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CHAPTER 1. ADMINISTRATIVE INSTRUCTIONS

PART 1. SECTION 220(d)(3)(A)

- 1-1. PURPOSE. This program provides mortgage insurance to assist in the financing required for the rehabilitation of existing dwelling units and the construction of new dwelling units in urban renewal areas. Its purpose is to eliminate slums and prevent properties from deteriorating.
- 1-2. ELIGIBLE PROPERTIES. Dwellings insured under this program must be residential and for not more than 11 families and be located in an area which has a local workable program, is part of a HUD approved urban renewal plan, and has a concentrated program of code enforcement and neighborhood development. Supplemental loans can be insured under this program to finance improvements on eligible properties which will result in enhancing and preserving saleable homes. Generally mortgage terms are more liberal than those under regular HUD-FHA mortgage insurance programs.
- 1-3. ELIGIBLE APPLICANTS. Investors, builders, developers, and individual homeowners may apply for mortgage insurance assistance.