paint surfaces, § 206.810(d) of this chapter shall apply unless the mortgagor certifies that no child who is less than six years of age resides or is expected to reside in the dwelling.

(e) Restrictions on conveyance. The property must be freely marketable. Conveyance of the property may only be restricted as permitted under 24 CFR 203.41 or 24 CFR 234.66 and this part, except that a right of first refusal to purchase a unit in a condominium project is permitted if the right is held by the condominium association for the project.

(Approved by the Office of Management and Budget under control number 2528–0133)

§ 206.53 Refinancings.

(a) General. This section implements section 255(k) of NHA. Except as otherwise provided in this section, all requirements applicable to the insurance of home equity conversion mortgages under this part apply to the insurance of refinancings under this section. HUD may, upon application by a mortgagee, insure any mortgage given to refinance an existing home equity conversion mortgage insured under this part, including loans assigned to the Secretary as described in §206.107(a)(1) and §206.121(b) under this part.

(b) Definition of “total cost of the refinancing.” For purposes of paragraphs (c) and (d) of this section, the term “total cost of the refinancing” means the sum of the allowable charges and fees permitted under §206.31 and the initial MIP described in §206.105(a) and paragraph (c) of this section.

(c) Initial MIP limit. The initial MIP paid by the mortgagee pursuant to §206.105(a) shall not exceed two percent of the increase in the maximum claim amount (i.e., the difference between the maximum claim amount for the new home equity conversion mortgage and the maximum claim amount for the existing home equity conversion mortgage that is being refinanced).