U. S. Department of Housing and Urban Development
Office of Housing

Special Attention of:                           TRANSMITTAL
Secretary's Representatives,
Directors, Office of Housing,         Handbook No:  4590.01 REV-1
Directors of Housing Development                Issued:  June 30, 1995
Directors of Asset Management

1.      This Transmits Handbook 4590.01 REV-1, HOUSING FINANCE
AGENCY RISK-SHARING PILOT PROGRAM.

2.      Summary.  This replaces the March 1994 Draft Handbook
4590.1, Housing Finance Agency Risk-Sharing Pilot Program.
Housing Finance Agencies (HFAs), and HUD Field Staff
participating or monitoring HFAs must follow the policies
and procedures as modified and supplemented by this final
handbook.

3.      Filing Instructions:

Insert
New Handbook 4590.01 REV-1

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Federal Housing Commissioner

HMIP:  Distribution: W-3-1,W-2(H)(ZAOO)(OGC),W-4(H)(0GC),R-1,
       R-2,R-3-1(H)(RC),R-3-2,R-3-3,R-6-2,R-7,
       R-7-2,R-8

FOREWORD

This Handbook outlines the policies and procedures for
implementation of the Housing Finance Agency (HFA) Risk Sharing
Pilot program under Section 542(c) of the Housing and Community
Development Act of 1992.  It contains the detailed information
needed by HUD Multifamily Housing staff and personnel of
participating State and local HFAs to take advantage of this new
partnership between HUD and HFAs to provide affordable housing
opportunities in this Nation's communities.

References:

1.      1344.1 REV-1Federal Labor Standards Compliance in
Housing and Community Development
Programs.

2.      1390.2Environmental Assessment Guide for
Housing Projects.

3.      1390.4Guide to HUD Environmental Criteria and
Standards Contained in 24 CFR Part 51.
4. 4065.1 Previous Participation Guide.
5. 2000.4 Consolidated Audit Guide for Audits of HUD Programs.
6. 4410.1 REV-2 Project Fiscal Procedures.
7. 8025.1 REV-1 Implementation of Affirmative Fair Housing Marketing Requirements for Multifamily Housing.
8. Notice H 95-4 Subsidy Layering Reviews Implementing Instructions.
9. 4110.1 REV Remittance Processing.
10. 4350.1 Insured Project Servicing.
11. 4566.2 Management Servicing and Disposition.
12. 4060.1 Mortgagee Approval.
13. 6509.2 REV-4 Community Planning and Development Monitoring.