

**1)** A CPA's *Finding* document, stating what was not in compliance, such as the Liquidity requirement was not met, and was short of the HUD requirement by \$xxx,xxx, with recommendation that the lender correct the shortage. Refer to pages 2-2 and 2-13 in the HUD audit handbook, and the GAO 'yellow book' section 5.15 & 24 CFR 202.6, 202.7, 202.8

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LENDER NAME  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 20xx

xx-1 Liquidity Requirements

<i>Condition:</i>	The Company is not in compliance at December 31, 20xx with net liquidity requirements.
<i>Criteria:</i>	Per HUD 24 CFR 202.7, the Company is required to maintain a minimum of 20% of its eligible net worth in liquid cash and investments.
<i>Effect:</i>	The Company is not in compliance with FHA regulations.
<i>Cause:</i>	The Company's management was unaware of the specific liquidity requirements.
<i>Recommendation:</i>	The Company should maintain the liquid net worth requirement throughout the year, and management should periodically review net worth to determine it is meeting the 20% liquidity requirements.
<i>Auditee's Response:</i>	See {LENDER NAME} Net Worth and Liquidity Plan.