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February 22, 2023

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Flood Preparedness Documentation for Excepted Projects

In accordance with Handbook 4232.1, Section II, Chapter 7.5.C.14, flood preparedness documentation is required for all Section 232 applications when the project is located in a 100-year or 500-year floodplain on an effective, preliminary or pending Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map. This requirement includes projects that propose to use the “incidental portion” exception at 24 CFR 55.12(c)(7), due to their location in a 100-year and/or 500-year floodplain.

As a reminder, projects proposing to use the “incidental portion” exception require a permanent covenant that will encumber the property in perpetuity and outlast the insured mortgage.

The following documentation must be included in the mortgage insurance application for any projects located in a 100-year or 500-year floodplain, including those invoking the “incidental portion” exception:

1. Evidence of participation in an early warning system

Indicate the specific method(s) used to monitor weather conditions and flooding alerts (e.g., National Oceanic and Atmospheric Administration weather radio continuously monitored by staff and an emergency alert agreement with the state or municipal emergency services agency.)

1. Emergency evacuation and relocation plan

Include names and addresses of like facilities (i.e., similar residential healthcare facilities) that have agreements or contracts with the project to serve as temporary relocation sites for the subject’s residents. Provide the flood zone designations of relocation sites outside of the 500-year floodplain.

1. Identification of evacuation route(s) out of the 500-year floodplain

Include evacuation routes to temporary relocation sites identified in Paragraph 2.

**Keywords:** *Environmental, Flood, Evacuation*

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ORCF New Protocol on Obtaining Section 232/242 Regulatory Agreement Releases Effective March 1, 2023

Office of Residential Care Facilities (ORCF) seeks to enhance efficiency in program operations and reduce costs while maintaining FHA’s core program oversight functions.  To better serve our industry partners, ORCF has implemented an electronic mailing system for releases of Section 232 and 242 FHA Regulatory Agreements.

All requests for releases of Regulatory Agreements for Nursing Homes, Board and Care Facilities, Assisted-Living Facilities (Section 232), and Hospitals (Section 242) must be sent to the [232RegReleases@hud.gov](mailto:232RegReleases@hud.gov) for processing.

ORCF will release the regulatory agreement once the mortgage insurance is terminated.  Insurance termination occurs after the FHA-insured mortgage has been paid in full.  The release request should be submitted only after: (A) the loan is paid in full and (B) FHA has terminated the mortgage insurance.

All inquiries, status updates, and additional submissions of information should be directed to [232RegReleases@hud.gov](mailto:232RegReleases@hud.gov).

**Documents Needed to Prepare the Release**

For FHA Healthcare projects, each request for the release of an FHA-insured regulatory agreement must include:

* The FHA Project Name and Number in the Subject Line (XYZ Nursing Home FHA No. 000-12345).  Only one project per email, please.
* A copy of the recorded regulatory agreement(s) (including any amendments).   Please ensure that the recordation stamp(s), dates, and signatures are legible.
* Title report, policy, or commitment.
* Submitter’s contact information to include email address and a mailing address for the hard copy releases to be sent.
* Written confirmation of FHA mortgage insurance termination. If submitting a form HUD-9807, Termination of Multifamily Insurance as evidence, the bottom “*For HUD Use Only”* section must reflect the cancellation of the FHA insurance endorsement and be signed by a designated FHA Official.  Please note a form HUD-9807 without HUD’s signature and the ORCF Prepayment Memorandum are not acceptable evidence of mortgage insurance termination. Please see [*Sample Insurance Termination Cover Letter*](https://www.hud.gov/sites/dfiles/Housing/documents/Smple_Ins_Term_Letter.pdf) and [*Sample Evidence of MFIOB Termination Letter*](https://www.hud.gov/sites/dfiles/Housing/documents/Smple_Evid_MFIOB_Term_Letter.pdf) *on* the [Section 232 Loan Servicing website](https://www.hud.gov/federal_housing_administration/healthcare_facilities/residential_care/loan_servicing).

**Failure to follow these instructions will result in delays—resubmissions are treated as new requests.**  **Please note processing typically takes up to eight (8) weeks following receipt of all necessary documents by FHA.**

HUD-Held Mortgages/Deeds of Trust **-**  All requests for the satisfaction of HUD-held mortgages/deeds of trust (including Mark-to-Market), UCC terminations, and releases of associated regulatory agreements must be sent to the Multifamily Notes Servicing Branch in HUD Headquarters at [MultifamilyNotesServicingBranch@hud.gov](mailto:MultifamilyNotesServicingBranch@hud.gov).

***Keywords:*** *Asset Management*

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| Past Lean 232 Updates are [available online](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTAxMDQuMzI3OTIyMzEiLCJ1cmwiOiJodHRwczovL3d3dy5odWQuZ292L2ZlZGVyYWxfaG91c2luZ19hZG1pbmlzdHJhdGlvbi9oZWFsdGhjYXJlX2ZhY2lsaXRpZXMvcmVzaWRlbnRpYWxfY2FyZS9tYWlsX2JsYXN0X2luZGV4P3V0bV9tZWRpdW09ZW1haWwmdXRtX3NvdXJjZT1nb3ZkZWxpdmVyeSJ9.wD_kyOelsVj0O18oGZ6vB1qZQYtIH2lojk5kd633DYc/s/1356292409/br/92636915983-l).  Have questions about the Lean 232 Program? Please contact [LeanThinking@hud.gov](mailto:LeanThinking@hud.gov).  For more information on the Lean 232 Program, check out: [http://www.hud.gov/healthcare](https://lnks.gd/l/eyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDIsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMTAxMDQuMzI3OTIyMzEiLCJ1cmwiOiJodHRwOi8vd3d3Lmh1ZC5nb3YvaGVhbHRoY2FyZT91dG1fbWVkaXVtPWVtYWlsJnV0bV9zb3VyY2U9Z292ZGVsaXZlcnkifQ.1u0SLtDtXsU62834yVCK0A042fLMrX4ZfmVsijRPzQI/s/1356292409/br/92636915983-l).    Stay Connected with the Office of Housing and the Federal Housing Administration: |
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