



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

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

**Transmittal** for Handbook No.: **4232.1 REV-1**

**Special Attention of:**

Director, Office of Residential Care Facilities, HI  
Director, Asset Management and Lender Relations, HI  
Director Development, HI  
Director, Policy and Risk Analysis, HI  
Participating Mortgagees

**Issued:** June 26, 2017

**1. This Transmits:**

Handbook 4232.1 REV-1, Healthcare Mortgage Insurance Program

**2. Explanation of Material Transmitted:**

Scrivener and other minor errors in the Handbook have been identified and corrected.

**3. Effective date:** January 19, 2017

**4. Scrivener and Other Minor Corrections:**

Handbook Section	Handbook Chapter #	Handbook Chapter Title	Handbook Correction
<i>Table of Contents</i>			
Table of Contents - Production	Table of Contents - 7.7	Table of Contents - 7.7	Removed "Report" from the heading title "Asbestos Report"
Table of Contents - Production	Table of Contents - 7.8	Table of Contents - 7.8	Removed "Report" from the heading title "Radon Report"
Table of Contents - Production	Table of Contents - 10.2	Table of Contents - 10.2	Changed Chapter title from Early "Commencement" to Early "Start"
Table of Contents – Asset Management	Table of Contents - 5.5	Table of Contents - 5.5	Changed page 15 to 16.

<b><i>Section I - Introduction</i></b>			
Introduction	2.2.A.3	Lender Relations	Updated reference from Mortgagee Approval Handbook to Single Family Housing Policy Handbook (HUD Handbook 4000.1)
Introduction	2.8.D	Lender Relations	Updated reference from Mortgagee Approval Handbook to Single Family Housing Policy Handbook
Introduction	Appendix 2.1	Lender Relations	Updated reference from Mortgagee Approval Handbook to HUD Handbook 4000.1 (Single Family Housing Policy Handbook)
<b><i>Section II - Production</i></b>			
Production	2.5.F.1	Eligibility	Combined the last two sentences and removed redundant language.
Production	2.5.F.2	Eligibility	Inserted "of the beds" to 25% of the beds.
Production	2.6.B.1	Eligibility	Added last sentence "Additions are permitted in substantial rehabilitation projects, but the costs of the addition are not included in the eligibility test;"
Production	2.6.B.2	Eligibility	Revised grammatical structure.
Production	4.1.C.3	ArchAnalysis-Cost Processing	Inserted reference language "Please reference ORCF's PCNA Statement of Work for further detail on Seismic Resistance Requirements"
Production	4.2.B.4	ArchAnalysis-Cost Processing	Removed parenthesis language (for Sub-Rehab where they are adding units to an existing project) after "R4R funding schedule" from list of areas needing to be reviewed by UW.
Production	4.3.A.1	ArchAnalysis-Cost Processing	Removed the words "that do not include new units" from section on Substantial Rehabilitation.
Production	4.3.A.2	ArchAnalysis-Cost Processing	Revised grammatical structure.
Production	Appendix 4.1	ArchAnalysis-Cost Processing	Replaced early "commencement" with "start"
Production	7.1	Environmental Review	Inserted language that ORCF will rely on the most recent edition or superseding documents.
Production	7.7	Environmental Review	Removed "Report" from the heading title "Asbestos Report"
Production	7.8	Environmental Review	Removed "Report" from the heading title "Radon Report"

Production	7.8.B.1.b	Environmental Review	Removed "early commencement" from list of when radon reports are required. Also, inserted reference to Production, Ch 7.8.E.2 for New Construction.
Production	7.8.D.1.a	Environmental Review	Inserted last sentence "Radon reports are required with the post-construction testing prior to Final Closing."
Production	7.8.E.2	Environmental Review	Inserted new subpoint 2 language "Radon reports are required with the post-construction testing prior to Final Closing" and reformatted previously subpoints 2 and 3 to new 3 and 4.
Production	8.7.A.3.a	Operators-Management Agents	Inserted the words "The Management Agreement shall terminate without penalty" at the beginning of the sentence.
Production	10.9 A.2.v	Construction Period	Removed auto-hyperlink from Accessibility Matrix web address.
Production	10.9.A.2.vii	Construction Period	Corrected ASCE 31-02 to ASCE 31-03
Production	10.16.A.1.e	Construction Period	Removed auto-hyperlink from Accessibility Matrix web address.
Production	Appendix 10.1	Construction Period	"Inserted the words "Department of" and revised reference from "Section 232" to ""Section 241(a)" and removed reference to Blended Rate. "
Production	Appendix 10.1.5.c	Construction Period	Changed early "commencement" to early "start"
Production	Appendix 10.2.C	Construction Period	Changed early "Commencement" to early "Start"
Production	Appendix 10.6	Construction Period	Updated resource list of document names from early "commencement" to "start."
Production	17.4	Portfolios	Inserted language "(and their aggregate unpaid principal balance)" in the first paragraph to be consistent with the intent of the section.
Production	17.4.C.2	Portfolios	Edited table description for Portfolio Classification by changing "2 – 49" to "Up to 49" to match same language description in 17.4.A.
<b><i>Section III- Asset Management</i></b>			
Asset Management	3.1.3.C	General Loan Oversight	Revised Early "Commencement" to "Start"
Asset Management	3.10.5.A.1.c	General Loan Oversight	Corrected spelling of "de minimis."

Asset Management	5.4.B.7-10	Risk Mitigation Branch	Formatted new B.8 starting with second sentence of B.7 and re-formatted B.8-10 to B.9-11.
Asset Management	7.6	Transfer of Physical Assets	Deleted two sentences from introduction paragraph related to AE's.
Asset Management	7.7.A	Transfer of Physical Assets	Corrected "the ORCF" to "the Lender"
Asset Management	8	Operators and Management Agents	Corrected footer language from "Part III" to "Section III"
Asset Management	9	New or Modification of Master Lease Structure	Corrected footer language from "Part III" to "Section III"
Asset Management	10	Accounts Receivable Financing	Corrected footer language from "Part III" to "Section III"