Nature of Requirement: The proceeds of a property improvement loan may be used only for improvements that are started after loan approval.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal

Housing Commissioner.

Dated Granted: February 7, 1994. Reason Waived: This provision has previously been waived in emergency situations, to allow borrowers to begin work prior to final loan approval. A waiver in this case allows borrowers to make emergency repairs to their properties; however, the lender has to document the loan file giving the reasons why it was necessary to begin work before final loan approval.

3. Regulation: 24 CFR 201.25(c)

Project/Activity: Title I property improvement loans for the repair of damage resulting from the January 1994 earthquake which impacted Los Angeles, Ventura and Orange Counties in California.

Nature of Requirement: The Title I regulations list certain fees and charges which the lender normally collects from the borrower in cash as part of the borrower's initial payment on a property improvement loan. These fees and charges may not be financed or advanced by any party to the loan transaction.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Dated Granted: February 7, 1994. Reason Waived: This waiver permits the following fees and charges to be financed in the Title I loan, as long as the maximum loan limits are not exceeded: (a) A loan origination fee, not to exceed one percent of the loan amount; and (b) recording fees, recording taxes, filing fees and documentary stamp taxes. Financing these fees and charges reduces the initial cash investment required to obtain these loans.

4. Regulation: 24 CFR 201.54(b)(1)

Project/Activity: Title I property improvement loans for the repair of damage resulting from the January 1994 earthquake which impacted Los Angeles, Ventura and Orange Counties in California.

Nature of Requirement: The Title I regulations provide that insurance claims on property improvement loans must be filed with the Department within nine months after the date of default.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Date Granted: February 7, 1994.

Reason Waived: This waiver permits claims to be filed up to twelve months after the date of default. However, the lender has to document the loan file to show that the borrowers experienced a loss of income or other financial difficulties directly attributable to the earthquake, and that additional time to provide forbearance was required.

5. Regulation: 24 CFR 201.20(b)(3)

Project/Activity: Title I property improvement loan to provide accessibility for handicapped low-income homeowners.

Nature of Requirement: The proceeds of a property improvement loan may be used only for improvements that are started after loan approval.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal

Housing Commissioner.

Date Granted: April 22, 1994.
Reason Waived: This provision has previously been waived in emergency situations, to allow borrowers to begin work prior to final loan approval. A waiver was granted in this case to allow the borrowers to proceed with the construction of an access ramp and special bathroom railings, so that the home could be occupied as soon as possible after acquisition.

Note to reader: The person to be contacted for additional information about the waiver-grant items in this listing is: Olive Walker, Chief, Directives, Reports and Forms Branch, Office of Housing, Management Division, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410, Telephone (202) 708–1694.

6. Regulation: 24 CFR 207.259(e)

Project/Activity: Batavia, New York HA refunding of bonds which financed a Section 8 assisted project, the Washington Towers Apartments (FHA No. 014–35047).

Nature of Requirement: The Regulations set conditions under which HUD may call debentures prior to maturity.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Date Granted: May 5, 1994.

Reasons Waived: This credit enhance refunding bonds not fully secured by the FHA mortgage amount, HUD agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on February 18, 1994. Refunding bonds have been priced to an average yield of 6.43%. The tax-exempt refunding bond issue of \$4,850,000 at current low-interest rates will save

Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding taxexempt coupons of 9.2% at the call date with tax-exempt bonds yielding 6.43%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contract, from 9.5% to 7.25, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

7. Regulation: 24 CFR 207.259(e)

Project/Activity: Community Redevelopment Agency of the City of Los Angeles refunding of bonds which financed eight Section 8 assisted projects (list attached).

Nature of Requirement: The Regulation authorizes call of FHA debentures prior to maturity.

Granted by: Nicolas P. Retsinas, Assistant Secretary for Housing-Federal Housing Commissioner.

Date Granted: June 6, 1994. Reason Waived: To credit enhance refunding bonds not fully secured by the FHA mortgage amounts, HUD agrees not to exercise its option under 24 CFR 207.259(e) to call debentures prior to maturity. This refunding proposal was approved by HUD on November 18, 1993. Refunding bonds have been priced to an average yield of 6.42%. The tax-exempt refunding bond issue of \$20,600,000 at current low-interest rates will save Section 8 subsidy. The Treasury also gains long-term tax revenue benefits through replacement of outstanding tax-exempt coupons at an average yield of 10.65% at the call date with tax-exempt bonds yielding 6.42%. The refunding will also substantially reduce the FHA mortgage interest rate at expiration of the HAP contracts, thus reducing FHA mortgage insurance risk. The refunding serves the important public purposes of reducing HUD's Section 8 program costs, improving Treasury tax revenues (helping reduce the budget deficit), and increasing the likelihood that projects will continue to provide housing for low-income families after subsidies expire, a priority HUD objective.

Note to the reader: The person to be contacted for additional information about this waiver-grant item is: Kevin J. East, Office of Multifamily Housing Programs, U.S. Department of Housing and Urban Development, 451 Seventh