



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
RENEWAL ASSISTANCE ADMINISTRATION
WASHINGTON, D. C. 20410

*Mr. Sweet
File
221(h)*

January 15, 1968

LOCAL PUBLIC AGENCY LETTER NO. 446

SUBJECT: Utilizing Section 107(a) of the Housing Act
of 1949 for Low-Income Purchasers under
FHA Section 221(h)

FHA recently determined that units rehabilitated under Section 221(h) of the National Housing Act, as amended, may be made available to low-income families utilizing a rental agreement with an option to buy. ✓

Therefore Section 107(a) of the Housing Act of 1949, as amended, applies to any sale of project land to an eligible non-profit organization which has obtained from FHA a commitment to insure under Section 221(h) and which has agreed to rent all units it will construct to low-income tenants under a rental agreement with an option to purchase meeting the applicable requirements of FHA.

A handwritten signature in dark ink, appearing to be "R. M. M.", written over the typed name of the official.

Acting Deputy Assistant Secretary
for Renewal Assistance