

**§ 220.832 Maturity of debentures.**

Debentures shall mature 10 years from the date of issue.

**§ 220.834 Registration of debentures.**

Debentures shall be registered as to principal and interest.

**§ 220.836 Form and amounts of debentures.**

Debentures issued under subpart D of this part shall be in such form and amounts; and shall be subject to such terms and conditions; and shall include such provisions for redemption, if any, as may be prescribed by the Secretary, with the approval of the Secretary of the Treasury; and may be in book entry or certificated registered form, or such other form as the Secretary by regulation may prescribe.

[59 FR 49816, Sept. 30, 1994]

**§ 220.838 Redemption of debentures.**

Debentures shall, at the option of the Commissioner and with the approval of the Secretary of the Treasury, be redeemable at par plus accrued interest on any semiannual interest payment date on three months' notice of redemption given in such manner as the Commissioner shall prescribe. The debenture interest on the debentures called for redemption shall cease on the semiannual interest date designated in the call notice. The Commissioner may include with the notice of redemption an offer to purchase the debentures at par plus accrued interest at any time during the period between the notice of redemption and the redemption date. If the debentures are purchased by the Commissioner after such call and prior to the named redemption date, the debenture interest shall cease on the date of purchase.

**§ 220.840 Issue date of debentures.**

The debentures shall be issued as of the date of the execution of the assignment of the loan to the Commissioner.

**§ 220.842 Cash adjustment.**

Any difference of less than \$50 between the amount of debentures to be issued to the lender and the total amount of the lender's claim, as approved by the Commissioner, may be

adjusted by the issuance of a check in payment thereof.

[59 FR 49816, Sept. 30, 1994]

**§ 220.850 Assignment of insured loans.**

(a) An insured loan may not be transferred or pledged prior to the full disbursement of the loan, except with the prior written approval of the Commissioner which approval may be subject to such conditions and qualifications as the Commissioner may prescribe. Subsequent to full disbursement such loan may be transferred only to a transferee who is a lender approved by the Commissioner. Upon such transfer and the assumption by the transferee of all obligations under the contract of insurance the transferor shall be released from its obligations under the contract of insurance.

(b) The contract of insurance shall terminate with respect to loans described in paragraph (a) of this section upon the happening of either of the following events:

(1) The transfer or pledge of the insured loan to any person, firm, or corporation, public or private, other than an approved lender.

(2) The disposal by a lender of any partial interest in the insured loan by means of a declaration of trust or by a participation or trust certificate or by any other device, unless with the prior written approval of the Commissioner, which approval may be subject to such conditions and qualifications as the Commissioner in his discretion may prescribe: *Provided*, That this paragraph shall not be applicable to any loan so long as it is held in a common trust fund maintained by a bank or trust company exclusively for the collective investment and reinvestment of moneys contributed thereto by the bank or trust company in its capacity as a trustee, executor or administrator; and in conformity with the rules and regulations prevailing from time to time of the Board of Governors of the Federal Reserve System, pertaining to the collective investment of trust funds: *Provided further*, That this paragraph shall not be applicable to any loan so long as it is held in a common trust estate administered by a bank or trust company which is subject to the

inspection and supervision of a governmental agency, exclusively for the benefit of other banking institutions which are subject to the inspection and supervision of a governmental agency, and which are authorized by law to acquire beneficial interests in such common trust estate, nor to any loan transferred to such a bank or trust company as trustee exclusively for the benefit of outstanding owners of undivided interest in the trust estate, under the terms of certificates issued and sold more than three years prior to said transfer, by a corporation which is subject to the inspection and supervision of a governmental agency.

### Subpart E—Servicing Responsibilities—Homes

#### § 220.900 Cross-reference.

All of the provisions of subpart C, part 203 of the chapter concerning the responsibilities of servicers of mortgages insured under section 203 of the National Housing Act apply to mortgages covering 1- to 11-family dwellings insured under section 220 of the National Housing Act, except §§ 203.664 through 203.666.

[52 FR 48203, Dec. 21, 1987, and 53 FR 9869, Mar. 28, 1988]

## PART 221—LOW COST AND MODERATE INCOME MORTGAGE INSURANCE

### Subpart A—Eligibility Requirements—Low Cost Homes

#### INSURANCE UNDER 221(D)(2)

Sec.

- 221.1 Cross-reference.
- 221.10 Maximum mortgage amount—dollar limitation.
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- 221.275 Method of paying insurance benefits.
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### Subpart C—Eligibility Requirements—Moderate Income Projects

- 221.501 Eligibility requirements.

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- 221.751 Cross-reference.
- 221.753 Termination of mortgage insurance.
- 221.755 Premiums first, second, third and operating loss loans.
- 221.761 Forbearance relief.
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- 221.770 Assignment option.
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- 221.780 Issuance of debentures.
- 221.785 Date of maturity of debentures.
- 221.790 Debenture interest rate.
- 221.795 Displacement—below market interest rate mortgages.

### Subpart E—Servicing Responsibilities—Low Cost Homes

- 221.800 Cross-reference.

AUTHORITY: 12 U.S.C. 1715b, 1715l; 42 U.S.C. 3535(d). Section 221.544(a)(3) is also issued under 12 U.S.C. 1707(a).

SOURCE: 36 FR 24587, Dec. 22, 1971, unless otherwise noted.