Mgmt Letter or Schedule of Findings and Questioned Costs
- _____ Auditor's Comments on Audit Resolution Matters
- _____ Auditee's Response or Corrective Action Plan
- _____ Other _____

Please submit those items checked above to this office within the 15 working days from the date of this letter. If the missing items will not be available within the required period, please specify in writing the reason why and when they will be available.

If you have any questions, contact _____ at () _____.

Sincerely,

Loan Management Staff

cc: Management Agent

FORM LETTER TO NOTIFY OWNERS TO SUBMIT DELINQUENT FINANCIAL STATEMENTS

Dear Mortgagor

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

To date, we have not received the following information requested for the financial statements for the project noted:

- _____ Proper IPA Certification
- _____ Proper Mortgagor Certification
- _____ Proper Management Agent Certification (if applicable)
- _____ Balance Sheet
- _____ Statement of Income
- _____ Statement of Cash Flows
- _____ Statement of Retained Earnings
- _____ Notes to Financial Statements
- _____ Schedule of Changes in Fixed Asset Accounts
- _____ Schedule of Accounts/Notes Receivable
- _____ Schedule of Delinquent Tenant Accounts Receivable
- _____ Schedule of Mortgage Escrow Deposits
- _____ Schedule of Tenant Security Deposits
- _____ Schedule of Reserve for Replacement
- _____ Schedule of Accounts Payable
- _____ Schedule of Accrued Taxes
- _____ Schedule of Compensation of Partners or Officers
- _____ Schedule of Identity of Interest Firms
- _____ Schedule of Unauthorized Distributions of Project Income
- _____ Computation of Surplus Cash, Distributions and Residual Receipts
- _____ Auditor's Report on Financial Statements
- _____ Auditor's Report on Internal Control Structure
- _____ Auditor's Report on Compliance w/ Mgmt Letter or Schedule of Findings and Questioned Costs
- _____ Auditor's Comments on Audit Resolution Matters
- _____ Auditee's Response or Corrective Action Plan
- _____ Other _____

Your failure to furnish this information 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 reports within 10 working days from the date letter. Until these reports are submitted, this office will consider withholding any requests for withdrawals from the Reserve for Replacement Fund and any concessions regarding mortgage requirements.

If you have any questions, contact _____
at () _____.

Sincerely,

Loan Management Staff

cc: Management Agent