Office of Assistant Secretary for Housing, HUD

§ 206.117 General.

The Secretary is required by statute to take any action necessary to provide a mortgagor with funds to which the mortgagor is entitled under the mortgage and which the mortgagor does not receive because of the default of the mortgagee. The Secretary may hold a second mortgage to secure repayment by the mortgagor under §206.27(d) or

§ 206.111 Due date of MIP.

(a) Initial MIP. The mortgagee shall pay the initial MIP to the Secretary within fifteen days of closing and as a condition to the endorsement of the mortgage for insurance.

(b) Monthly MIP. Each monthly MIP shall be due to the Secretary on the first business day of each month except the month in which the mortgage is closed.

§ 206.113 Late charge and interest.

(a) Late charge. Initial MIP remitted to the Secretary after the payment date in §206.111(a) and monthly MIP remitted to the Secretary 10 days after the payment date in §206.111(b) shall include a late charge of four percent of the amount paid.

(b) Interest. In addition to any late charge provided in paragraph (a) of this section, the mortgagor shall pay interest on any initial MIP remitted to the Secretary more than 30 days after closing, and interest on any monthly MIP remitted to the Secretary more than 30 days after the payment date prescribed in §206.111(b). Such interest rate shall be paid at a rate set in conformity with the Treasury Financial Manual.

(c) Paid by mortgagor. Any late charge owed by the mortgagee shall be paid from the mortgagee’s funds and shall not be added to the mortgage balance of the mortgagor.

§ 206.115 [Reserved]

§ 206.116 Refunds.

No amount of the initial MIP shall be refundable.

§ 206.117 General.

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