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CHAPTER 1. INTRODUCTION

1-1 PURPOSE OF SECTION 221(d) PROGRAM.

A.The purpose of Section 221(d) (3) and Section 221(d) (4) of the National Housing Act is to assist private industry in providing comfortable and attractive rental accommodations for moderate income families, with preference or priority of occupancy to families who have been displaced from urban renewal areas or as a result of governmental action or a major disaster as determined by the President.

B.Housing developed under Section 221(d) is intended to be of modest design that is pleasant and efficient and in keeping with the Department's goal of providing affordable housing. The program's cost limits represent an upper limit on what can be built and are for use in areas with exceptionally high construction costs. The limits are meant to be maximums and not minimums.

C.All projects proposed for Section 221(d) (3) or (d) (4) must have at least five or more family units. Elderly (62 years of age or older), handicapped and displaced single persons are considered families under Section 221(d). Projects may be specifically designed for the elderly or handicapped. Projects for Single Room Occupancy (SRO) may also be insured under Section 221(d). HUD Handbook 4560.3 governs the insured SRO program.

1-2 LEGISLATIVE AUTHORITY.

The Section 221(d) (3) and (d) (4) programs are authorized by the National Housing Act, as amended. The administering office in HUD Headquarters is the Assistant Secretary for Housing-Federal Housing Commissioner.

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1-3WAIVERS. Provisions of law or regulation may not be waived unless the law or regulation permit such waiver.

A.Indications whether specific provisions are statutory or regulatory are shown in this handbook by the letters "[S]" or "[R]" at the beginning of the applicable provision. In some cases, the text itself specifies that certain provisions are statutory or regulatory.

B.Waivers to a handbook provision must be fully documented in limited cases.

C.Headquarters will not entertain any requests for waivers or appeals to Field Office conclusions, unless the Field Office with jurisdiction has first acted upon the waiver request or appeal.