Transmittal for Handbook No.: 1378 Chg 12
Issued: October 22, 2013

1. This Transmits:


2. Significant Changes:

Chg-11 (Change 11) of the Handbook was issued in September 2011 and provided updated policies and guidance on section 104(d) of the HCD Act and its implementing regulations at 24 CFR part 42, subpart C. Guidance on acceptable replacement dwelling units for lower-income dwelling units lost and subject to replacement is being misinterpreted, which has prompted HUD to provide additional clarification.

This change also corrects incorrect references to HUD information brochures listed in
Chapter 2, Paragraph 2-3 A.2., A.3., and A.5.

3. **Effective Date:** October 22, 2013

4. **Filing Instructions:**

<table>
<thead>
<tr>
<th>REMOVE</th>
<th>INSERT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 2 (page 2-3)</td>
<td>Chapter 2 (page 2-3) - corrections</td>
</tr>
<tr>
<td>Chapter 7 (page 7-5)</td>
<td>Chapter 7 (page 7-5) - technical correction</td>
</tr>
</tbody>
</table>