

## § 245.5

## 24 CFR Ch. II (4–1–99 Edition)

- 245.410 Notice to tenants.
- 245.415 Submission of materials to HUD: Timing of submission.
- 245.416 Initial submission of materials to HUD: Conversion from project-paid utilities to tenant-paid utilities or a reduction in tenant utility allowances.
- 245.417 Initial submission of materials to HUD: Conversion of residential units to a nonresidential use, or to cooperative housing or condominiums.
- 245.418 Initial submission of materials to HUD: Partial release of mortgage security.
- 245.419 Initial submission of materials to HUD: Major capital additions.
- 245.420 Rights of tenants to participate.
- 245.425 Submission of request for approval to HUD.
- 245.430 Decision on request for approval.
- 245.435 Non-insured projects: Conversion from project-paid utilities to tenant-paid utilities or a reduction in tenant utility allowances.

AUTHORITY: 12 U.S.C. 1715z-1b; 42 U.S.C. 3535(d).

### Subpart A—General Provisions

#### § 245.5 Purpose.

The purpose of this part is to recognize the importance and benefits of cooperation and participation of tenants in creating a suitable living environment in multifamily housing projects and in contributing to the successful operation of such projects, including their good physical condition, proper maintenance, security, energy efficiency, and control of operating costs.

[50 FR 32402, Aug. 12, 1985]

#### § 245.10 Applicability of part.

(a) Except as otherwise expressly limited in this section, this part applies in its entirety to a mortgagor of any multifamily housing project that meets the following—

(1) *Project subject to HUD insured or held mortgage under the National Housing Act.* The project has a mortgage that—

(i) Has received final endorsement on behalf of the Secretary and is insured or held by the Secretary under the National Housing Act (12 U.S.C. 1701–1715z-20); and

(ii) Is assisted under:

(A) Section 236 of the National Housing Act (12 U.S.C. 1715z-1);

(B) The Section 221(d)(3) BMIR Program;

(C) The Rent Supplement Program;

(D) The Section 8 Loan Management Set-Aside Program following conversion to such assistance from the Rent Supplement Program assistance;

(2) *Section 202 project.* The project has a direct mortgage loan from HUD at a below-market interest rate under the Section 202 Loans for the Elderly or Handicapped BMIR Program. This part applies in its entirety to the mortgagor if the project is assisted under the Rent Supplement Program or under the Section 8 LMSA Program following conversion to such assistance from Rent Supplement Program assistance. If the project is not so assisted, only subparts A, D, and E of this part apply to the mortgagor;

(3) *Formerly HUD-owned project.* The project—

(i) Before being acquired by the Secretary, was assisted under:

(A) Section 236 of the National Housing Act (12 U.S.C. 1715z-1);

(B) The Section 221(d)(3) BMIR Program;

(C) The Rent Supplement Program; or

(D) The Section 8 LMSA Program following conversion to such assistance from assistance under the Rent Supplement Program; and

(ii) Was sold by the Secretary subject to a mortgage insured or held by the Secretary and an agreement to maintain the low- and moderate-income character of the project; or

(4) *State or local housing finance agency project.* The project receives assistance under section 236 of the National Housing Act (12 U.S.C. 1715z-1) or the Rent Supplement Program administered through a State or local housing finance agency, but does not have a mortgage insured under the National Housing Act or held by the Secretary. Subject to the further limitation in paragraph (b) of this section, only the provisions of subparts A and C of this part and of subpart D of this part for requests for approval of a conversion of a project from project-paid utilities to tenant-paid utilities or of a reduction in tenant utility allowances, apply to a mortgagor of such a project.

(b) *Limitation for cooperative mortgagor.* Only the provisions of subparts A and C of this part apply to a mortgagor of any multifamily housing project described in paragraph (a) of this section if the mortgagor is a cooperative housing corporation or association.

(c) *Definitions.*

*Rent Supplement Program* means the assistance program authorized by section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s).

*Section 8 LMSA Program* means the Section 8 Loan Management Set-Aside Program implemented under 24 CFR part 886, subpart A.

*Section 202 Loans for the Elderly or Handicapped BMIR Program* means the below-market interest rate loan program authorized under section 202 of the Housing Act of 1959, as in effect before August 22, 1974 (12 U.S.C. 1701q).

*Section 221(d)(3) BMIR Program* means the below-market interest rate mortgage insurance program under section 221(d)(3) and the proviso of section 221(d)(5) of the National Housing Act (12 U.S.C. 1715l(d)(3) and 1715l(d)(5)).

[61 FR 57961, Nov. 8, 1996]

**§ 245.15 Notice to tenants.**

(a) Whenever a mortgagor is required under subparts D or E of this part to serve notice on the tenants of a project, the notice must be served by delivery, except, for a high-rise project, the notice may be served either by delivery or by posting. If service is made by delivery, a copy of the notice must be delivered directly to each unit in the project or mailed to each tenant. If service is made by posting, the notice must be posted in at least three conspicuous places within each building in which the affected dwelling units are located and, during any prescribed tenant period, in a conspicuous place at the address stated in the notice where the materials in support of the mortgagor's proposed action are to be made available for inspection and copying. Posted notices must be maintained intact and in legible form during any prescribed notice period.

(b) For purposes of computing time periods following service of notice, service is effected, in the case of service by delivery, when all notices have

been delivered or mailed and, in the case of service by posting, when all notices have been initially posted.

[50 FR 32402, Aug. 12, 1985, as amended at 61 FR 57961, Nov. 8, 1996]

**Subpart B—Tenant Organizations**

**§ 245.105 Organizations and efforts to organize.**

Mortgagors subject to the requirements of this subpart shall not impede the reasonable efforts of resident tenant organizations to represent their members or the reasonable efforts of tenants to organize.

[48 FR 28437, June 22, 1983. Redesignated at 50 FR 32403, Aug. 12, 1985]

**§ 245.110 Meeting space.**

Mortgagors subject to the requirements of this subpart shall not unreasonably withhold the use of any community room or other available space appropriate for meetings which is part of the mortgaged property when requested by:

(i) A resident tenant organization in connection with the representational purposes of such organization; or

(ii) Tenants seeking to organize or to consider collectively any matter pertaining to the operation of the project. The mortgagor may charge for such use such fees or charges approved by the Secretary as may normally be imposed for the use of such facilities or may waive such charges.

[48 FR 28437, June 22, 1983. Redesignated at 50 FR 32403, Aug. 12, 1985]

**Subpart C—Efforts To Obtain Assistance**

**§ 245.205 Efforts to obtain assistance.**

(a) Mortgagors subject to the requirements of this subpart shall not interfere with the efforts of tenants to obtain rent subsidies or other public assistance.

(b) A mortgagor subject to the requirements of this subpart who is a party to a rent supplement contract under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), a rental assistance payments contract under part 236, subpart