

§ 220.900

prior written approval of the Commissioner which approval may be subject to such conditions and qualifications as the Commissioner may prescribe. Subsequent to full disbursement such loan may be transferred only to a transferee who is a lender approved by the Commissioner. Upon such transfer and the assumption by the transferee of all obligations under the contract of insurance the transferor shall be released from its obligations under the contract of insurance.

(b) The contract of insurance shall terminate with respect to loans described in paragraph (a) of this section upon the happening of either of the following events:

(1) The transfer or pledge of the insured loan to any person, firm, or corporation, public or private, other than an approved lender.

(2) The disposal by a lender of any partial interest in the insured loan by means of a declaration of trust or by a participation or trust certificate or by any other device, unless with the prior written approval of the Commissioner, which approval may be subject to such conditions and qualifications as the Commissioner in his discretion may prescribe: *Provided*, That this paragraph shall not be applicable to any loan so long as it is held in a common trust fund maintained by a bank or trust company exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank or trust company in its capacity as a trustee, executor or administrator; and in conformity with the rules and regulations prevailing from time to time of the Board of Governors of the Federal Reserve System, pertaining to the collective investment of trust funds: *Provided further*, That this paragraph shall not be applicable to any loan so long as it is held in a common trust estate administered by a bank or trust company which is subject to the inspection and supervision of a governmental agency, exclusively for the benefit of other banking institutions which are subject to the inspection and supervision of a governmental agency, and which are authorized by law to acquire beneficial interests in such common trust estate, nor to any loan transferred to such a bank or trust

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company as trustee exclusively for the benefit of outstanding owners of undivided interest in the trust estate, under the terms of certificates issued and sold more than three years prior to said transfer, by a corporation which is subject to the inspection and supervision of a governmental agency.

Subpart E—Servicing Responsibilities—Homes

§ 220.900 Cross-reference.

All of the provisions of subpart C, part 203 of the chapter concerning the responsibilities of servicers of mortgages insured under section 203 of the National Housing Act apply to mortgages covering 1- to 11-family dwellings insured under section 220 of the National Housing Act, except §§ 203.664 through 203.666.

[52 FR 48203, Dec. 21, 1987, and 53 FR 9869, Mar. 28, 1988]

PART 221—LOW COST AND MODERATE INCOME MORTGAGE INSURANCE—SAVINGS CLAUSE

Subpart A—Eligibility Requirements—Low Cost Homes—Savings Clause

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221.1 Savings clause.

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221.254 Mortgage insurance premiums.

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221.256 Interest rate increase and payment of mortgage insurance premiums on mortgages under §§ 221.60 and 221.65

221.275 Method of paying insurance benefits.

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221.305 Condition of the multifamily structure.

221.310 Assessment of taxes.

221.315 Certificate of tax assessment.

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**Subpart C—Eligibility Requirements—
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221.501 Eligibility requirements.

**Subpart D—Contract Rights and
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 221.790 Debenture interest rate.
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**Subpart E—Servicing Responsibilities—Low
Cost Homes**

221.800 Cross-reference.

AUTHORITY: 12 U.S.C. 1715b, 1715l; 42 U.S.C. 3535(d).

SOURCE: 36 FR 24587, Dec. 22, 1971, unless otherwise noted.

**Subpart A—Eligibility Requirements—Low Cost Homes—
Savings Clause****§ 221.1 Savings clause.**

(a) Effective February 20, 2001, the authority to insure mortgages under section 221(d)(2) of the National Housing Act (12 U.S.C. 1715l(d)(2)) for low cost and moderate income mortgage insurance is terminated, except that HUD will endorse for insurance validly processed mortgages under direct endorsement where the credit worksheet was signed by the mortgagee's underwriter before February 20, 2001.

(b) Subpart A of this part, as it existed immediately before February 20, 2001, will continue to govern the rights and obligations of insured mortgage lenders, mortgagors, and HUD with respect to section 221(d)(2) single family loans insured before February 20, 2001, or in accordance with paragraph (a) of this section, pursuant to the applicable provisions of this subpart.

[66 FR 5913, Jan. 19, 2001]

**Subpart B—Contract Rights and
Obligations—Low Cost Homes****§ 221.251 Cross-reference.**

(a) All of the provisions of subpart B, part 203 of this chapter covering mortgages insured under section 203 of the National Housing Act apply to mortgages covering one- to four-family dwellings insured under section 221 of the National Housing Act, except the following provisions:

Sec.
 203.258 Substitute mortgagors.
 203.259a Scope.
 203.260 Amount of Mortgage Insurance Premium (MIP).
 203.261 Calculation of MIP.
 203.262 Due date of MIP.
 203.264 Payment of MIP.
 203.266 Period covered by MIP.
 203.268 Pro rata payment of MIP.
 203.280 One-time MIP.
 203.281 Calculation of one-time MIP.
 203.282 Mortgagee's late charge and interest.
 203.283 Refund of one-time MIP.
 203.288 Discontinuance of adjusted premium charge.
 203.295 Voluntary termination of insurance.
 203.389 Waived title objections.
 203.400 Method of payment.
 203.420 Nature of Mutual Mortgage Insurance Fund.
 203.421 Allocation of Mutual Mortgage Insurance Fund income or loss.
 203.422 Right and liability under Mutual Mortgage Insurance Fund.
 203.423 Distribution of distributive shares.
 203.424 Maximum amount of distributive shares.
 203.425 Finality of determination.
 203.436 Claim procedure—graduated payment mortgages.
 203.438 Mortgages on Indian land insured pursuant to section 248 of the National Housing Act.
 203.439 Mortgages on Hawaiian home lands insured pursuant to section 247 of the National Housing Act.
 203.439a Mortgages on property in Allegany Reservation of Seneca Nation of Indians authorized by section 203(q) of the National Housing Act.

(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 221 of the Act, and all references to the Mutual