

(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.