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CHAPTER 1. GENERAL INFORMATION

- 1-1. INTENDED USERS. This handbook is to be used by HUD personnel, mortgagees, builders and developers who are involved with proposed construction applications for one to four-family properties and process cases through the HUD Field Office. Direct Endorsement Underwriters must also apply these processing procedures.
- 1-2. FIELD OFFICE RESPONSIBILITY. Mortgagees, builders and developers must be informed by a HUD Field Office circular letter of all modifications of a general nature to the instructions and procedures in this handbook.
- 1-3. BUILDERS/DEVELOPERS AND HUD. If a builder or developer wants to qualify a property for HUD mortgage insurance, a mortgagee approved to do business with HUD must submit an application for mortgage insurance for the property. The builder or developer may submit an application through a Direct Endorsement (DE) Lender (Refer to Handbook 4000.4 for instructions).

The application must be accompanied by all required architectural exhibits (See Chapter 2). Communication from HUD concerning the property will be with the mortgagee.

HUD's issuance of a conditional commitment, or a Direct Endorsement Lender's acceptance of an appraisal, is based on a review of the architectural exhibits and HUD's inspections during construction. This neither precludes a review or inspection required by a locality nor relieves a builder of a contractual obligation to a homeowner.