

PUBLICATION

HUD Issues New Handbook for Long Term Care Financing Under Section 232

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On May 22, 2014, HUD published a new Handbook covering its Section 232 Healthcare Insurance Mortgage Program, which insures HUD-approved lenders against financial loss from mortgage loan defaults in loans to qualifying long term care facilities.

This new Handbook represents the first time in HUD's history that it has published a comprehensive guide to all facets of the Section 232 Program. Weighing in at over 500 pages, the Handbook covers every aspect of the Section 232 Program in detail, including lender relations and approval, loan production and asset management, and includes many helpful appendices and charts. It also establishes uniform national standards for applying for, closing, and servicing HUD-insured loans for long term care facilities. The Handbook consolidates all of HUD's various rules, protocols, mortgagee letters and other program requirements for its Section 232 Program into one centralized location, which will make it significantly easier for lenders, servicers, borrowers, lawyers, appraisers, title companies and any other persons involved in lending under HUD's Section 232 Program to identify issues, follow HUD's guidance and comply with HUD's rules and regulations.

Please feel free to contact Baker Donelson shareholder Jim Levine with any questions you may have about this new Handbook or HUD's Section 232 Program.