CHAPTER 9.  DEFAULTS

9-1.  DEFAULTS AFTER FINAL ENDORSEMENT.  Follow Chapter 9 of HUD Handbook 4566.2 for:

A.  Reporting defaults

B.  Analyzing the project's potential for reinstatement

C.  Negotiating and monitoring a reinstatement plan.

9-2.  DEFAULTS BEFORE FINAL ENDORSEMENT

A.  Follow paragraph 13-9 of HUD Handbook 4561.1.  It provides remedies to cure the default, complete the project and bring it to final endorsement.

B.  The lender must report this type of default using the Default Report Before Final Endorsement (Form HUD-58047). See Appendix 71 of HUD Handbook 4561.1.