

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TRANSMITTAL  
NOTICE

December 11, 1972

1. This Notice Transmits the Following:  
HUD Handbook 4260.1, Section 223(a), (e), and (d),  
Miscellaneous Type Home Mortgage Insurance.
2. Explanation of Materials Transmitted:  
This Handbook provide policy and processing procedures for HUD  
staff and others interested in mortgage insurance under the  
Section 223 programs.
3. Applicability:  
This Handbook contains rules, regulations and policy matters in  
effect as of September 30, 1972. All issuances released  
subsequent to September 30, 1972, take precedence over the  
contents of this Handbook where applicable.
4. Cancellations:  
The following issuances are cancelled:  
  
FHA Manual - Volume VI, Book 2, Part B, Preapplication  
Appendix A-1 and A-2  
  
Volume VII, Book 1 and 2  
Paragraphs 70764.1 thru 70764.9  
Paragraphs 71428 thru 71429.4  
Paragraphs 71433 thru 71433.2  
Paragraph 71603.3  
Paragraphs 71982.10 thru 71982.13  
Paragraphs 72458 thru 72458.7  
Paragraphs 72726 thru 72726.1  
Paragraphs 72925 thru 72925.16  
Paragraphs 73033 thru 73033.5  
Paragraphs 73087.10 thru 73087.20  
Paragraphs 73079 thru 73079.2  
Paragraphs 73087.50 thru 73087.52  
Paragraphs 73089.10 thru 73089.12  
Paragraphs 73089.15 thru 73089.17

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FOREWORD

Section 223 is to assist governmental agencies in the sale of existing properties through the use of HUD-FHA mortgage insurance. This authority is set forth under Section 223(a). General information, and processing instructions in connection therewith are contained in this Handbook.

The Handbook also contains instructions and general information for Section 223(e) which authorizes mortgage insurance in older declining urban areas where "economic soundness" and "economic life" requirements are waived under certain risk conditions and Section 223(d) two year operating losses.

