Asst. Secry., for Public and Indian Housing, HUD § 904.101

Subpart B—Turnkey III Program Description

Sec.
904.101 Introduction.
904.102 Definitions.
904.103 Development.
904.104 Eligibility and selection of homebuyers.
904.105 Counseling of homebuyers.
904.106 Homebuyers Association (HBA).
904.107 Responsibilities of homebuyer.
904.108 Break-even amount.
904.109 Monthly operating expense.
904.110 Earned Home Payments Account (EHPA).
904.111 Nonroutine Maintenance Reserve (NRMR).
904.112 Operating reserve.
904.113 Achievement of ownership by initial homebuyer.
904.114 Payment upon resale at profit.
904.115 Achievement of ownership by subsequent homebuyers.
904.116 Transfer of title to homebuyer.
904.117 Responsibilities of homebuyer after acquisition of ownership.
904.118 Homeowners association-planned unit development (PUD).
904.119 Homeowners association-condominium.
904.120 Relationship of homeowners association to HBA.
904.121 Use of appendices.

APPENDIX I TO SUBPART B—ANNUAL CONTRIBUTIONS CONTRACT
APPENDIX II TO SUBPART B—HOMEBUYERS OWNERSHIP OPPORTUNITY AGREEMENT (TURNKEY III)
APPENDIX III TO SUBPART B—CERTIFICATION OF HOMEBUYER STATUS
APPENDIX IV TO SUBPART B—PROMISSORY NOTE FOR PAYMENT UPON RESALE BY HOMEBUYER AT PROFIT

Subpart C—Homeownership Counseling and Training

904.201 Purpose.
904.202 Objectives.
904.203 Planning.
904.204 General requirements and information.
904.205 Training methodology.
904.206 Funding.
904.207 Use of appendix.

APPENDIX I TO SUBPART C—CONTENT GUIDE FOR COUNSELING AND TRAINING PROGRAM

Subpart D—Homebuyers Association (HBA)

904.301 Purpose.
904.302 Membership.
904.303 Organizing the HBA.
904.304 Functions of the HBA.
904.305 Funding of HBA.
904.306 Performing management services.
904.307 Alternative to HBA.
904.308 Relationship with homeowners association.
904.309 Use of appendices.

APPENDIX I TO SUBPART D—ARTICLES OF INCORPORATION AND BY-LAWS OF HOMEBUYERS ASSOCIATION
APPENDIX II TO SUBPART D—RECOGNITION AGREEMENT BETWEEN LOCAL HOUSING AUTHORITY AND HOMEBUYERS ASSOCIATION

AUTHORITY: 42 U.S.C. 1437–1437ee and 3535(d).


Subpart A—Introduction to Low-Rent Housing Homeownership Opportunity Program (Reserved)

Subpart B—Turnkey III Program Description

§ 904.101 Introduction.

(a) Purpose. This subpart sets forth the essential elements of the HUD Homeownership Opportunities Program for Low-Income Families (Turnkey III).

(b) Applicability. This subpart is applicable to Turnkey III developments operated by LHA. For Turnkey III developments operated by an Indian Housing Authority, applicable provisions are found at 24 CFR part 905, subpart G.

(1) With respect to any development to be operated as Turnkey III, the Annual Contributions Contract (ACC) shall contain the “Special Provisions for Turnkey III Homeownership Opportunity Project” as set forth in Appendix I. A Turnkey III development may include only units which are to be operated as such under Homebuyers Ownership Opportunity Agreements. If for any reason it is determined that certain units should be operated as conventional rental units, such units must comprise or be made part of a conventional rental project.

(2) With respect to Turnkey III developments pursuant to an executed ACC where no Agreements with Homebuyers have been signed, the ACC shall be amended (i) to include the “Special Provisions” set forth in Appendix I, (ii)
§ 904.102 Definitions.

(a) The term common property means the non-dwelling structures and equipment, common areas, community facilities, and in some cases certain component parts of dwelling structures, which are contained in the development: Provided, however, That in the case of a development that is organized as a condominium or a planned unit development (PUD), the term common property shall have the meaning established by the condominium or PUD documents and the State law pursuant to which the condominium or PUD is organized, under the terms common areas, common facilities, common elements, common estate, or other similar terms.

(b) The term development means the entire undertaking including all real and personal property, funds and reserves, rights, interests and obligations, and activities related thereto.

(c) The term EHPA means the Earned Home Payments Account established and maintained pursuant to §904.110.

(d) The term homebuyer means the member or members of a low-income family who have executed a Homebuyers Ownership Opportunity Agreement with the LHA.

(e) The term homebuyers association (HBA) means an organization as defined in §904.106.

(f) The term homeowner means a homebuyer who has acquired title to his home.

(g) The term homeowners association means an association comprised of homeowners, including condominium associations, having responsibilities with respect to common property.

(h) The term LHA means the local housing authority which acquires or