

**Subpart C—Eligibility Requirements—  
Moderate Income Projects**

221.501 Eligibility requirements.

**Subpart D—Contract Rights and  
Obligations—Moderate Income Projects**

221.751 Cross-reference.  
 221.753 Termination of mortgage insurance.  
 221.755 Premiums first, second, third and operating loss loans.  
 221.761 Forbearance relief.  
 221.762 Payment of insurance benefits.  
 221.763 Special insurance benefits—forbearance relief cases.  
 221.770 Assignment option.  
 221.775 Option period.  
 221.780 Issuance of debentures.  
 221.785 Date of maturity of debentures.  
 221.790 Debenture interest rate.  
 221.795 Displacement—below market interest rate mortgages.

**Subpart E—Servicing Responsibilities—Low  
Cost Homes**

221.800 Cross-reference.

AUTHORITY: 12 U.S.C. 1715b, 1715i; 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