

U.S. Department of Housing and Urban Development  
Community Planning and Development

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Special Attention of: Transmittal Handbook No.:7375.01 REV-2  
Regional Administrators  
Regional Housing Commissioners Issued: December 1986  
Field Office Managers  
Directors, Office of CPD  
Directors, CPD Division  
Section 312 Local Processing Agencies

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1. This Transmits HUD Handbook 7375.01, REV-2 Section 312 Rehabilitation Loan Program Handbook.
  2. This Handbook is a complete revision of the Section 312 Program's operating procedures and requirements. The effective dates for the various provisions in the Handbook are for Chapters 1-8: August 20, 1986 and for Chapters 9-12: December 1, 1986. These dates apply to the date of the borrower's loan application. Therefore, loans based on applications dated August 20, 1986 and later must meet all requirements in Chapters 1-8; and loans based on applications dated after December 1, 1986 must, in addition, meet the provisions of Chapters 9-12.
  3. Filing instructions:  
  
Remove:  
  
Handbook 7375.01 REV dated 2/28/74 and all changes  
  
Insert  
  
Handbook 7375.01 REV-2 dated 12/86.
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U.S. Department of Housing and Urban Development  
Community Planning and Development

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Special Attention of: Transmittal Handbook No.: 7375.01  
Regional Administrators : REV-2, CHG 3  
Regional Housing Commissioners Issued: 3/90  
Field Office Managers  
Directors, Office of CPD  
Directors, CPD Division  
Section 312 Local Processing Agencies

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1. This Transmits:  
  
Change 3 to the Section 312 Rehabilitation Loan Program Handbook

7375.01, REV-2.

2. Explanation of Material Transmitted:

This change:

- a. Updates audit requirements that affect contractors and Local Processing Agencies that administer the Section 312 program. The effective date for these requirements is the date of this issuance.

Changes to incorporate these requirements were made in the Table of Contents, List of Exhibits, Chapters 6 and 13, and Exhibit 13. An asterisk indicates the beginning and ending of a change in material.

- b. Makes format changes in Chapters 12 and 14, and Exhibit 9. No editorial changes were made.

3. Filing Instructions:

Remove	Insert
Table of Contents dated 10/87	Table of Contents dated 3/90
List of Exhibits dated 10/28/86	List of Exhibits dated 3/90
Page 6-15 dated 10/28/86 Pages 6-16 thru 6-18 dated 8/13/86	Pages 6-15 thru 6-18 dated 3/90
Page 12-23 dated 10/87 Pages 12-24 thru 12-28 dated 3/31/89	Pages 12-23 thru 12-28 dated 3/90
Pages 13-7 thru 13-10 dated 3/31/89	Pages 13-7 thru 13-9 dated 3/90
Page 14-11 dated 3/31/89	Page 14-11 dated 3/90

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CCRP : Distribution : W-3-1, W-1, W-2 (ADM and CPD), R-1, R-2, R-3-1,  
R-6, R-6-2, Special (CPD Field Directors)  
HUD-23 (9-81)

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3. Filing Instructions (con't.):

Remove	Insert
Exhibit 9-11 (pages 7 and 8) dated 3/31/89	Exhibit 9-11 (pages 7 and 8) dated 3/90
Exhibit 13 dated 9/12/89	Exhibit 13 dated 3/90

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U.S. Department of Housing and Urban Development  
COMMUNITY PLANNING AND DEVELOPMENT

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Special Attention of:  
Regional Administrators :  
Regional Housing Commissioners  
Field Office Managers  
Directors, Office of CPD  
Directors, CPD Division  
Section 312 Local Processing Agencies

Transmittal Handbook No.: 7375.01  
REV-2, CHG-2  
Issued: March 31, 1989

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1. This Transmits

Chapters 13 and 14, a Revised Section 12-15 "Conflict of Interest" and an amendment to Exhibit 9-11 of the Section 312 Rehabilitation Loan Program Handbook (No. 7375.01 Rev-2).

2. Explanation of Material Transmitted:

Chapters 13 and 14 are the final two chapters of a complete revision of the Section 312 Program's operating procedures and requirements. In addition, Section 12-15, "Conflict of Interest," has been revised to conform more closely to the similar requirements of the Rental Rehabilitation and Community Development Block Grant Programs. As a conforming change, pages 11-13 of the Rehabilitation Loan Agreement, Exhibit 9-11, are amended to reflect the new "Conflict of Interest" requirements of Section 12-15 of this Handbook, and page 8 of Exhibit 9-11 is amended to make a technical change related to Amortization Effective Date extensions under Section 312 Promissory Notes.

The effective date for these provisions (except the new Participation Agreement, Parts I and II), is the date of issuance. The Participation Agreement must be executed in order for an LPA to process or approve Section 312 loans after October 1, 1989.

Chapter 13, Local Processing Agency Administrative Requirements, now establishes a written agreement between HUD and the Local Processing Agency (LPA) which defines the LPA's rights and responsibilities, roles and functions. It also contains a copy of the agreement for reproduction and use by HUD Field Offices. The agreement has a second part which grants loan approval authority to selected LPAs.

Chapter 14, HUD Field Office Responsibilities, summarizes the HUD Field Office staff responsibilities in administering the Section 312 Program. It also includes a brief discussion on program monitoring, as well as a section on corrective and remedial sanctions which can be imposed on LPAs failing to comply with program requirements. Most of the Chapter refers to Chapter 6 of the HUD Monitoring Handbook which gives detailed instructions and guideforms for use in monitoring the Section 312 Program.

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CCRP : Distribution : W-3-1, W-1, W-2 (ADM and CPD), R-1, R-2, R-3-1, R-6,  
R-6-2, Special (CPD Field Directors)

HUD-23 (9-81)

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3. Filing Instructions:

Remove

Insert

Sections 12-14, 12-15 and 12-16,  
pages 12-24 thru 12-27,  
dated 10/87

Sections 12-14, 12-15 and  
12-16, pages 12-24 thru  
12-28, dated 3/89

Chapters 13 and 14, dated  
3/89

Exhibit 9-11, pages 8 and 11-13

Exhibit 9-11, pages 8 and  
11-13, dated 3/89

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U.S. Department of Housing and Urban Development  
Community Planning and Development

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Special Attention of:  
Regional Administrators-Regional  
Housing Commissioners  
Field Office Managers  
CPD Division Directors  
Regional Directors For CPD  
Section 312 Local Processing Agencies

Transmittal Handbook No.7375.01 REV-2,  
CHG 1

Issued: 10/87

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1. This Transmits:

CHG 1 to the Section 312 Rehabilitation Loan Program Handbook 7375.01,  
REV-2.

2. Explanation of Material Transmitted:

This change updates references to the relocation requirements  
governing the displacement of a person as a direct result of a  
Section 312 Rehabilitation Loan Project.

3. Filing instructions:

Remove

Insert

Page 4, Table of Contents,  
dated 12/86

Page 4, Table of Contents,  
dated 9/87

Pages, 12-23 through 12-28,  
dated 10/28/87

Pages, 12-23 through 12-27,  
dated 9/87

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U.S. Department of Housing and Urban Development  
Office of Community Planning and Development

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December 1986

Program Participants  
and Departmental  
Staff

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Section 312

Rehabilitation Loan  
Financing

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