

Applicability of HUD Mortgagee Letter 87-9

Legal Opinion: GHM-0014

Index: 3.400

Subject: Applicability of HUD Mortgagee Letter 87-9

December 2, 1991

John L. Petr, Esq.
Kutak, Rock & Campbell
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102-2186

Re: Applicability of HUD Mortgagee Letter 87-9
to Modifications of Pre-1987 FHA-Insured Mortgages

Dear Mr. Petr:

This responds to your letter dated October 29, 1991 in which you requested confirmation from this office that HUD Mortgagee Letter 87-9, dated February 20, 1987, does not apply to FHA-insured multifamily mortgages initially endorsed for insurance prior to February 20, 1987 and subsequently modified.

HUD Mortgagee Letter 87-9, by its terms, is not applicable to mortgages initially endorsed for FHA mortgage insurance prior to February 20, 1987. Specifically, HUD Mortgagee Letter 87-9 states, in pertinent part, as follows: "The policies set forth . . . shall apply to all project mortgages endorsed for full insurance . . . on or after the date of this letter February 20, 1987, except those mortgages which are funded with the proceeds of State or local bonds sold prior to January 12, 1987." Therefore, absent a written incorporation into the mortgage documents, the provisions of HUD Mortgagee Letter 87-9 are inapplicable to modifications of mortgages initially endorsed for FHA mortgage insurance prior to February 20, 1987.

Sincerely,

Harold A. Levy
Chief Attorney
Loan Management and Property
Disposition Section