

# Instructions for the Application for Homeownership Assistance

## Section 235 of the National Housing Act

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

The public reporting burden for this collection information is estimated to average 20 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This collection of information is authorized under Section 235 of the National Housing Act (P.L. 479, 48 Statute 1246, 12 U.S.C. 1701 (et. seq.) The Secretary of HUD is authorized to make assistance payments to qualified homeowners. Although new applications are not being accepted, P.L. 101 U.S.C. 1715z provides for the refinancing of Section 235 mortgages. The application is required at the time of refinance or assumption to ensure that homeowners obtain the amount of assistance they are legally entitled to, while at the same time protecting the Government's financial interest. A response is mandatory; parties must disclose income and complete form 93100. No assistance payments may be made unless a completed application form has been received (P.L. 479,235(i)). HUD may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number..

**Privacy Act:** The Department is authorized to ask for this information by the National Housing Act (Section 235, P.L. 98-396, 12 U.S.C. 1701 et. seq.), by the Housing and Community Development Act (Section 165(a), P.L. 100-242), and by the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Section 904, P.L. 100-628). The information will be used to determine your eligibility under the program and to determine the amount of assistance you are entitled to receive. It is also used for managing the program and for protecting the Government's financial interests. It may be used to conduct computer matching programs for underreported or unreported income. The Social Security Number (SSN) is used as a unique identifier. The information may be released to appropriate Federal, State, and local agencies, and when relevant, to civil, criminal, or regulatory investigators and/or prosecutors. It will not be otherwise disclosed or released outside of HUD except as permitted or required by law. It is mandatory that you provide all of the requested information, including all SSNs, for all family members 6 years and older living in the household. Failure to provide SSNs and required documents will result in a delay or loss of assistance payments.

The **mortgagee** is responsible for the preparation of form HUD-93100. This form is to be used for the approval of assistance payments for all assumptions of any 235 mortgages, including 235(r) mortgages, and the new 235(r) mortgages. Information of a personal nature is to be secured from the applicant. Entries for all other items as well as all computations are the responsibility of the mortgagee. HUD shall review and verify all entries for 235 assumptions, including 235(r) assumptions, which are served by mortgagees who are not Direct Endorsement, and new 235(r) mortgages which are HUD processed cases. Direct Endorsement underwriters shall review and verify all entries for 235 assumptions, including 235(r) assumptions that are serviced by the Direct Endorsement mortgagee and for new 235(r) mortgages which are Direct Endorsement processed cases.

**Items A thru D:** This information should be supplied by the mortgagee.

**Items E thru G:** This information should be obtained from the Head of the Household who is making the application. The information concerning minority group categories is requested for statistical purposes so the Department may determine the degree to which its programs are utilized by minority families. Data for each individual member of the family, including Head of Household and Spouse, as to Social Security Number, Name, Age, Sex, Family Relationship, and Income by source, should be obtained from the applicant.

**Definition:** "Family" or "household" means (a) two or more persons related by blood, marriage, or operation of law; or (b) a handicapped or elderly (62 or over) single person. "Minor" means a member of the family except spouse, under 21 years of age, living in the household.

**Item F:** Under "Employer", give the name, address, city, State, phone number and the name of a person who may be contacted regarding the applicant's (or family's) employment. All employers must be given. If there are more than one employers, provide the same information on each on a separate sheet of paper (provide 4 copies).

**Items G-1 thru G-8.** Enter on these lines, the names of each individual member of the family, including the Head of Household and spouse. If there are more than 7 persons in the family, show the same information for these persons on an attached sheet

of paper (4 copies). In the next columns, enter for each person their Social Security Number, age, sex, and relationship to the Head of Household. All income amounts should be entered to the nearest dollar; do not show cents. Current income should reflect income status at time of application; and expected income next 12 months should represent the anticipated income of each individual over the next year. The sum of income from each source should be entered in line G-8. (A statement explaining differences between expected income next 12 months and either last year's or current income above or below, must be stapled to each copy of this form.)

**Items G-9 thru G-13.** From the entries presented on lines 1 through 7 of Item G, and attachments, if any, the mortgagee should develop the entries for lines G-9 through G-13. The number in household, line 9, is represented by the number of names listed. The number of eligible minors (line 10) (i.e., minors eligible for statutory income deduction of \$300 per minor) is the number of minors whose age is listed as under 21, related to the head by blood, marriage, or operation of law, excluding the head of household or his spouse.

The number of other minors (line 11) represents the number of minors that are not related by blood, marriage, or operation of law. The number of dependents (line 12) is the number of persons (adult or minor) deriving principal support from the Head of the Household and/or the spouse, excluding the spouse as a dependent. The number of handicapped (line 13) includes any person who has a physical impairment which is expected to be of continued duration which substantially impedes his/her ability to live independently unless suitable housing is available, and/or any elderly person (62 years of age or older).

**Items G-14 thru G-16: Calculation of Adjusted Income.** The total amount of current or expected annual income whichever is greater (the larger of Item G, line 8, Column (a) or (b)), is to be entered in the income column on line 14 as total annual income. Line 14(a) shall in all cases be 5% of line 14 for social security withholding and similar deductions. Line 14(b) shall be earnings of eligible minors enumerated in Items G-2 thru G-7 plus any attached sheets of paper. (Note that only the earnings of eligible minors may be excluded. Social security, and other payments made on behalf of minors are income of the persons to whom paid, generally the Head of Household or some adult.) Income is

---

adjusted further on line 14(c) by deducting an allowance of \$300 for each eligible minor (line 10). This yields the adjusted annual income (G-15). This amount is divided by 12 to obtain the adjusted monthly income (G-16).

**Item H: Assistance calculations.** These are to be completed by the mortgagee.

**Items H-1 thru H-9:** The monthly mortgage payment is copied from Item I-4 as explained under Item I below. Item H-2 represents 20% of the adjusted monthly income (G-16). If the mortgage to be assumed or refinanced under the Section 235(r) Program is a Section 235 Revised Recapture 10, H-2 represents 28 percent of the adjusted monthly income (G-16). Under Formula (1), the monthly subsidy (H-3) is obtained by subtracting H-2 from H-1. Under Formula (2), the monthly subsidy (H-6), is obtained by subtracting the monthly payment to principal and interest at the interest rate floor respective to the Assistance Payments Contract which is associated with the Section 235 mortgage being assumed or the new 235(r) mortgage (H-5), from the monthly payment to principal, interest and mortgage insurance premium of the Section 235 mortgage being assumed or the Section 235(r) mortgage (H-4). The monthly payment to principal and interest for the Section 235 mortgage being assumed is obtained from the original form HUD-93100 which was executed by HUD at origination and the monthly payment to MIP is based on the remaining unpaid principal balance of the Section 235 mortgage being assumed multiplied by the MIP factor at 0.5 % (or 0.7 % if insured on or after 1/5/76) per annum where the sum is divided by 12 monthly deposits. The monthly payment to principal, interest and MIP for the new Section 235(r) mortgage is obtained by reference to form HUD-92900.

**Items H-7 and H-8:** The Assistance Payment Authorized is the lesser of the subsidy payments developed under Formula (1) (H-3) or Formula (2) (H-6). This amount (H-7) when subtracted from the Monthly Mortgage Payment (H-1) represents the payment to be made by the mortgagor as the Mortgagor's share of the Monthly Payment (H-8).

**Item I:**

**A.** Section 235 Assumptions: Items I-1, I-2, and I-3 can be obtained from form HUD-59100, Mortgage Insurance Certificate. Mortgagees must enter the current monthly payment of the Section 235 mortgage, which is being assumed, in Items I-4 and H-1.

**B.** Section 235(r) Mortgages: Item I-1 is from item 7 (Loan Amount) on form HUD-92900-A. Item I-2 is from item 9 (Proposed Maturity) on form HUD-92900-A. Item I-3 is from (As Modified and/or Accepted...Interest Rate) form HUD-92900.4. Item I-4 is from item 13h (Total Monthly Payment) on form HUD-92900-WS.

**Item J:** When the mortgagee has completed and checked all items of information on form HUD-93100 and has reviewed the entries with the applicant, the applicant and his or her spouse signs the certification and: (1) if an assumption, the mortgagee forwards the application to HUD together with form HUD-92900-A and related documents, or (2) if a new Section 235(r) Regular Processed case, forwards all documents to the local HUD Field Office, or (3) if a new Section 235(r) Direct Endorsement Processed case, forward all documents to its underwriter.

**Item K:** As this case is processed, the information supplied on form HUD-93100 will be reviewed by an authorized official. After review, the authorized official indicates whether or not the applicant is eligible for assistance and enters the amount of the assistance payments in Item K. If review indicates the applicant is not eligible, the reason for ineligibility is to be given.

After completing the review, the authorized official dates and signs the application form, places a copy in the case binder, and sends a copy to:

U.S. Department of Housing and Urban Development,  
Housing Information and Statistics Division,  
Room 9241,  
Washington, D. C. 20410.

The forms HUD-92800.5B and HUD-92900.4 must also be sent to this address. The original form HUD-93100 for 235 assumptions is to be sent to: U.S. Department of Housing and Urban Development, Subsidy Accounting Division, Room 3206, Washington, D.C. 20410. The original form HUD-93100 for new 235(r) mortgages must be sent to the Subsidy Accounting Division with all other required documents. See the 235(r) Program instructions.

**Item L: Contact Person.** The mortgagee must enter the name and phone number, including area code, for a contact person. HUD will contact the designated person on an "as-needed" basis.

**Application for  
Homeownership Assistance**  
Section 235 of the National Housing Act

**U.S. Department of Housing  
and Urban Development**  
Office of Housing  
Federal Housing Commissioner

A. Mortgagee's ID No.	B. FHA Case No.	C. Property Address:														
D. Mortgagee's Name, Address, City, State & Zip Code (please type)																
E. Mortgagor is (mark one): 1 <input type="checkbox"/> White, not of Hispanic origin 2 <input type="checkbox"/> Black, not of Hispanic origin 3 <input type="checkbox"/> American Indian or Alaska Native 4 <input type="checkbox"/> Asian or Pacific Islander 5 <input type="checkbox"/> Hispanic																
F. Employment: Occupation		Yrs. Empl'y'd		Employer (Give Name, Address, City, State, Phone and Person to Contact)												
Head of Household (Full Name):																
Spouse (Full Name):																
Co-Mortgagor(s) (Full Names):																
G. Household Composition & Annual Income:  Name		Social Security Number (SSN)		Age	Sex	Relationship	Income During Last 12 Months							Current	Income	Expected
							Wages or Salary	Retirement	Benefit Payments							
1.			Hd of Hshold													
2.																
3.																
4.																
5.																
6.																
7.																
8. Totals						\$								(a)	(b)	(c)
9. Number in Household:	10. Number of Eligible Minors:	11. Number of Other Minors:		12. Number of Dependents (exclude spouse):				13. Number of Handicapped:			Number of Elderly:					
14. Total Annual Income (Greater of G-8 (a) or (b))				Income			Official Review									
(a) Less: 5% of Total Annual Income(See Instructions)				\$			\$									
(b) Less: Earnings of Eligible Minors				\$			\$									
(c) Less: Eligible Minors (G-10) _____ x \$300)				\$			\$									
15. Adjusted Annual Income				\$			\$									
16. Adjusted Monthly Income (G-15 divided by 12)				\$			\$									

<b>H. Assistance Calculations:</b>		Income	Official Review
1. Monthly Mortgage Payment (I-4)		\$	\$
2. 20% (or 28%) of Adj. Mo. Inc. (G-16)(See Instructions)		\$	\$
3. Formula (1) for Monthly Subsidy (H-1 minus H-2)		\$	\$
4. Monthly Payment (Principal + Interest + MIP)		\$	\$
5. Monthly Payment (Principal + Interest at %)	\$	\$	\$
6. Formula (2) for Mo. Subsidy (H-4 minus H-5)		\$	\$
7. Assist. Paymt. Auth. (lesser of (H-3 or H-6))		\$	\$
8. Mortgagor's Share of the Monthly Paymt. (H-1 minus H-7)		\$	\$

**I. Home Insurance Transaction:** (from form HUD-92900)

1. Mortgage Amount:	2. Term in Months:	3. Interest Rate: %	4. Estimated Mortgage Payment: \$
---------------------	--------------------	---------------------	-----------------------------------

**J. Certification:**

I/We certify that the information I/we have provided is true and complete to the best of my/our knowledge. I/We also certify that I/we will occupy (or will continue to occupy) the property identified above and will occupy the property prior to assistance being paid. I/We understand that I/we must furnish to the mortgagee on form HUD-93101 any up-to-date information which has been requested on this form. This is required in order to be recertified as eligible for continued assistance. Homeowners with mortgages insured on or after January 5, 1976, must immediately report any future increase in family income which, in total, increases the family's monthly gross income by \$50 or more. I/We have also read the Privacy Act Statement on the front of this form.

**Signatures:**

Head of Household:

X

Spouse:

X

Date:

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

**K. Review and Eligibility:**

The above information has been reviewed and the applicant  is  is not eligible for Assistance Payments in an amount of \$\_\_\_\_\_ per month. If **Not Eligible** Give Reason:

**L. Contact Person:** The mortgagee must enter the name of a contact person plus the area code and telephone number. HUD will contact the designated person on an "as-needed" basis.

Name :

Phone Number: (including area code)

Notes:

**Authorized Official:**

Title:

Signature:

Date:

X