

---

 TABLE OF CONTENTS

Paragraph		Page
CHAPTER 1. INTRODUCTION		
1-1.	AUTHORIZATION	1-1
1-2.	DEFINITION	1-1
1-3.	DELEGATIONS OF AUTHORITY	1-1
1-4.	ELIGIBLE BORROWERS AND MAXIMUM LOAN AMOUNT	1-2
1-5.	RELATION TO SECTION 202 LOAN	1-2
1-6.	PREREQUISITES FOR DISBURSEMENT OF LOAN PROCEEDS	1-2
1-7.	TERMS AND CONDITIONS	1-3
CHAPTER 2. BASIC APPLICATION PROCEDURES AND CONTROL OF FUNDS		
2-1.	SUBMISSION OF APPLICATIONS	2-1
2-2.	ACCEPTANCE OF APPLICATIONS FOR PROCESSING	2-2
2-3.	APPLICATION NUMBER	2-3
2-4.	CONTROL OF AVAILABLE FUNDS	2-4
2-5.	REPORTS	2-4
CHAPTER 3. PROCESSING OF LOAN APPLICATIONS AND REQUISITIONS		
3-1.	GENERAL	3-1
3-2.	MORTGAGE CREDIT REVIEW	3-1
3-3.	FIELD OFFICE ACTIONS PRECEDENT TO RESERVATION OF FUNDS	3-5
3-4.	RESERVATION OF FUNDS BY OFA	3-6
3-5.	FIELD OFFICE ACTIONS FOLLOWING RESERVATION OF SECTION 106(b) FUNDS	3-7
3-6.	SUBMISSION AND PROCESSING OF REQUISITIONS	3-10
3-7.	DISTRIBUTION OF REQUISITIONS	3-12
CHAPTER 4. REPAYMENT, CANCELLATION OF REPAYMENT AND LOAN INCREASES		
4-1.	REPAYMENT AND ACCOUNTING REQUIREMENTS	4-1
4-2.	RELEASE OF LIENS	4-2
4-3.	DEFERMENT OF REPAYMENT AND SUBORDINATION OF LIENS	4-3
4-4.	REQUESTS FOR CANCELLATION	4-3
4-5.	CONDITIONS OF CANCELLATION	4-4
4-6.	FIELD OFFICE REVIEW	4-5
4-7.	LOAN ASSISTANCE COMMITTEE	4-6
4-8.	COLLECTION PROCEDURES	4-6
4-9.	LOAN INCREASES	4-7

APPENDICES

1. Form HUD-92291, Loan Contract and Trust Agreement
2. Part 271 of CFR, Title 24, Loan Assistance for Planning Low and Moderate Income Housing
3. Form HUD-92290, Section 106(b) Nonprofit Sponsor Assistance "Seed Money" Loan Application
4. Form HUD-274, Designation of Depository for Direct Deposit of Loan and/or Grant Funds
5. Form HUD-92289, Requisition for Advance of Funds from Section 106(b) Nonprofit Sponsor Assistance Fund
6. Summary of Development Cost Claimed by Borrower
7. Sample Format - Standard Form 215, Deposit Ticket and Form FHA-2006, Official Receipt
8. Sample Format - Form FHA-906, Schedule of Collections
9. Section 106(b) Loan Application and Fund Requisition Processing Flow Chart