

**§ 203.442 Contract created by Insurance Certificate or by endorsement.**

The loan is insured from the date of the issuance of an Insurance Certificate or from the date of the endorsement of the note. The Commissioner and the lender shall thereafter be bound by the Act and the regulations in §§ 203.440 *et seq.* with the same force and to the same extent as if a separate contract had been executed relating to the insured loan.

**§ 203.443 Insurance premium.**

All of the provisions of §§ 203.260 through 203.269<sup>1</sup> concerning mortgage insurance premiums, apply to loans insured under § 203.50.

[47 FR 30753, July 15, 1982]

**§ 203.457 Voluntary termination of contract.**

Upon request by the borrower and lender the Commissioner may terminate the insurance contract on the loan. The lender shall cancel the insurance endorsement on the insurance certificate or note upon receipt of notice from the Commissioner that the contract of insurance is terminated.

[37 FR 8662, Apr. 29, 1972]

**§ 203.458 Termination by prepayment of loan.**

The contract of insurance shall be terminated if the loan is paid in full prior to its maturity.

**§ 203.459 Notice of termination by lender.**

No contract of insurance shall be terminated until the lender has given written notice thereof to the Commissioner within 15 calendar days from the occurrence of one of the approved methods of termination set forth in this subpart.

[45 FR 31716, May 14, 1980]

**§ 203.462 Pro rata payment of premium before termination.**

No contract of insurance shall be terminated until the lender has paid to the Commissioner the pro rata portion

<sup>1</sup>Section 203.269 was removed at 48 FR 35089, Aug. 3, 1983.

of the current annual insurance premium.

**§ 203.463 Notice and date of termination by Commissioner.**

The Commissioner shall notify the lender that the contract of insurance has been terminated and the effective termination. The termination date shall be the last day of the month in which:

- (a) The loan was prepaid; or
- (b) A voluntary termination request is received by the Commissioner; or
- (c) The contract of insurance is otherwise terminated with the consent of the Commissioner.

**§ 203.464 Effect of termination.**

Upon termination of the contract of insurance, the obligation to pay any subsequent insurance premium shall cease and all rights of the borrower and lender shall be terminated.

**§ 203.466 Definition of delinquency and requirement for notice of delinquency to HUD.**

(a) A mortgage account is delinquent any time a payment is due and not paid.

(b) Once each month on a day prescribed by HUD, the mortgagee shall report to HUD all mortgages insured under this part that were delinquent on the last day of the month, or that were reported as delinquent the previous month. The report shall be made in a manner prescribed by HUD.

[71 FR 16234, Mar. 31, 2006]

**§ 203.467 Definition of default, date of default, and requirement of notice of default to HUD.**

(a) *Default.* If the mortgagor fails to make any payment or to perform any other obligation under the mortgage, and such failure continues for a period of 30 days, the mortgage shall be considered in default for the purposes of this subpart.

(b) *Date of default.* For the purposes of this subpart, the date of default shall be considered as 30 days after:

- (1) The first uncorrected failure to perform any obligation under the mortgage; or
- (2) The first failure to make a monthly payment that subsequent payments