RENTAL ASSISTANCE CONTRACT

THIS AGREEMENT (herein called the "Contract"), entered into this day of ___________, 19 ______, between
_________________________________________________________________________,
(herein called the "Project Owner"), and its successors, and the Secretary of Housing and Urban Development
(herein called the "Secretary"), and his successors, WITNESSETH:

in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Purpose of Contract. - The purpose of this Contract is to enable the Project Owner of a particular Section 236 project to admit certain very low-income families and individuals by providing that the Secretary makes payments (herein called "Rental Assistance Payments"), pursuant to Section 236(f)(2) of the National Housing Act, to the Project Owner to reduce the rental payments that such tenants have to make.

SECTION 2. Description of Project. - The housing project covered by this Contract (herein called the "Project"), is identified as follows:

FHA Project Number __________________________ located at ________
consisting of __________ dwelling units, of which __________ dwelling units, which is __________ percent of the total number of dwelling units, may have tenants who receive the benefit of Rental Assistance Payments.

SECTION 3. Project Owner’s Certification of Authority. - Secretary’s Certification of Eligibility. - Project Owner. - The Project Owner certifies that it has the legal authority to enter into this Contract and to own, operate and manage the Project in accordance with this Contract and the regulations of the Department of Housing and Urban Development (herein called "HUD").

The Secretary states that the Project Owner is eligible and has been approved for receiving Rental Assistance Payments.

SECTION 4. Term. - This Contract shall continue until the termination or maturity of the mortgage on the Project (hereinafter called the "Mortgage"), or 40 years from the date of the first Rental Assistance Payment made hereunder, whichever occurs first.

SECTION 5. Maximum Annual Contract Amount. - The maximum dollar amount of Rental Assistance Payments that may be made under this Contract in any one fiscal year shall be limited to an amount fixed by the Secretary in the following manner:

Based upon probable effective demand and distribution of tenant income, the Secretary has estimated that Rental Assistance Payments in any one year including a contingency allowance of 10 percent will not exceed __________.

The Project Owner agrees to use its best efforts to serve tenants whose annual rental assistance requirements will not exceed the Secretary’s estimate. At the termination of the rent-up period, or at the end of such other period of time as the Secretary may prescribe, and annually thereafter, appropriate adjustments may be made by the Secretary in the maximum annual rental assistance contract amount to reflect the actual requirements of the eligible tenants and a 10 percent contingency allowance. (The rent-up period is that period beginning with the date on which the Project Owner is given permission to occupy by HUD and the local government and ending with the date sustaining occupancy, as determined by the Secretary, is attained.) Both parties to this Contract shall be obligated to execute an Addendum to this Contract reflecting an adjustment in the maximum annual contract amount as determined by the Secretary. Such an adjustment shall be effective upon the execution of the Addendum.

SECTION 6. Eligible Tenants. - The benefits of the Rental Assistance Payments shall be made available only to an individual or family for which a Certificate of Eligibility has been issued, pursuant to the guidelines of the Secretary.

SECTION 7. Certificate of Eligibility—Amount of Rental Assistance Payments—Increase for Hardship Adjustment Following Reinstatement. - The Project Owner will assist an interested person(s) in preparing an application for Rental Assistance Payments. The Project Owner will review the application for eligibility. If the application meets the requirements of the Secretary, the person(s) will be issued a Certificate of Eligibility. The Certificate shall state the amount of Rental Assistance Payment that the Secretary will make monthly to the Project Owner on behalf of the eligible tenant. This shall be: (1) that amount by which the basic rental charge approved by the Secretary for the unit exceeds one-fourth of the tenant’s adjusted monthly income, as determined by the Secretary; when the basic rental charge is determined on the basis of operating the Project with the payment of the cost of utility services used by the dwelling unit therein; or (2) that amount by which the basic rental charge plus the monthly cost of reasonable utility services, as determined by the Secre-
SECTION 12. Right to terminated the term on the consent of the
Owner, as above mentioned, this tenancy shall be
part of the tenancy herein described or otherwise agreed to be
continued or extended as to the same as a tenancy or
rental payments to be continued as a tenancy during the
period of the tenancy of the tenancy of the landlord.

SEC. 13. Right to terminate the tenancy. The right to
terminate the tenancy shall be exercised by the tenant or
Owner, as above mentioned. This tenancy shall be
continued or extended as to the same as a tenancy or
rental payments to be continued as a tenancy during the
period of the tenancy of the tenancy of the landlord.

SEC. 14. Right to terminate the tenancy. The right to
terminate the tenancy shall be exercised by the tenant or
Owner, as above mentioned. This tenancy shall be
continued or extended as to the same as a tenancy or
rental payments to be continued as a tenancy during the
period of the tenancy of the tenancy of the landlord.
cooperative and the cooperative housing owner.

(b) A member of a cooperative who obtains a Certificate of Eligibility shall be required, as a condition of receiving such certificate, to agree that upon a sale of such membership any equity increment accumulated through Rental Assistance Payments will be turned over to the cooperative housing owner and will not be made available to the member. Funds received by a cooperative representing equity increment accumulated through Rental Assistance Payments shall be deposited in a special account by the cooperative and disbursed as directed by the Secretary.

SECTION 15. Representation—Modification -- If, at any future time, the parties find that it would be to their best interests, the maximum annual contract amount may be increased or decreased, or any other provision of the Contract may be modified or amended upon written agreement of the parties.

SECTION 16. Special Conditions -- The following special conditions shall be applicable to this Contract:

( SEAL )

( Project Owner )

( SEAL )

( By )

( Secretary of Housing and Urban Development )

( By )