

U. S. Department of Housing and Urban Development
Washington, D.C. 20410-8000

January 28, 1997

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER

Mortgagee Letter 97-4

TO: ALL APPROVED MORTGAGEES

SUBJECT: Debenture Interest Rates

Notice has been published in the Federal Register that the debenture interest rate will be 6 3/4 percent for the next six-month period. The rate applies to all home and project mortgages and loans under the National Housing Act, as amended, except Section 221(g) (4), committed or endorsed on or after January 1, 1997.

Debentures bear interest at the rate in effect at the date of commitment or endorsement for insurance, whichever is higher. Rates applicable to mortgages committed or endorsed in prior periods are as follows:

Effective interest rate	on or after	prior to
9 1/2	Jan. 1, 1980	July 1, 1980
9 7/8	July 1, 1980	Jan. 1, 1981
11 3/4	Jan. 1, 1981	July 1, 1981
12 7/8	July 1, 1981	Jan. 1, 1982
12 3/4	Jan. 1, 1982	Jan. 1, 1983
10-1/4	Jan. 1, 1983	July 1, 1983
10 3/8	July 1, 1983	Jan. 1, 1984
11 1/2	Jan. 1, 1984	July 1, 1984
13 3/8	July 1, 1984	Jan. 1, 1985
11 5/8	Jan. 1, 1985	July 1, 1985
11 1/8	July 1, 1985	Jan. 1, 1986
10 1/4	Jan. 1, 1986	July 1, 1986
8 1/4	July 1, 1986	Jan. 1, 1987
8	Jan. 1, 1987	July 1, 1987
9	July 1, 1987	Jan. 1, 1988
9 1/8	Jan. 1, 1988	July 1, 1988
9 3/8	July 1, 1988	Jan. 1, 1989
9 1/4	Jan. 1, 1989	July 1, 1989
9	July 1, 1989	Jan. 1, 1990
8 1/8	Jan. 1, 1990	July 1, 1990
9	July 1, 1990	Jan. 1, 1991
8 3/4	Jan. 1, 1991	July 1, 1991
8 1/2	July 1, 1991	Jan. 1, 1992
8	Jan. 1, 1992	July 1, 1992
8	July 1, 1992	Jan. 1, 1993

7 3/4	Jan. 1, 1993	July 1, 1993
7	July 1, 1993	Jan. 1, 1994
6 5/8	Jan. 1, 1994	July 1, 1994
7 3/4	July 1, 1994	Jan. 1, 1995
8 3/8	Jan. 1, 1995	July 1, 1995
7 1/4	July 1, 1995	Jan. 1, 1996
6 1/2	Jan. 1, 1996	July 1, 1996
7 1/4	July 1, 1996	Jan. 1, 1997
6 3/4	Jan. 1, 1997	July 1, 1997

Notice has also been published in the Federal Register that the debenture interest rate will be 6 3/8 percent for mortgages assigned to HUD under the provisions of Section 221(g)(4) for the six-month period beginning January 1, 1997.

Claims for insurance benefits that are settled in cash in lieu of debentures will include an interest allowance, comparable to the interest at the debenture rate, on the amount of the settlement.

If you have any questions, please call James Mitchell at (202) 708-1220, ext. 2612.

Sincerely yours,

Nicolas P. Retsinas
Assistant Secretary for Housing-
Federal Housing Commissioner