

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TRANSMITTAL
NOTICE

January 19, 1973

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1. This Notice Transmits the Following:
HUD Handbook 4210.2, "Section 235(i) Fiscal Instructions for HUD-FHA Field Offices."
 2. Explanation of Material Transmitted:
The instructions in this Handbook were previously contained in FHA 4441.15. This material has been revised to incorporate the fiscal provisions of Circular 1830.4A, HPMC-FHA 4400.48, HPMC-FHA 4400.50, and HPMC-FHA 4441.28, and also to give effect to organizational and title changes.
 3. Applicability:
This Handbook contains the policies and procedures that were in effect as of June 30, 1972. Where possible the fiscal instructions in issuances of a later date have been included in this Handbook. New or modified fiscal instructions issued after June 30, 1972, take precedence over the contents of this Handbook wherever applicable.
 4. Cancellations:
This Handbook cancels HUD Handbook, FHA 4441.15, including Changes 1 and 2, FHA 4441.21, HPMC-FHA 4441.25, and HPMC-FHA 4400.41A.
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FOREWORD

This Handbook contains the fiscal instructions for field offices to follow when processing sections 235(b) and 235(i) transactions. Assistance payments are made under authority contained in section 235(b). Mortgages on properties purchased by families eligible for assistance payments are insured under section 235(i), and, in case of marginal credit, under section 237.

A copy of this Handbook should be furnished to each employee in the office who processes section 235 transactions.

Special attention should be given to the instructions contained in paragraph 12 about the review and approval of Forms 3100. Since the approved Form 3100 serves as a basis for making assistance payments after the mortgage is insured, the importance of verifying the computations and the proper classification of income cannot be overemphasized. Care used in the review of Form 3100 prior to approval will avoid creating a hardship situation for the mortgagor and the difficult adjustment problems created for both HUD and the mortgagees.

After a mortgage is insured, any questions about assistance payments relating to the fiscal aspects of the program should be directed to the Office of the Comptroller.

Reference:

- (1) HPMC-FHA 4010.9 (4010.1)* -Fiscal and ADP Handbook
- (2) FHA 4400.9 (4515.2)* -Homeownership Assistance for Purchase and Resale of Housing to Low Income Families, Sec. 235(j) and Sec. 221(h)
- (3) FHA 4400.16 (4210.3)* -Fiscal Instructions for use by Department of Agriculture for Home Mortgages under Sections 235(j) and 237

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- (4) FHA G 4400.8 (4210.4)* -Mortgagees' Guide - Assistance Payments under Sec. 235 and Interest Reduction Payments under Sec. 236
- (5) Circular Number 1830.4A dated April 12, 1972
Subject: Procedures for Processing Program Fund and Contract Authority Assignments
- (6) FHA 4442.1 (4510.2)* -Rental Housing for Lower Income Families (Sec. 236)

*The information in parentheses indicates the location of the referenced material in the new classification system.

Cancellations: This handbook cancels HUD Handbook, FHA 4441.15, Section 235(i) Fiscal Instructions for FHA Insuring Offices including Change I and Change 2 and the following Circulars:

HPMC-FHA 4400.41A

FHA 4441.21

HPMC-FHA 4441.25

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