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 FOREWORD

This Handbook sets forth the policies, procedures, and requirements applicable to HUD-FHA's role in processing Section 312 direct loans for rehabilitation in urban renewal areas, Section 117 concentrated code enforcement areas, certified areas and areas covered by a FAIR plan (Fair Access to Insurance Requirements.) The instructions in this Handbook cover Section 312 rehabilitation loans on residential properties and mixed-use loans on properties involving both residential and nonresidential uses.

Procedures relating to loan applications on properties that are solely nonresidential in character are not specifically covered in this Handbook as such. However, in processing the few nonresidential cases submitted by LPAs, the Field Office will employ the same requirements applicable to the nonresidential portion of a loan for \$3,500 or more on a mixed-use property of 5 or more dwelling units as outlined herein.

References:

- (1) CD 7399.1 - Field Management Procedures Handbook
Chapter 6, Section 6
- (2) CD 7375.1 - Rehabilitation Financing Handbook
- (3) CD 7390.1 - Certified Area Program Handbook
- (4) CD 7377.1 - FAIR Handbook
- (5) HM 4310.20 - Acquisition of Properties Pledged as
Security for Section 312 Rehabilitation Loans

Cancellations: This Handbook cancels Handbook FHA 4410.1, 4410.1 Change 1 and Circular FHA 7210.1.