

§ 234.3

203.43j Eligibility of mortgages on Allegheny Reservation of Seneca Nation of Indians.
203.50 Eligibility of rehabilitation loans.

occupants are notified by management of intent to convert the project to a condominium, whichever is earlier.

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§234.17 Mortgagor and mortgagee requirements for maintaining flood insurance coverage.

§234.3 Definitions.

The terms *Act*, *Beginning of amortization*, *Commissioner*, *FHA*, *Insured Mortgage*, *Mortgage*, *Mortgagee*, *Mortgagor*, and *State*, as used in this part, are defined in §203.251 of this chapter. The following terms, as used in this part, are defined as follows:

The maintenance of flood insurance coverage on the project by the condominium association will satisfy the requirements of §203.16a of this chapter if such coverage protects the interest of the mortgagor in the family unit. For this purpose, "the interest of the mortgagor" is defined as insurance coverage equal to the replacement cost of the project less land costs.

Bona fide tenants' organization means an association of tenants formed by the tenants to promote their interests in a particular project, with membership in the association open to each tenant, and all requirements of the association applying equally to every tenant.

§234.26 Project requirements.

Common areas and facilities means those areas of the project and of the property upon which it is located that are for the use and enjoyment of the owners of family units located in the project. The areas may include the land, roofs, main walls, elevators, staircases, lobbies, halls, parking space and community and commercial facilities.

No mortgage shall be eligible for insurance unless the following requirements are met:

Conversion means the date on which all documents necessary to create a condominium under State law (and under local law, where applicable) have been recorded.

(a) *Location of family unit.* The family unit shall be located in a project that the Commissioner determines to be acceptable.

Family unit means a one-family unit including the undivided interest in the common areas and facilities, and such restricted common areas and facilities as may be designated.

(b) *Plan of condominium ownership.* The project in which the unit is located shall have been committed to a plan of condominium ownership by a deed, or other recorded instrument, that is acceptable to the Commissioner.

Project means a structure or structures containing four or more family units.

(c) *Releases.* The family unit shall have been released from any mortgage covering the project or any part of the project.

Project mortgage means a mortgage which is or has been insured under any of the FHA multifamily housing programs, other than sections 213(a)(1) and 213(a)(2) of the Act (12 U.S.C. 1715e).

(d) *Certificate by mortgagee.* The mortgagee shall certify that:

Restricted common areas and facilities means those areas and facilities restricted to a particular family unit or number of family units.

(1) The deed of the family unit and the deed or other recorded instrument committing the project to a plan of condominium ownership comply with legal requirements of the jurisdiction.

Tenant means the occupant(s) named in the lease or rental agreement of a housing unit in a project as of the date the condominium conversion documents are properly filed for the project, or as of the date on which the

(2) The mortgagor has good marketable title to the family unit, subject only to a mortgage that is a valid first lien on the family unit.

(3) The family unit is assessed and subject to assessment for taxes pertaining only to that unit.

(e) *Conditions and provisions.* (1) The Commissioner may require such conditions and provisions as the Commissioner determines are necessary for the protection of consumers and the public interest.

(2) An application for mortgage insurance of a unit will not be approved if approval would result in less than 80