

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

H O U S I N G

TRANSMITTAL

August 24, 1981

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1. This transmits:

Handbook 4070.1 REV-2, The Construction Complaints and Section 518(a) and (b) Handbook,

2. Purpose:

This revised handbook organizes, expands and provides information concerning complaints and describes in greater detail procedures for handling complaints and determining eligibility for assistance under Sections 518(a) and (b).

3. Explanation of Changes:

The principal changes include the following:

- a. General information regarding complaint procedures has now been included in a new section.
  - b. Homeowners are notified of their right to appeal adverse determinations.
  - c. Homeowners whose complaints appear to be of a structural nature, which have not been corrected by the builders, are to be notified of the Section 518(a) program.
  - d. Format and model letters have been expanded and rewritten to be more easily understood by the typical homeowner.
  - e. The use of the Section 518(a) program is explained in relation to Insured Protection Plans. (Performance by the insurer or warrantor is required and Section 518(a) cannot be used unless the insurer or warrantor fails to perform and the company is considered no longer acceptable to HUD.)
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f. Follow-up procedures are now required in regard to complaints.

g. Procedures inform builders that Orders of Temporary Denial of Participation are being considered. Procedures for informal hearings are provided. If the Order is affirmed, the builder is so notified.

4. Issuance Superseded

Handbook 4070.1 Rev 11/74 and changes.

5. Filing Instructions

Remove:

Handbook 4070.1 Rev.  
(Including changes)

Insert:

Handbook 4070.1 REV-2  
dated