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AUTHORITY: 12 U.S.C. 1715b and 1715y; 42 U.S.C. 3535(d).

SOURCE: 36 FR 24628, Dec. 22, 1971, unless otherwise noted.

**Subpart A—Eligibility  
Requirements—Individually  
Owned Units**

SOURCE: 61 FR 60161, Nov. 26, 1996, unless otherwise noted.

**§ 234.1 Cross-reference.**

(a) All of the provisions of subpart A of part 203 of this chapter concerning eligibility requirements of mortgages covering one- to four-family dwellings under section 203 of the National Housing Act (12 U.S.C. 1709) apply to mortgages on individually owned units insured under section 234 of the National Housing Act (12 U.S.C. 1715y), except the following provisions:

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- 203.12 Mortgage insurance on proposed or new construction.  
 203.14 Builders' warranty.  
 203.18a Solar energy system.  
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 203.38 Location of dwelling.  
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 203.43c Eligibility of mortgages involving a dwelling unit in a cooperative housing development.  
 203.43d Eligibility of mortgages in certain communities.  
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 203.43g Eligibility of mortgages in certain communities.  
 203.43h Eligibility of mortgages on Indian land insured pursuant to section 248 of the National Housing Act.  
 203.43i Eligibility of mortgages on Hawaiian Home Lands insured pursuant to section 247 of the National Housing Act.  
 203.43j Eligibility of mortgages on Allegheny Reservation of Seneca Nation of Indians.  
 203.50 Eligibility of rehabilitation loans.  
 (b) For the purposes of this subpart, all references in part 203 of this chapter to section 203 of the Act shall be construed to refer to section 234 of the Act.

[61 FR 60161, Nov. 26, 1996, as amended at 64 FR 56111, Oct. 15, 1999]

**§ 234.3 Definitions.**

The terms *Act*, *Beginning of amortization*, *Commissioner*, *FHA*, *Insured Mortgage*, *Mortgage*, *Mortgagee*, *Mortgagor*, and *State*, as used in this part, are defined in § 203.251 of this chapter. The following terms, as used in this part, are defined as follows:

*Bona fide tenants' organization* means an association of tenants formed by the tenants to promote their interests in a particular project, with membership in the association open to each tenant, and all requirements of the association applying equally to every tenant.

*Common areas and facilities* means those areas of the project and of the property upon which it is located that are for the use and enjoyment of the owners of family units located in the project. The areas may include the land, roofs, main walls, elevators, staircases, lobbies, halls, parking space and community and commercial facilities.

*Conversion* means the date on which all documents necessary to create a