handicap, marital status, source of income of the mortgagor or location of
the property.

§ 203.34 Credit standing.
A mortgagor must have a general
credit standing satisfactory to the
Commissioner.

§ 203.35 Disclosure and verification of
Social Security and Employer Iden-
tification Numbers.
To be eligible for mortgage insurance
under this part, the mortgagor must
meet the requirements for the disclo-
sure and verification of Social Security
and Employer Identification Numbers,
as provided by part 200, subpart U, of
this chapter.
(Approved by the Office of Management and
Budget under control numbers 2502–0059,
2502–0159, and 2502–0268)

§ 203.36 [Reserved]

§ 203.37a Sale of property.
(a) Sale by owner of record—(1) Owner
of record requirement. To be eligible for
a mortgage insured by FHA, the prop-
erty must be purchased from the owner
of record and the transaction may not
involve any sale or assignment of the
sales contract.
(2) Supporting documentation. The
mortgagee shall obtain documentation
verifying that the seller is the owner of
record and must submit this docu-
mentation to HUD as part of the appli-
cation for mortgage insurance, in ac-
cordance with §203.255(b)(12). This doc-
umentation may include, but is not
limited to, a property sales history re-
port, a copy of the recorded deed from
the seller, or other documentation
(such as a copy of a property tax bill,
title commitment, or binder) demon-
strating the seller's ownership.
(b) Time restrictions on re-sales—(1) General. The eligibility of a property
for a mortgage insured by FHA is de-
pendent on the time that has elapsed
between the date the seller acquired
the property (based upon the date of
settlement) and the date of execution
of the sales contract that will result in
the FHA mortgage insurance (the re-
sale date). The mortgagee shall obtain
documentation verifying compliance
with the time restrictions described in
this paragraph and must submit this
documentation to HUD as part of the
application for mortgage insurance, in
accordance with §203.255(b).
(2) Re-sales occurring 90 days or less
following acquisition. If the re-sale
date is 90 days or less following the date of
acquisition by the seller, the property
is not eligible for a mortgage to be in-
sured by FHA.
(3) Re-sales occurring between 91 days
and 180 days following acquisition. (i) If
the re-sale date is between 91 days and
180 days following acquisition by the
seller, the property is generally eligi-
ble for a mortgage insured by FHA.
(ii) However, HUD will require that
the mortgagee obtain additional docu-
mation if the re-sale price is 100 per-
cent over the purchase price. Such doc-
umentation must include an appraisal
from another appraiser. The mortgagee
may also document its loan file to sup-
port the increased value by estab-
lishing that the increased value results
from the rehabilitation of the property.
(iii) HUD may revise the level at
which additional documentation is re-
quired under §203.37a(b)(3) at 50 to 150
percent over the original purchase
price. HUD will revise this level by
FEDERAL REGISTER notice with a 30 day
delayed effective date.
(4) Authority to address property flip-
ing for re-sales occurring between 91
days and 12 months following acquisition.
(i) If the re-sale date is more than 90
days after the date of acquisition by
the seller, but before the end of the