

§ 235.499

(iii) Upon modification of an existing assistance contract.

(c) *Effect of termination or suspension.* Upon termination or suspension of the assistance payments contract, the payment due on the first day of the month in which the termination or suspension occurs shall be the last payment to which the mortgagee shall be entitled; except that, in the case of a suspended contract, payment may be resumed after the contract is reinstated pursuant to paragraph (e) of this section.

(d) *Noneffect on mortgage insurance contract.* The termination or suspension of the assistance payments contract, where the mortgage insurance contract is not simultaneously terminated, shall have no effect on the mortgage insurance contract.

(e) *Reinstatement.* Where the assistance payments contract is suspended, it may be reinstated by the Secretary at the Secretary's discretion and on such conditions as the Secretary may prescribe. To be eligible for reinstatement under this section, the mortgagor or cooperative member must meet the requirements for the disclosure and verification of Social Security Numbers, as provided by part 200, subpart T, of this chapter, and the requirements for the signing and submitting of consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, as provided by part 200, subpart V of this chapter.

(Approved by the Office of Management and Budget under control numbers 2502-0204, 2502-0267, 2502-0268, and 2577-0083)

[41 FR 1178, Jan. 6, 1976, as amended at 43 FR 60157, Dec. 26, 1978; 46 FR 56422, Nov. 17, 1981; 51 FR 11219, Apr. 1, 1986; 53 FR 846, Jan. 13, 1988; 54 FR 39695, Sept. 27, 1989; 55 FR 11905, Mar. 30, 1990; 56 FR 7530, Feb. 22, 1991; 61 FR 13624, Mar. 27, 1996]

§ 235.499 Effect of amendments.

The regulations in this subpart may be amended by the Secretary at any time and from time to time, in whole or in part, but such amendment shall not adversely affect the interest of a mortgagee under an existing contract for assistance payments. The effective date of these regulations is January 5, 1976.

24 CFR Ch. II (4-1-10 Edition)

Subpart D—Rehabilitation Sales Projects

§ 235.501 Applicability of regulations.

The regulations regarding eligibility requirements, contract rights and obligations, and assistance payments for rehabilitation sales projects in force before December 8, 1995, will continue to govern the rights and obligations of mortgagors, mortgagees, and the Department of Housing and Urban Development with respect to loans insured under section 235(j) of the National Housing Act.

[60 FR 56500, Nov. 8, 1995]

Subparts E–F [Reserved]

Subpart G—Servicing Responsibilities—Homes for Lower Income Families

§ 235.1000 Cross-reference.

All of the provisions of subpart C, part 203 of this chapter covering mortgages insured under section 203 of the National Housing Act apply to mortgages insured under section 235 of the National Housing Act.

[42 FR 29306, June 8, 1977]

§ 235.1001 Providing information.

The statement of interest paid and taxes disbursed furnished by the mortgagee to the mortgagor pursuant to § 203.508(c) of this chapter shall include, or be accompanied by, an accounting of the total amount of assistance payments paid by the Secretary and applied to the mortgagor's account during the preceding year. Such accounting will be provided in a manner which indicates (or permits the mortgagor readily to compute) the excess of the total amount of interest payments made during the year over the amount of the assistance payments made by the Secretary. The foregoing accounting shall contain, or be accompanied by, notification regarding the deductibility of interest payments made by the mortgagor in substantially the following language: "If you itemize deductions on your income tax returns, please read this notice. Under § 1.163–

1(d) of Federal Income Tax Regulations, you, as the borrower, may deduct for Federal income tax purposes only that part, if any, of mortgage interest payments made during the year which exceeded the amount of assistance payments made by HUD during the year. You are urged to contact your tax advisor or State and local tax offices for guidance regarding the deductibility of payments on your State or local income tax returns.”

(Approved by the Office of Management and Budget under control number 2502-0235)

[48 FR 28986, June 24, 1983]

Subpart H—Eligibility Requirements: Contract Rights and Obligations; Assistance Payments Contracts; Servicing Responsibilities—Refinancing Mortgages Under Section 235(r) of the National Housing Act

SOURCE: 57 FR 62453, Dec. 30, 1992, unless otherwise noted.

ELIGIBILITY REQUIREMENTS; DIRECT ENDORSEMENT

§ 235.1200 Authority.

In accordance with the authority contained in section 235(r) of the National Housing Act, the Secretary may insure a mortgage given to refinance an existing mortgage which is insured under section 235 of the National Housing Act.

[57 FR 62453, Dec. 30, 1992, as amended at 60 FR 56500, Nov. 8, 1995]

§ 235.1202 Cross-reference.

(a) All of the provisions of subpart A, part 203 of this chapter concerning eligibility requirements of mortgages covering one- to four-family dwellings under section 203 of the National Housing Act apply to mortgages insured under section 235(r) of the National Housing Act, except the following provisions:

Sec.

203.16 Certificate and contract regarding use of dwelling for transient or hotel purposes.

203.17 Mortgage provisions.

203.18 Maximum mortgage amount.
 203.18a Solar energy systems.
 203.18b Increased mortgage amount.
 203.19 Mortgagor's minimum investment.
 203.20 Agreed interest rate.
 203.25 Late charge.
 203.28 Economic soundness of project.
 203.29 Eligible mortgages in Alaska, Guam or Hawaii.
 203.32 Mortgage lien.
 203.33 Relationship of income to mortgage payments.
 203.35 Disclosure and verification of Social Security and Employer Identification Numbers.
 203.36 Certificate and contract regarding use of dwelling for transient or hotel purposes.
 203.38 Location of dwelling.
 203.42 Rental properties.
 203.43 Eligibility of miscellaneous type mortgages.
 203.43i Eligibility of mortgages on Hawaiian home lands pursuant to section 247 of the National Housing Act.
 203.43j Eligibility of mortgages on Allegany Reservation of Seneca Nation of Indians.
 203.44 Eligibility of open-end advances.
 203.45 Eligibility of graduated payment mortgages.
 203.46 Eligibility of modified graduated payment mortgages.
 203.47 Eligibility of growing equity mortgages.
 203.49 Eligibility of adjustable rates mortgages.
 203.50 Eligibility of rehabilitation loans.
 203.51 Applicability.

(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 235 of the Act.

[41 FR 1172, Jan. 6, 1976]

EDITORIAL NOTE: For FEDERAL REGISTER citations affecting § 235.1202, see the List of CFR Sections Affected in the Finding Aids section of this volume.

§ 235.1206 Definitions used in this subpart.

As used in this subpart, the following terms shall have the meaning indicated:

(a) *Adjusted annual income* means the annual family income remaining after making certain exclusions from gross annual income. The following items shall be excluded, in the order listed, from family gross annual income:

(1) 5 percent of such gross annual income, in lieu of amounts to be withheld