

Superseded in whole by HUD Handbook 4000.1

if foreclosure proceedings are initiated.

C.Sale Of Property. If at any time prior to the foreclosure sale, the mortgagor or the mortgagor's

9/9413-29

4330.1 REV-5

estate sells the property (free of junior liens) for the lesser of the debt, including foreclosure costs actually incurred and the mortgagee's share of net appreciation, if applicable, or 95% of the current appraised value as determined by the Field Office having jurisdiction of the property, or offers a deed-in-lieu of foreclosure with good and marketable title, the mortgagee shall discontinue the foreclosure proceedings and accept the payoff.

D.Failure To Repay The Mortgage Debt. The mortgagee must continue the foreclosure proceedings as long as the mortgagor or his or her estate fails to repay the mortgage debt.

E.Foreclosure Sale. The mortgagee must bid the lesser of the debt or the current appraised value, as provided by the HUD Field Office, at the foreclosure sale.

9/94

13-30