

Owner's Certification of Purchasing Practices and Reasonableness of Expenses

Project Name: _____

FHA or Non-Insured Project Number: _____

I certify that ALL of the following statements are true (must check all):

- 1. The project is obtaining utilities at the lowest rates available.
- 2. The project has received or requested any tax relief for which it is eligible and management has analyzed the project's property tax bills and appealed any assessments with appeared unreasonable.
- 3. Amounts paid to individuals or companies having an identity-of-interest with the owner or the management agent were not excess of the costs that would have been incurred in making arms-length purchases on the open market.
- 4. Management has exerted reasonable effort to take advantage of discounts and has credited the project with all discounts, rebates or commissions received with respect to purchases, service contracts and other transactions made on behalf of the project.
- 5. Management has obtained contracts, materials, supplies and services, including the preparation of the annual audit, on terms most advantageous to the project and at costs not in excess of amounts ordinarily paid for comparable contracts, materials, supplies, and services in the area in which such services, supplies or materials are furnished.
- 6. Management has solicited verbal or written cost estimates, as necessary to comply with the Paragraphs 3 through 5 above. Management has documented the reasons for accepting other than the lowest bid and will make the documentation available to HUD, upon request.

WARNING: 18 U.S.C. 1001 provide, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any, false, fictitious, or fraudulent statement or entry, in any matter within 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.

WARNING: 12 U.S.C. 1715z-4 provides in part: “Whoever, as an owner of a property which is security for a mortgage (covering multifamily housing, as defined in the regulations of the Secretary) or as a stockholder beneficial owner... trust... or as an officer, director or agent of any such owner (1) willfully uses or authorizes use of any part of the rents or other funds derived from the property covered by such mortgage in violation of a regulation... (2) willfully and knowingly uses or authorizes the use, while such mortgage is in default, of any part of the rents or expense... shall be fined not more than \$5,000 or imprisoned not more than 3 years or both.

As the Owner, or duly authorized agent acting in capacity for the Owner, of the above-named property, I am hereby certifying to numbers one (1) through six (6) above regarding the purchasing practices and reasonableness of project expenses.

Signed by:

Name

Title

Signature

Date