Subpart A—Eligibility Requirements—Low Cost Homes

INSURANCE UNDER 221(d)(2)

§ 221.1 Cross-reference.

(a) All of the provisions of subpart A, part 203 of this chapter concerning eligibility requirements of mortgages covering one- to four-family dwellings under section 203 of the National Housing Act (12 U.S.C. 1709) apply to mortgages on dwellings insured under section 221 of the National Housing Act (12 U.S.C. 1715*l*), except the following provisions:

Sec.
203.18 Maximum mortgage amount.
203.18a Solar energy system.
203.18b Increased mortgage amount.
203.19 Mortgagor's minimum investment.
203.28 Economic soundness of project.
203.42 Rental properties.
203.43h Eligibility of mortgages on Indian land insured pursuant to section 248 of the National Housing Act.
203.43i Eligibility of mortgages on Hawaiian Home Lands insured pursuant to section 247 of the National Housing Act.
203.43j Eligibility of mortgages on Allegany Reservation of Seneca Nation of Indians.
203.45 Eligibility of graduated payment mortgages.
203.49 Eligibility of adjustable rate mortgages.
203.50 Eligibility of rehabilitation loans.
203.51 Applicability.

(b) For the purposes of this subpart all references in part 203 of this chapter to section 203 of the Act shall be construed to refer to section 221 of the Act.

[36 FR 24587, Dec. 22, 1971, as amended at 41 FR 42949, Sept. 29, 1976; 44 FR 46836, Aug. 9, 1979; 61 FR 60160, Nov. 26, 1996]

§ 221.10 Maximum mortgage amount—dollar limitation.

A mortgage executed by a mortgagor who is to occupy the dwelling as a principal residence or a secondary residence (as these terms are defined in § 221.20(c)) may not exceed:

(a) $31,000 for a one-family residence, except that such amount may be increased to $36,000 in the case of a family with five or more persons.

(b) $35,000 for a two-family residence.

(c) $48,600 for a three-family residence.

(d) $59,400 for a four-family residence.

[42 FR 57435, Nov. 2, 1977, as amended at 55 FR 34809, Aug. 24, 1990]

§ 221.11 Increased mortgage amount—high cost areas.

In any geographical area where the Commissioner finds cost levels so require, the Commissioner may increase the dollar amount limitations set forth in § 221.10 to amounts not to exceed:

(a) $36,000 for a one-family residence, except that such amount may be increased to $42,000 in the case of a family with five or more persons.

(b) $45,000 for a two-family residence.

(c) $57,600 for a three-family residence.

(d) $68,400 for a four-family residence.

[39 FR 32433, Sept. 6, 1974, as amended at 42 FR 57435, Nov. 2, 1977]

§ 221.12 [Reserved]

§ 221.20 Maximum mortgage amount—loan-to-value limitation.

In addition to meeting the dollar limitations as set forth in this subpart, the mortgage amount shall be limited as follows:

(a) *Mortgagors of principal or secondary residences.* (1) If the mortgagor is to occupy the dwelling as a principal residence (as defined in paragraph (c)(1) of this section), the mortgage may not exceed:

(i) The Commissioner's estimate of the appraised value of the property as of the date the mortgage is accepted for insurance, where repair and rehabilitation is not involved; or

(ii) In the case of rehabilitation, the amount of the mortgage shall not exceed the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation.

(2) The limitations in paragraph (a)(1) of this section are applicable only if the mortgage covers a dwelling which:

(i) Was approved for mortgage insurance prior to the beginning of construction, or

(ii) Was approved for guaranty, insurance, or a direct loan by the Secretary of Veterans Affairs prior to the beginning of construction, or