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§ 1955.119 Sale of SFH inventory property to a public body or nonprofit organization.

Notwithstanding the provisions of § 1955.111 through § 1955.118 of this subpart, this section contains provisions for the sale of SFH inventory property to a public body or nonprofit organization to use for transitional housing for the homeless. A public body or nonprofit organization is a nonprogram applicant. All other SFH credit sales on nonprogram terms will be handled in accordance with subpart J of part 1951 of this chapter.

(a) *Method of sale.* The method of sale is according to § 1955.112 of this subpart. Upon request from a public body or nonprofit organization, FmHA or its successor agency under Public Law 103–354 will provide a list of all SFH inventory property, regardless of whether it is listed for sale with real estate brokers. The list will indicate whether the property is program or nonprogram. Upon written notice of the organization's intent to buy a specific property, if it is not under a sale contract, FmHA or its successor agency under Public Law 103–354 will withdraw the property from the market for a period not to exceed 30 days to provide the organization sufficient time to execute Form FmHA or its successor agency under Public Law 103–354 1955–45.

(b) *Price.* The price of the property will be established according to § 1955.113 of this subpart; however, a 10 percent discount of the listed price is authorized on nonprogram property. No discount is authorized on program property.

(c) *Decent, safe and sanitary (DSS) standards.* If an organization wants to buy a property which does not meet DSS standards, FmHA or its successor agency under Public Law 103–354 will repair it to meet those standards, including thermal performance standards, unless FmHA or its successor agency under Public Law 103–354 determines it is not feasible to do so according to § 1955.64(a)(1)(ii) of subpart B of part 1955 of this chapter. The price will be adjusted to reflect any resulting change in value. Cosmetic repairs, if needed, such as painting, floor covering, landscaping, etc., are the responsibility of the organization. Form FmHA or its successor agency under Public Law 103–354 1955–44, itemizing the required repairs and FmHA or its successor agency under Public Law 103–354's agreement to complete them before closing will be made a part of Form FmHA or its successor agency under Public Law 103–354 1955–45, the sales contract, before it is signed. Required repairs must be completed before closing so DSS restrictions will not be required in the deed.

(d) *Approval and closing.* Processing cash sales or MFH credit sales on nonprogram terms is according to § 1955.118 of this subpart, except as follows:

(1) *Earnest money deposit.* No earnest money deposit is required.

(2) *Downpayment.* No downpayment is required.

(3) *Term of note.* The term of the note may not exceed 30 years.

[55 FR 3942, Feb. 6, 1990, as amended at 58 FR 52653, Oct. 12, 1993]

§ 1955.120 Payment of points (housing).

To effect regular sale of inventory SFH property to a purchaser who is financing the purchase of the property with a non-FmHA or its successor agency under Public Law 103–354 loan, the County Supervisor may authorize the payment by FmHA or its successor agency under Public Law 103–354 of not more than three points. The payment must be a customary requirement of the lender for the seller within the community where the property is located. Terms of payment will be incorporated in Form FmHA or its successor agency under Public Law 103–354 1955–45 and will be fixed as of the date the form is signed by the appropriate FmHA or its successor agency under Public Law 103–354 official. Points will *not* be paid to reduce the purchaser's interest rate. The payment will be deducted from the funds to be received by FmHA or its successor agency under Public Law 103–354 at closing. These payments will be handled in accordance with subpart B of part 1951 of this chapter.

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