

utilities payments to prevent the homelessness of the tenant or mortgagor of a dwelling may not be provided to such an individual for these costs accruing over a period of more than 21 weeks in any 52-week period. Section 574.330 (a)(2) states that HUD may waive, as it determines appropriate, the limitations of paragraph (a)(1) and will favorably consider a waiver based on the good faith effort of a project sponsor to provide housing under subparagraph (c).

*Granted By:* Roy A. Bernardi, Assistant Secretary for Community Planning and Development.

*Date Granted:* January 14, 2003.

*Reason Waived:* The Department reviewed the city's documented attachment and determined that the city has satisfied the requirements of the 21-week limitation for the individuals. Further, the city's housing specialists have made a good faith effort to secure permanent housing for the client's level of need, but such housing is not available in the current living environment.

*Contact:* Cornelia Robertson-Terry, Office of Community Planning and Development, Room 7152, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-7000; telephone: (202) 708-2565.

## II. Regulatory Waivers Granted by the Office of Housing

For further information about the following waivers actions, please see the name of the contact person who immediately follows the description of the waiver granted.

• *Regulation:* 24 CFR 200.54(a).

*Project/Activity:* Quail Run Apartments, Peoria, AZ; Project Number: 123-35370.

*Nature of Requirement:* Section 200.54(a) establishes the procedures for a pro-rata disbursement of the mortgagor's front money escrow funds and Federal Housing Administration (FHA) insured proceeds for the subject property.

*Granted By:* John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner.

*Date Granted:* January 31, 2003.

*Reason Waived:* The regulation was waived since the front money escrow is so large, the insured proceeds would not be disbursed for several months, resulting in payment of extension fees to the investors who purchased the Government National Mortgage Association (GNMA) mortgage-backed securities. Providing a waiver of 24 CFR 200.54(a) permitted the Phoenix Multifamily Program Center to approve a pro-rata disbursement of front money and mortgage proceeds, thereby allowing the mortgagee not to pay GNMA extension fees.

*Contact:* Michael McCullough, Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone: (202) 708-1142.

• *Regulation:* 24 CFR 200.54(a).

*Project/Activity:* H.J. Heinz Lofts, Pittsburgh, Allegheny County Project Number: 033-35246.

*Nature of Requirement:* Section 200.54(a) establishes the procedures for a pro-rata disbursement of the mortgagor's front money

escrow funds and FHA-insured proceeds for the subject property.

*Granted By:* John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner.

*Date Granted:* February 26, 2003.

*Reason Waived:* The regulation was waived since the front money escrow is so large, the insured proceeds would not be disbursed for 11 or 12 months, resulting in payment of extension fees to the investors who purchased the GNMA mortgage-backed securities. Providing a waiver of 24 CFR 200.54(a) permitted the Philadelphia Multifamily Hub to approve a pro-rata disbursement of front money and mortgage proceeds, thereby allowing the mortgagee not to pay GNMA extension fees.

*Contact:* Michael McCullough, Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone: (202) 708-1142.

• *Regulation:* 24 CFR 200.54(a).

*Project/Activity:* St. Edmunds Meadows, Chicago, IL; Project Number: 071-35719.

*Nature of Requirement:* Section 200.54(a) establishes the procedures for a pro-rata disbursement of the mortgagor's front money escrow funds and FHA-insured proceeds for the subject property.

*Granted By:* John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner.

*Date Granted:* March 13, 2003.

*Reason Waived:* The regulation was waived since the front money escrow is so large, the insured proceeds would not be disbursed for at least 8-10 months after initial endorsement, resulting in payment of extension fees to the investors who purchased GNMA mortgage-backed securities. Providing a waiver of 24 CFR 200.54(a) permitted the Chicago Multifamily Hub to approve a pro-rata disbursement of front money and mortgage proceeds, thereby allowing the mortgagee not to pay GNMA extension fees.

*Contact:* Michael McCullough, Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone: (202) 708-1142.

• *Regulation:* 24 CFR 200.54(a).

*Project/Activity:* Harold Washington Unity Cooperative, Chicago, IL; Project Number: 071-32140.

*Nature of Requirement:* Section 200.54(a) establishes the procedures for a pro-rata disbursement of the mortgagor's front money escrow funds and FHA-insured proceeds for the subject property.

*Granted By:* John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner.

*Date Granted:* March 13, 2003.

*Reason Waived:* The regulation was waived since the front money escrow is so large, the insured proceeds would not be disbursed for at least 6-8 months after initial endorsement, resulting in payment of extension fees to the investors who purchased GNMA mortgage-backed securities. Providing a waiver of 24 CFR 200.54(a) permitted the Chicago

Multifamily Hub to approve a *pro-rata* disbursement of front money and mortgage proceeds, thereby allowing the mortgagee not to pay GNMA extension fees.

*Contact:* Michael McCullough, Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone: (202) 708-1142.

• *Regulation:* 24 CFR 203.402(j).

*Project/Activity:* Single-family claims submitted on dwellings in Planned Unit Developments (PUDs).

*Nature of Requirement:* 24 CFR 203.402(j) provides that mortgage lenders may include in their claim, any charges for the administration, operation, maintenance, and repair of community-owned property paid by the mortgage lender for the purpose of discharging an obligation arising out of a covenant filed for record and approved by the Secretary prior to the issuance of the mortgage, and charges for certain repairs to the mortgaged property resulting from damage or neglect.

*Granted by:* John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner.

*Date Granted:* February 27, 2003.

*Reason Waived:* On January 22, 2003, in HUD Mortgagee Letter 2003-02, the Department eliminated FHA approval of a PUD as a precondition for placing a FHA mortgage on a dwelling located in the development. This prior approval constituted the approval by the Secretary prior to the issuance of the mortgage, referred to in 24 CFR 203.402(j). The waiver was granted to allow mortgage lenders submitting mortgage insurance claims to include expenditures on assessments and liens on the mortgaged property as the result of charges related to the care of community-owned property. Otherwise, lenders would be denied such claims, which would be inconsistent with HUD's insurance payment policy and discourage lender participation in FHA programs.

*Contact:* Vance Morris, Director, Office of Single Family Program Development, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-8000; telephone: (202) 708-2121.

• *Regulation:* 24 CFR 291.210(a).

*Project/Activity:* Teacher-Next-Door Sales Program, Nationwide.

*Nature of Requirement:* 24 CFR 291.210(a) permits direct sales at deep discounts off the list price of properties sold without mortgage insurance to governmental entities and private nonprofit organizations for use in HUD and local housing or homeless programs.

*Granted by:* John C. Weicher, Assistant Secretary for Housing-Federal Housing Commissioner.

*Date Granted:* March 6, 2003.

*Reason Waived:* The Teacher-Next-Door Initiative gives teachers the opportunity to live and work in communities where they are most needed. The integration of teachers, who are role models and mentors, into a community enhances the community's quality of life. To date the Teacher-Next-Door