

§ 235.245

§ 235.245 Certificate of tax assessment.

The mortgagee shall certify, as of the date of filing for record of the deed or assignment of the mortgage to the Secretary, that the family unit is assessed and subject to assessment for taxes pertaining to that unit.

§ 235.250 Cancellation of property insurance.

The provisions of § 203.382, relating to the cancellation of hazard insurance upon filing for record of the deed to the Secretary, are incorporated by reference and shall apply to hazard insurance policies carried solely for the family unit.

Subpart C—Assistance Payments—Homes for Lower Income Families

SOURCE: 41 FR 1178, Jan. 6, 1976, unless otherwise noted.

§ 235.301 Definitions.

The definitions contained in § 235.5 shall apply to this subpart. In addition the term *assistance payment* means that portion of a homeowner's or cooperative member's monthly mortgage payment which the Secretary becomes obligated to pay under an assistance payment contract.

§ 235.305 Contract for assistance payments.

This subpart shall constitute the contract between the mortgagee and the Secretary for assistance payments pursuant to section 235(b) of the National Housing Act.

§ 235.310 Execution of assistance payment contract.

(a) *Homeowners.* The issuance of a mortgage insurance certificate pursuant to § 235.1 *et seq.* shall also constitute the execution of the assistance payment contract with respect to the mortgage being insured.

(b) *Cooperative members.* The issuance of a certificate approving an application filed on behalf of a cooperative member shall constitute the execution of the assistance payment contract with respect to member named in the certificate.

24 CFR Ch. II (4-1-08 Edition)

§ 235.315 Qualified homeowners.

To qualify for assistance payments, the homeowner's income at the time of application for assistance, shall be within the limitations provided in § 235.10, and the homeowner shall be a mortgagor under a mortgage insured or to be issued pursuant to subparts A and B to this part.

§ 235.320 Limitation of sales price.

To qualify for assistance payments, the homeowner shall not have paid in connection with the purchase of the property with respect to which assistance payments are to be made more than the Secretary's estimate of value of such property, nor shall the purchase price exceed 120 percent of the mortgage amount established pursuant to § 235.25 or § 235.30, whichever is applicable.

§ 235.325 Qualified cooperative members.

The following cooperative members shall qualify for assistance payments subject to the requirement of this subpart C:

(a) A member of a cooperative association which operates a housing project financed with a mortgage insured under §§ 213.1 through 213.280 or §§ 221.502 through 221.790 of this chapter pursuant to Section 221(d)(3) of the National Housing Act provided:

(1) The housing project has been constructed or substantially rehabilitated not more than two years prior to the filing of the application for assistance payments and the dwelling unit had no previous occupant, or

(2) The cooperative member acquired membership and occupancy rights from one who was receiving assistance payments, or

(3) The cooperative member meets one of the following qualifications:

(i) The member's family is displaced from an urban renewal area, or as a result of a governmental action, or as a result of a major disaster as determined by the President.

(ii) The member's family shall include five or more minor persons.

(iii) The member's family shall have been occupying low-rent public housing at the time the application for assistance payments is filed, or

(4) That, without such assistance, the cooperative member would be likely to be involuntarily displaced from a dwelling in the project in connection with its conversion from rental to cooperative housing. Provided, That any family (i) which, by virtue of threatened displacement from a unit in a housing project to be operated by a cooperative association would be eligible for assistance under this provision in order to occupy a one-family unit in the resulting housing project, and (ii) which is precluded from such occupancy and membership in the cooperative association because of a rule of the association, may be entitled to assistance under this section in connection with a single family dwelling or a one-family unit in another housing project to be operated by a cooperative association, which otherwise meets the standards of this subsection and which is located in the same market area.

(b) A member of a cooperative association which operates a housing project which is financed under a State or local program providing assistance through loans, loan insurance or tax abatements, and which prior to completion of construction or rehabilitation is approved for receiving the benefits of this section.

(c) Eligibility as a cooperative member under this subpart also requires eligible status with respect to citizenship or eligible immigration status determined in accordance with 24 CFR part 200, subpart G. (See § 235.13.)

[45 FR 62796, Sept. 22, 1980, as amended at 46 FR 56422, Nov. 17, 1981; 46 FR 61455, Dec. 17, 1981; 51 FR 11219, Apr. 1, 1986; 53 FR 846, Jan. 13, 1988; 60 FR 14833, Mar. 20, 1995]

§ 235.330 Cooperative unit eligible for assistance payments.

(a) With respect to mortgages insured pursuant to conditional commitments issued or preliminary reservations approved before July 13, 1981, the maximum amount of the mortgage attributed to the dwelling unit of the cooperative member shall not exceed \$32,000, except that such amount may be increased to \$38,000 in the case of a family of five or more persons where the conditions set forth in § 235.25(a)(2) are met. These amounts may be increased to \$38,000 and \$44,000, respectively, in

any geographical area where the Secretary finds cost levels so require.

(b) With respect to mortgages insured pursuant to conditional commitments issued or preliminary reservations approved on or after July 13, 1981, the maximum amount of the mortgage attributed to the dwelling unit of the cooperative member shall not exceed \$40,000, except that such amount may be increased to \$47,500 in the case of a family of five or more persons where the conditions set forth in § 235.25(a)(2) are met. These amounts may be increased to \$47,500 and \$55,000, respectively, in any geographical area where the Secretary finds cost levels so require.

[46 FR 29259, June 1, 1981]

§ 235.331 Increased maximum mortgage amount for physically handicapped persons.

If the mortgage relates to a dwelling unit to be occupied by a handicapped person as defined in § 235.5(c)(2), the otherwise applicable dollar amount limitation under § 235.330 may be increased in such amount as may be necessary to reflect the cost of making the dwelling unit accessible to and usable by such person, but not to exceed 10 percent of such limitation.

[49 FR 21320, May 21, 1984]

§ 235.335 Assistance payments and handling charges.

(a) The assistance payment on behalf of a mortgagor shall be the lesser of the following:

(1) The difference between 20 percent of the homeowner's or cooperative member's adjusted monthly income and the required monthly payment under the mortgage for principal, interest, taxes, insurance, and mortgage insurance premium.

(2)(i) With respect to mortgages approved for insurance under this part by the Secretary before January 5, 1976, the difference between the required monthly payment under the mortgage for principal, interest, and mortgage insurance premium and the monthly payment which would be required for principal and interest if the mortgage bore an interest rate of 1 percent.