(2) With respect to any obligation issued by a State housing finance or State development agency for which the issuer has elected to receive the benefits of the assistance provided under this section, the interest paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of title 26.

(Pub. L. 93–383, title VIII, § 802(a)–(h), Aug. 22, 1974, 88 Stat. 722–724; Pub. L. 98–479, title II, § 203(*l*)(4), Oct. 17, 1984, 98 Stat. 2231.)

REFERENCES IN TEXT

This Act, referred to in subsec. (c)(1), is Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, as amended, known as the Housing and Community Development Act of 1974. Title I of the Housing and Community Development Act of 1974 is classified principally to chapter 69 (§ 5301 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

Reorganization Plan Numbered 14 of 1950, referred to in subsec. (g), is Reorg. Plan No. 14 of 1950, eff. May 24, 1950, 15 F.R. 3176, 64 Stat. 1267, which is set out in the Appendix to Title 5, Government Organization and Employees.

CODIFICATION

In subsec. (g), ''sections 3141–3144, 3146, and 3147 of title 40'' substituted for ''the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5)'' and ''section 3145 of title 40'' substituted for ''section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)'' on authority of Pub. L. 107–217, § 5(c), Aug. 21, 2002, 116 Stat. 1303, the first section of which enacted Title 40, Public Buildings, Property, and Works.

Section was enacted as part of the Housing and Community Development Act of 1974, and not as part of the United States Housing Act of 1937 which comprises this chapter.

AMENDMENTS

1984—Subsec. (e)(2). Pub. L. 98–479 substituted ''chapter 31 of title 31'' for ''the Second Liberty Bond Act'' and ''such chapter'' for ''that Act''.

CHAPTER 8A—SLUM CLEARANCE, URBAN RENEWAL, AND FARM HOUSING

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SUBCHAPTER I—GENERAL PROVISIONS

§ 1441. Congressional declaration of national housing policy

The Congress declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Department of Housing and Urban Development, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of homebuilding materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

(July 15, 1949, ch. 338, § 2, 63 Stat. 413; Pub. L. 90–19, § 6(a), May 25, 1967, 81 Stat. 21.)

REFERENCES IN TEXT

This Act, referred to in text, is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, known as the Housing Act of 1949, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out below and Tables.

AMENDMENTS

1967—Pub. L. 90–19 substituted ''The Department of Housing and Urban Development'' for ''The Housing and Home Finance Agency and its constituent agencies''.

SHORT TITLE OF 2004 AMENDMENT

Pub. L. 108–285, § 1, Aug. 2, 2004, 118 Stat. 917, provided that: ''This Act [amending section 1472 of this title, enacting provisions set out as a note under section 1472 of this title, and amending provisions set out as a note under section 12805 of this title] may be cited as the 'Helping Hands for Homeownership Act of 2004'.''

SHORT TITLE OF 1983 AMENDMENT

Pub. L. 98–181, title V, § 501, Nov. 30, 1983, 97 Stat. 1240, provided that: ''This title [enacting sections 1490k to 1490*o* of this title, amending sections 1471, 1472, 1474, 1476, 1479 to 1481, 1483 to 1487, 1490, 1490a, 1490c, 1490e, 1490f, and 1490j of this title, repealing sections 1482, 1490g, and 1490i of this title, and enacting provisions set out as notes under sections 1472 and 1490a of this title] may be cited as the 'Rural Housing Amendments of 1983'.''

SHORT TITLE

Section 1 of act July 15, 1949, provided: ''That this Act [enacting this chapter, sections 1421a and 1433 of this title, and sections 1701d–1, 1701f–1, 1701h, and 1701i of Title 12, Banks and Banking, amending sections 1401, 1402, 1406, 1409 to 1411, 1413 to 1416, and 1422 to 1430 of this title and sections 1701e, 1701f, 1703, 1709, and 1738 of Title 12, and amending provisions set out as a note under section 1701e of Title 12] may be cited as the 'Housing Act of 1949'.''

NATIONAL COMMISSION ON NEIGHBORHOODS

Pub. L. 95–24, title II, §§ 201–208, Apr. 30, 1977, 91 Stat. 56–59, as amended by Pub. L. 95–557, title III, § 315, Oct. 31, 1978, 92 Stat. 2099, known as the ''National Neighborhood Policy Act'', established the National Commission on Neighborhoods, which was to undertake a comprehensive study and investigation of the factors contributing to the decline of city neighborhoods and of the factors necessary to neighborhood survival and revitalization, and to make recommendations for modifications in Federal, State, and local laws, policies and programs necessary to facilitate neighborhood preservation and revitalization. The Commission was to submit to the Congress and the President a comprehensive report on its study and investigation not later than fifteen months after the date on which funds first became available to carry out the Act, and was to cease to exist thirty days after the submission of that report.

LIMITATION ON WITHHOLDING OR CONDITIONING OF ASSISTANCE

Assistance provided for in Housing and Community Development Act of 1974 [42 U.S.C. 5301 et seq.], National Housing Act [12 U.S.C. 1701 et seq.], United States Housing Act of 1937 [42 U.S.C. 1437 et seq.], Housing Act of 1949 [see Short Title note set out above], Demonstration Cities and Metropolitan Development Act of 1966 [see Short Title note set out under section 3331 of this title], and Housing and Urban Development Acts of 1965, 1968, 1969, and 1970 not to be withheld or made subject to conditions by reason of tax-exempt status of obligations issued or to be issued for financing of assistance, except as otherwise provided by law, see section 817 of Pub. L. 93–383, set out as a note under section 5301 of this title.

EQUAL OPPORTUNITY IN HOUSING

Executive order relating to equal opportunity in housing, see Ex. Ord. No. 11063, Nov. 20, 1962, 27 F.R. 11527, as amended, set out as a note under section 1982 of this title.

§ 1441a. National housing goals

(a) Congressional findings and reaffirmation of goals

The Congress finds that the supply of the Nation's housing is not increasing rapidly enough to meet the national housing goal, established in the Housing Act of 1949 [42 U.S.C. 1441 et seq.], of the ''realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family''. The Congress reaffirms this national housing goal and determines that it can be substantially achieved within the next decade by the construction or rehabilitation of twenty-six million housing units, six million of these for low and moderate income families.

(b) Additional Congressional findings

The Congress further finds that policies designed to contribute to the achievement of the national housing goal have not directed sufficient attention and resources to the preservation of existing housing and neighborhoods, that the deterioration and abandonment of housing for the Nation's lower income families has accelerated over the last decade, and that this acceleration has contributed to neighborhood disintegration and has partially negated the progress toward achieving the national housing goal which has been made primarily through new housing construction.

(c) Congressional declaration of purposes

The Congress declares that if the national housing goal is to be achieved, a greater effort must be made to encourage the preservation of existing housing and neighborhoods through such measures as housing preservation, moderate rehabilitation, and improvements in housing management and maintenance, in conjunction with the provision of adequate municipal services. Such an effort should concentrate, to a greater extent than it has in the past, on housing and neighborhoods where deterioration is evident but has not yet become acute.

(Pub. L. 90–448, title XVI, § 1601, Aug. 1, 1968, 82 Stat. 601; Pub. L. 93–383, title VIII, § 801(1), (2), Aug. 22, 1974, 88 Stat. 721.)

REFERENCES IN TEXT

The Housing Act of 1949, referred to in subsec. (a), is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

CODIFICATION

Section was not enacted as part of the Housing Act of 1949 which comprises this chapter.

AMENDMENTS

1974—Pub. L. 93–383 designated existing provisions as subsec. (a) and added subsecs. (b) and (c).

§ 1441b. Plan for elimination of all substandard housing and realization of national housing goal; report by President to Congress

Not later than January 15, 1969, the President shall make a report to the Congress setting forth a plan, to be carried out over a period of ten years (June 30, 1968, to June 30, 1978), for the elimination of all substandard housing and the realization of the goal referred to in section 1441a of this title. Such plan shall—

(1) indicate the number of new or rehabilitated housing units which it is anticipated will have to be provided, with or without Government assistance, during each fiscal year of the ten-year period, in order to achieve the objectives of the plan, showing the number of such units which it is anticipated will have to be provided under each of the various Federal programs designed to assist in the provision of housing;

(2) indicate the reduction in the number of occupied substandard housing units which it is anticipated will have to occur during each fiscal year of the ten-year period in order to achieve the objectives of the plan;

(3) provide an estimate of the cost of carrying out the plan for each of the various Federal programs and for each fiscal year during the ten-year period to the extent that such costs will be reflected in the Federal budget;

(4) make recommendations with respect to the legislative and administrative actions necessary or desirable to achieve the objectives of the plan; and

(5) provide such other pertinent data, estimates, and recommendations as the President deems advisable.

Such report shall, in addition, contain a projection of the residential mortgage market needs and prospects during the coming year, including an estimate of the requirements with respect to the availability, need, and flow of mortgage funds (particularly in declining urban and rural areas) during such year, together with such recommendations as may be deemed appropriate for encouraging the availability of such funds.

(Pub. L. 90–448, title XVI, § 1602, Aug. 1, 1968, 82 Stat. 601.)

CODIFICATION

Section was not enacted as part of the Housing Act of 1949 which comprises this chapter.

§ 1441c. Omitted

CODIFICATION

Section, Pub. L. 90–448, title XVI, § 1603, Aug. 1, 1968, 82 Stat. 602; Pub. L. 91–152, title IV, § 412(a), Dec. 24,

1969, 83 Stat. 398; Pub. L. 93–383, title VIII, § 801(3), Aug. 22, 1974, 88 Stat. 722; Pub. L. 95–557, title IX, § 906, Oct. 31, 1978, 92 Stat. 2127; Pub. L. 96–399, title III, § 312, Oct. 8, 1980, 94 Stat. 1644, which required the President to transmit to Congress an annual report on housing needs, conservation, production, and rehabilitation, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, item 13 on page 31 of House Document No. 103–7.

§ 1442. Repealed. Aug. 31, 1954, ch. 1158, § 7, 68 Stat. 1026

Section, act July 15, 1949, ch. 338, title VI, § 607, 63 Stat. 441, related to housing census. See section 141 of Title 13, Census.

§ 1443. Provisions as controlling over other laws

Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

(July 15, 1949, ch. 338, title VI, § 610, 63 Stat. 443.)

REFERENCES IN TEXT

This Act, referred to in text, is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, known as the Housing Act of 1949, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

§ 1444. Separability

Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

(July 15, 1949, ch. 338, title VI, § 611, 63 Stat. 443.)

REFERENCES IN TEXT

This Act, referred to in text, is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, known as the Housing Act of 1949, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

§ 1445. Repealed. Aug. 9, 1955, ch. 690, § 4(1), 69 Stat. 625

Section, act July 15, 1949, ch. 338, title VI, § 612, 63 Stat. 444, related to striking or subversive employees of the Housing and Home Finance Agency and the Department of Agriculture, withholding of their wages, and penalties. See sections 3333 and 7311 of Title 5, Government Organization and Employees, and section 1918 of Title 18, Crimes and Criminal Procedure.

§ 1446. Transferred

CODIFICATION

Section, act Aug. 2, 1954, ch. 649, title VIII, § 814, 68 Stat. 647, as amended, which related to keeping of records, provided for their contents, and authorized examination and audit thereof, was transferred to section 1434 of this title.

SUBCHAPTER II—SLUM CLEARANCE AND URBAN RENEWAL

PART A—URBAN RENEWAL PROJECTS, DEMOLITION PROGRAMS, AND CODE ENFORCEMENT PROGRAMS

§§ 1450, 1451. Omitted

CODIFICATION

Section 1450, act July 15, 1949, ch. 338, title I, § 100, as added Aug. 2, 1954, ch. 649, title III, § 302, 68 Stat. 622; amended Sept. 23, 1959, Pub. L. 86–372, title IV, § 417(1), 73 Stat. 676, which related to the Urban Renewal Fund, was omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

Section 1451, acts July 15, 1949, ch. 338, title I, § 101, 63 Stat. 414; Aug. 2, 1954, ch. 649, title III, § 303, 68 Stat. 623; Aug. 11, 1955, ch. 783, title I, § 108(a), 69 Stat. 638; Aug. 7, 1956, ch. 1029, title IV, § 402, 70 Stat. 1103; Sept. 23, 1959, Pub. L. 86–372, title I, § 110(a)(3), (4), title IV, §§ 401, 417(2), 73 Stat. 659, 670, 677; June 30, 1961, Pub. L. 87–70, title I, § 101(b), title III, § 314(a), 75 Stat. 153, 172; Sept. 2, 1964, Pub. L. 88–560, title III, §§ 301(a), 302, 78 Stat. 785; Aug. 10, 1965, Pub. L. 89–117, title I, § 101(f), title III, §§ 302(a)(1), (b), 305(b), 79 Stat. 453, 474, 476; Sept. 9, 1965, Pub. L. 89–174, § 7(d), 79 Stat. 670; May 25, 1967, Pub. L. 90–19, § 6(b), (c), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 513, 82 Stat. 525; Dec. 24, 1969, Pub. L. 91–152, title II, § 217(a), 83 Stat. 390; Apr. 30, 1977, Pub. L. 95–24, title I, § 105(a), 91 Stat. 56, which related to local programs under this subchapter, was omitted pursuant to section 5316 of this title which terminated the authority to make grants or loans under this subchapter after Jan. 1, 1975.

AMENDMENT OF CONTRACTS FOR INCORPORATION OF CERTAIN COST PROVISIONS

Pub. L. 88–560, title III, § 301(d), Sept. 2, 1964, 78 Stat. 785, provided that any contract for a capital grant under this subchapter executed prior to Sept. 2, 1964, could be amended to incorporate the provisions of section 1460(c) of this title for costs incurred on or after such date.

COMPLETION OF PROJECTS ENTERED INTO PRIOR TO AUGUST 2, 1954

Act Aug. 2, 1954, ch. 649, title III, § 312, 68 Stat. 629, as amended by Pub. L. 90–19, § 10(a), May 25, 1967, 81 Stat. 22, provided that notwithstanding the amendments by title III of the 1954 Act to this subchapter, the Secretary of Housing and Urban Development was required to continue to extend financial assistance for the completion of any project covered by any Federal aid contract executed, or prior approval granted, by him under this subchapter before Aug. 2, 1954, in accordance with the provisions of this subchapter in force immediately prior to Aug. 2, 1954.

EXECUTIVE ORDER NO. 12075

Ex. Ord. No. 12075, Aug. 16, 1978, 43 F.R. 36877, as amended by Ex. Ord. No. 12148, July 20, 1979, 44 F.R. 43239, which established the Interagency Coordinating Council and provided for its membership, functions, etc., was revoked by Ex. Ord. No. 12379, § 14, Aug. 17, 1982, 47 F.R. 36099, set out as a note under section 14 of the Federal Advisory Committee Act in the Appendix to Title 5, Government Organization and Employees.

§ 1451a. Repealed. Aug. 2, 1954, ch. 649, title III, § 313, 68 Stat. 629

Section, acts July 31, 1953, ch. 302, title I, § 101, 67 Stat. 305; June 24, 1954, ch. 359, title I, § 101, 68 Stat. 283, provided that the authority under this subchapter should be used to the utmost in connection with slum rehabilitation needs.

§ 1452. Omitted

CODIFICATION

Section, acts July 15, 1949, ch. 338, title I, § 102, 63 Stat. 414; Aug. 2, 1954, ch. 649, title III, § 304, 68 Stat. 624; Aug. 7, 1956, ch. 1029, title III, §§ 301, 303, 70 Stat. 1097, 1099; Sept. 23, 1959, Pub. L. 86–372, title IV, §§ 402–404, 73 Stat. 671; June 30, 1961, Pub. L. 87–70, title III, §§ 302(a), 314(b), 75 Stat. 166, 172; Sept. 2, 1964, Pub. L. 88–560, title III, § 303(a), 78 Stat. 785; Aug. 10, 1965, Pub. L. 89–117, title III, § 303, 79 Stat. 475; May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 507(a), 82 Stat. 522; Dec. 24, 1969, Pub. L. 91–152, title II, § 208, 83 Stat. 387; Oct. 17, 1984, Pub. L. 98–479, title II, § 203(d)(1), 98 Stat. 2229, which provided for temporary and definitive loans and advances for surveys and plans to local public agencies under this subchapter, as well as establishing requirements for advances for General Neighborhood Renewal Plans and the issuance and sale of notes and obligations under this subchapter, was omitted pursuant to section 5316 of this title which terminated the authority to make grants or loans under this subchapter after Jan. 1, 1975.

AMENDMENT OF LOAN CONTRACTS OUTSTANDING ON AUGUST 1, 1968

Pub. L. 90–448, title V, § 507(b), Aug. 1, 1968, 82 Stat. 522, provided that loan contracts under this subchapter outstanding on Aug. 1, 1968, could be amended to incorporate the amendment to this section by section 507(a) of Pub. L. 90–448, without regard to the provision in section 1460(g) of this title.

TEMPORARY RELIEF FROM INTEREST RATE CONFLICT BETWEEN FEDERAL AND STATE LAW

Pub. L. 91–351, title VII, § 702, July 24, 1970, 84 Stat. 462, provided that notwithstanding any other law, from July 24, 1970, until July 1, 1972, loans to local public agencies under this subchapter and to local public housing agencies under the United States Housing Act of 1937, section 1401 et seq. of this title, may, when determined by the Secretary of Housing and Urban Development to be necessary because of interest rate limitations of State laws, bear interest at a rate less than the applicable going Federal rate but not less than 6 percent per year.

§ 1452a. Repealed. Pub. L. 91–609, title V, § 503(2), Dec. 31, 1970, 84 Stat. 1785

Section, acts Aug. 2, 1954, ch. 649, title III, § 314, 68 Stat. 629; Sept. 2, 1964, Pub. L. 88–560, title III, § 313, 78 Stat. 792; May 25, 1967, Pub. L. 90–19, § 10(a), (c), 81 Stat. 22; Aug. 1, 1968, Pub. L. 90–448, title XVII, § 1702, 82 Stat. 603, provided for grants for preventing and eliminating slums and urban blight; preferences; reports, summaries, and information material; aggregate amount; and advance or progress payments. See sections 1701z–1 to 1701z–4 of Title 12, Banks and Banking.

EFFECTIVE DATE OF REPEAL

Section 503 of Pub. L. 91–609 provided that the repeal of this section is effective July 1, 1971, except that such repeal shall not affect contracts, commitments, reservations, or other obligations entered into pursuant to this section prior to that date.

§ 1452b. Repealed. Pub. L. 101–625, title II, § 289(b), Nov. 28, 1990, 104 Stat. 4128

Section, Pub. L. 88–560, title III, § 312, Sept. 2, 1964, 78 Stat. 790; Pub. L. 89–117, title III, §§ 311(e), 312, Aug. 10, 1965, 79 Stat. 479; Pub. L. 90–19, § 21(b), May 25, 1967, 81 Stat. 25; Pub. L. 90–448, title V, § 509, title VIII, § 807(b), Aug. 1, 1968, 82 Stat. 523, 544; Pub. L. 91–152, title II, § 207, Dec. 24, 1969, 83 Stat. 387; Pub. L. 93–85, § 4, Aug. 10, 1973, 87 Stat. 221; Pub. L. 93–117, § 10, Oct. 2, 1973, 87 Stat. 423; Pub. L. 93–383, title I, § 116(e), Aug. 22, 1974, 88 Stat. 652; Pub. L. 94–50, title III, § 301, July 2, 1975, 89 Stat. 256; Pub. L. 94–375, § 12, Aug. 3, 1976, 90 Stat. 1074; Pub. L. 95–128, title I, § 111, Oct. 12, 1977, 91 Stat. 1127; Pub. L. 95–557, title I, § 101(a), (b), Oct. 31, 1978, 92 Stat. 2080, 2081; Pub. L. 96–71, § 4, Sept. 28, 1979, 93 Stat. 502; Pub. L. 96–105, § 4, Nov. 8, 1979, 93 Stat. 795; Pub. L. 96–153, title I, § 101, Dec. 21, 1979, 93 Stat. 1101; Pub. L. 96–372, § 5, Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96–399, title I, § 114, Oct. 8, 1980, 94 Stat. 1622; Pub. L. 97–35, title III, § 311, Aug. 13, 1981, 95 Stat. 397; Pub. L. 98–109, § 3, Oct. 1, 1983, 97 Stat. 746; Pub. L. 98–181, title I, § 124, Nov. 30, 1983, 97 Stat. 1174; Pub. L. 99–120, § 2, Oct. 8, 1985, 99 Stat. 503; Pub. L. 99–156, § 2, Nov. 15, 1985, 99 Stat. 816; Pub. L. 99–219, § 2, Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99–267, § 2, Mar. 27, 1986, 100 Stat. 74; Pub. L. 99–272, title III, § 3008, Apr. 7, 1986, 100 Stat. 105; Pub. L. 99–289, § 1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99–345, § 1, June 24, 1986, 100 Stat. 673; Pub. L. 99–430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100–122, § 1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100–154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100–170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100–179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100–200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100–242, title V, § 518, Feb. 5, 1988, 101 Stat. 1937, authorized Secretary to make loans to owners and tenants of property to finance rehabilitation of such property.

EFFECTIVE DATE OF REPEAL

Repeal effective Oct. 1, 1991, and except with respect to projects and programs for which binding commitments have been entered into prior to Oct. 1, 1991, no new grants or loans to be made after Oct. 1, 1991, under this section, see section 12839(a)(2), (b)(1) of this title.

§ 1452c. Nullification of right of redemption of single family mortgagors under rehabilitation loan program

(a) In general

Whenever with respect to a single family mortgage securing a loan under section 1452b[1] of this title, the Secretary of Housing and Urban Development or its foreclosure agent forecloses in any Federal or State court or pursuant to a power of sale in a mortgage, the purchaser at the foreclosure sale shall be entitled to receive a conveyance of title to, and possession of, the property, subject to any interests senior to the interests of the Secretary. With respect to properties that are vacant and abandoned, notwithstanding any State law to the contrary, there shall be no right of redemption (including all instances any right to possession based upon any right of redemption) in the mortgagor or any other person subsequent to the foreclosure sale in connection with such single family mortgage. The appropriate State official or the trustee, as the case may be, shall execute and deliver a deed or other appropriate instrument conveying title to the purchaser at the foreclosure sale, consistent with applicable procedures in the jurisdiction and without regard to any such right of redemption.

(b) Foreclosure by others

Whenever with respect to a single family mortgage on a property that also has a single family mortgage securing a loan under section

[1] See References in Text note below.

1452b[1] of this title, a mortgagee forecloses in any Federal or State court or pursuant to a power of sale in a mortgage, the Secretary of Housing and Urban Development, if the Secretary is purchaser at the foreclosure sale, shall be entitled to receive a conveyance of title to, and possession of, the property, subject to the interests senior to the interests of the mortgagee. Notwithstanding any State law to the contrary, there shall be no right of redemption (including in all instances any right to possession based upon any right of redemption) if the mortgagor or any other person subsequent to the foreclosure sale to the Secretary in connection with a property that secured a single family mortgage for a loan under section 1452b[1] of this title. The appropriate State official or the trustee, as the case may be, shall execute and deliver a deed or other appropriate instrument conveying title to the Secretary, who is the purchaser at the foreclosure sale, consistent with applicable procedures in the jurisdiction and without regard to any such right of redemption.

(c) Verification of title

The following actions shall be taken in order to verify title in the purchaser at the foreclosure sale:

(1) In the case of a judicial foreclosure in any Federal or State court, there shall be included in the petition and in the judgment of foreclosure a statement that the foreclosure is in accordance with this subsection and that there is no right of redemption in the mortgagor or any other person.

(2) In the case of a foreclosure pursuant to a power of sale provision in the mortgage, the statement required in paragraph (1) shall be included in the advertisement of the sale and either in the recitals of the deed or other appropriate instrument conveying title to the purchaser at the foreclosure sale or in an affidavit or addendum to the deed.

(d) Definitions

For purposes of this section:

(1) The term ''mortgage'' means a deed of trust, mortgage, deed to secure debt, security agreement, or any other form of instrument under which any interest in property, real, personal, or mixed, or any interest in property, including leaseholds, life estates, reversionary interests, and any other estates under applicable State law, is conveyed in trust, mortgaged, encumbered, pledged, or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of an obligation.

(2) The term ''single family mortgage'' means a mortgage that covers property that includes a 1- to 4-family residence.

(Pub. L. 101–235, title VII, § 701, Dec. 15, 1989, 103 Stat. 2055.)

REFERENCES IN TEXT

Section 1452b of this title, referred to in subsecs. (a) and (b), was repealed by Pub. L. 101–625, title II, § 289(b)(1), Nov. 28, 1990, 104 Stat. 4128.

CODIFICATION

Section was enacted as part of the Department of Housing and Urban Development Reform Act of 1989, and not as part of the Housing Act of 1949 which comprises this chapter.

§ 1453. Omitted

CODIFICATION

Section, acts July 15, 1949, ch. 338, title I, § 103, 63 Stat. 416; Aug. 2, 1954, ch. 649, title III, § 305, 68 Stat. 625; Aug. 11, 1955, ch. 783, title I, § 106(a), 69 Stat. 637; July 12, 1957, Pub. L. 85–104, title III, §§ 301, 302(1), 71 Stat. 299; Sept. 23, 1959, Pub. L. 86–372, title IV, §§ 405, 417(1), 73 Stat. 672, 676; June 30, 1961, Pub. L. 87–70, title III, §§ 301(a), 303, 75 Stat. 165, 166; Sept. 2, 1964, Pub. L. 88–560, title III, § 304, 78 Stat. 785; Aug. 10, 1965, Pub. L. 89–117, title III, §§ 304, 313(a), 79 Stat. 475, 479; Nov. 3, 1966, Pub. L. 89–754, title I, § 113, title VII, § 704, 80 Stat. 1260, 1281; May 25, 1967, Pub. L. 90–19, § 6(b), (d), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, §§ 502, 506, 82 Stat. 521, 522; Dec. 24, 1969, Pub. L. 91–152, title II, § 201, 83 Stat. 385; Dec. 31, 1970, Pub. L. 91–609, title II, § 201, title VII, § 741(a), 84 Stat. 1776, 1805; Oct. 18, 1972, Pub. L. 92–503, § 4, 86 Stat. 906; Oct. 2, 1973, Pub. L. 93–117, § 5, 87 Stat. 422; Aug. 22, 1974, Pub. L. 93–383, title I, § 116(c), 88 Stat. 652, which related to grants for urban renewal projects, was omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

§ 1453a. Administrative priority for applications relating to activities in areas affected by base closings

The Secretary of Housing and Urban Development, in processing applications for assistance under section 103 of the Housing Act of 1949 [42 U.S.C. 1453], section 111 of the Demonstration Cities and Metropolitan Development Act of 1966 [42 U.S.C. 3311], section 708(a)(1) and (2) of the Housing and Urban Development Act of 1965 [42 U.S.C. 3108(a)(1), (2)] (for grants authorized under sections 702 and 703 of such Act) [42 U.S.C. 3102, 3103], section 312 of the Housing Act of 1964 [42 U.S.C. 1452b], section 701(b) of the Housing Act of 1954,[1] and section 708 of the Housing Act of 1961 [42 U.S.C. 1500d], shall give a priority to any State or unit of local government or agency thereof which is severely and adversely affected by a reduction in the level of expenditure or employment at any Department of Defense installation located in or near such State or unit of local government.

(Pub. L. 93–117, § 14, Oct. 2, 1973, 87 Stat. 423.)

REFERENCES IN TEXT

Section 103 of the Housing Act of 1949 [42 U.S.C. 1453], section 111 of the Demonstration Cities and Metropolitan Development Act of 1966 [42 U.S.C. 3311], sections 702 and 703 of the Housing and Urban Development Act of 1965 [42 U.S.C. 3102, 3103], and section 708 of the Housing Act of 1961 [42 U.S.C. 1500d], referred to in text, were omitted from the Code pursuant to section 5316 of this title which terminated the authority to make grants or loans under those sections after Jan. 1, 1975.

Section 701 of the Housing Act of 1954, referred to in text, is section 701 of act Aug. 2, 1954, ch. 649, 68 Stat. 640, as amended, which was classified to section 461 of former Title 40, Public Buildings, Property, and Works, and was repealed by Pub. L. 97–35, title III, § 313(b), Aug. 13, 1981, 95 Stat. 398.

CODIFICATION

Section was not enacted as part of title I of the Housing Act of 1949 which comprises this subchapter.

[1] See References in Text note below.

§§ 1454, 1455. Omitted

CODIFICATION

Section 1454, acts July 15, 1949, ch. 338, title I, § 104, 63 Stat. 416; Aug. 2, 1954, ch. 649, title III, § 306, 68 Stat. 625; Aug. 7, 1956, ch. 1029, title III, § 306, 70 Stat. 1101; July 12, 1957, Pub. L. 85–104, title III, § 302(2), 71 Stat. 300; June 30, 1961, Pub. L. 87–70, title III, § 301(b), 75 Stat. 166, which related to requirements for local grants-in-aid, was omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

Section 1455, acts July 15, 1949, ch. 338, title I, § 105, 63 Stat. 416; Aug. 2, 1954, ch. 649, title III, § 307, 68 Stat. 625; Aug. 7, 1956, ch. 1029, title III, § 302(a)(1), 70 Stat. 1097; Sept. 23, 1959, Pub. L. 86–372, title IV, §§ 406, 407, 73 Stat. 673; June 30, 1961, Pub. L. 87–70, title III, § 315, 75 Stat. 172; Sept. 2, 1964, Pub. L. 88–560, title III, § 305(a)(1), (b), 78 Stat. 786; Aug. 10, 1965, Pub. L. 89–117, title III, § 305(a), 79 Stat. 475; Nov. 3, 1966, Pub. L. 89–754, title VII, §§ 703(a), 706, 80 Stat. 1281; May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 512, 82 Stat. 524; Dec. 24, 1969, Pub. L. 91–152, title II, §§ 209, 210, 83 Stat. 388; Oct. 17, 1984, Pub. L. 98–479, title II, § 204(c)(1), 98 Stat. 2233, which related to requirements for loan or capital grant contracts, was omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

§ 1455a. Repealed. Pub. L. 93–383, title II, § 204, Aug. 22, 1974, 88 Stat. 668

Section, act Aug. 2, 1954, ch. 649, title VIII, § 815, 68 Stat. 647, required submission of specifications by applicants prior to award of any contract for construction of a project and submission of data with respect to acquisition of land prior to authorization to purchase such land.

§§ 1456 to 1460. Omitted

CODIFICATION

Sections were omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

Section 1456, acts July 15, 1949, ch. 338, title I, § 106, 63 Stat. 417; June 3, 1952, ch. 362, 66 Stat. 98; June 30, 1953, ch. 170, § 22, 67 Stat. 127; Aug. 2, 1954, ch. 649, title III, § 308, title VIII, § 802(e), 68 Stat. 625, 643; Aug. 11, 1955, ch. 783, title I, § 106(b), 69 Stat. 637; Aug. 7, 1956, ch. 1029, title III, §§ 304, 305, 70 Stat. 1100; July 12, 1957, Pub. L. 85–104, title III, §§ 303, 304, 71 Stat. 300; Sept. 23, 1959, Pub. L. 86–372, title IV, §§ 408, 409(a)(1), (b), 410, 417(1), 73 Stat. 673, 674, 676; June 30, 1961, Pub. L. 87–70, title III, § 304, 75 Stat. 167; Sept. 2, 1964, Pub. L. 88–560, title III, § 310(c), 78 Stat. 790; Aug. 10, 1965, Pub. L. 89–117, title III, § 306, 79 Stat. 476; Nov. 3, 1966, Pub. L. 89–754, title X, § 1020(a), 80 Stat. 1295; May 25, 1967, Pub. L. 90–19, § 6(b), (e), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 508(a), 82 Stat. 522; Dec. 31, 1970, Pub. L. 91–609, title II, § 213(a), 84 Stat. 1779; Nov. 30, 1983, Pub. L. 98–181, title I, § 126(b)(1), 97 Stat. 1175; Oct. 17, 1984, Pub. L. 98–479, title II, § 203(d)(2), 98 Stat. 2229, related to duties of Secretary of Housing and Urban Development under this subchapter.

Section 1457, acts July 15, 1949, ch. 338, title I, § 107, 63 Stat. 419; Aug. 2, 1954, ch. 649, title III, § 309, 68 Stat. 626; Sept. 23, 1959, Pub. L. 86–372, title IV, § 411, 73 Stat. 674; June 30, 1961, Pub. L. 87–70, title III, § 306(a), 75 Stat. 168; Sept. 2, 1964, Pub. L. 88–560, title III, § 306, 78 Stat. 786; May 25, 1967, Pub. L. 90–19, § 6(b), (f), 81 Stat. 21, 22; Aug. 1, 1968, Pub. L. 90–448, title V, § 505, 82 Stat. 522, related to property to be used for public housing or housing for low or moderate income families or individuals.

Section 1458, acts July 15, 1949, ch. 338, title I, § 108, 63 Stat. 419; May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Dec. 31, 1970, Pub. L. 91–609, title II, § 206, 84 Stat. 1777, related to disposition of surplus Federal real property, sale at fair market value, and disposition of net proceeds thereof.

Section 1459, acts July 15, 1949, ch. 338, title I, § 109, 63 Stat. 419; Aug. 2, 1954, ch. 649, title III, § 310, 68 Stat. 626; May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21, related to protection of labor standards.

Section 1460, acts July 15, 1949, ch. 338, title I, § 110, 63 Stat. 420; June 30, 1953, ch. 170, § 24(a), 67 Stat. 127; Aug. 2, 1954, ch. 649, title III, § 311, 68 Stat. 626; Aug. 11, 1955, ch. 783, title I, § 166(c), 69 Stat. 637; Aug. 7, 1956, ch. 1029, title III, 302(a)(2), (b)–(d), 70 Stat. 1097; July 12, 1957, Pub. L. 85–104, title III, §§ 302(3)–(5), 305, 306, 71 Stat. 300, 301; Sept. 23, 1959, Pub. L. 86–372, title IV, §§ 412–414(a), 415, 416, 417(3), 73 Stat. 675, 677; June 30, 1961, Pub. L. 87–70, title III, §§ 301(c), 306(b), 307, 308, 314(c), 75 Stat. 166, 168, 172; Sept. 2, 1964, Pub. L. 88–560, title III, §§ 301(b), (c), 303(b), 307–309, 311(a), 78 Stat. 785, 787, 788, 790; Aug. 10, 1965, Pub. L. 89–117, title III, §§ 307–309, 310(a), 311(b), 314(a), 79 Stat. 476–479; Nov. 3, 1966, Pub. L. 89–754, title VI, §§ 601, 602, title VII, §§ 701, 702, 80 Stat. 1278, 1280, 1281; May 25, 1967, Pub. L. 90–19, § 6(b), (g), 81 Stat. 21, 22; Aug. 1, 1968, Pub. L. 90–448, title V, §§ 504, 508(b), 511, title XVII, § 1722(a)–(c), 82 Stat. 521, 523, 524, 610; Dec. 24, 1969, Pub. L. 91–152, title II, §§ 202(a), 203(a), 204, 206, 83 Stat. 385–387; Dec. 31, 1970, Pub. L. 91–609, title II, § 213(b), title VII, § 741(c), title VIII, § 801(b), 84 Stat. 1779, 1805, defined terms as used in this subchapter.

STUDY OF HOUSING AND BUILDING CODES, ZONING, TAX POLICIES, AND DEVELOPMENT STANDARDS

Pub. L. 89–117, title III, § 301, Aug. 10, 1965, 79 Stat. 474, as amended by Pub. L. 90–19, § 22(a), (d), May 25, 1967, 81 Stat. 26, 27; Pub. L. 90–118, Oct. 31, 1967, 81 Stat. 338, which provided for study of housing and building codes, zoning, tax policies, and development standards, was repealed effective July 1, 1971, by Pub. L. 91–609, title V, § 503(5), Dec. 31, 1970, 84 Stat. 1786.

AMENDMENT OF CONTRACTS

Pub. L. 89–117, title III, § 310(b), Aug. 10, 1965, 79 Stat. 477, provided that any contract for a capital grant under this subchapter, executed prior to Aug. 10, 1965, could be amended to incorporate amendment to section 1460(e) of this title by section 310(a) of Pub. L. 89–117 as to costs incurred on or after Aug. 10, 1965.

Pub. L. 89–117, title III, § 314(b), Aug. 10, 1965, 79 Stat. 480, provided that any contract under this subchapter executed prior to Aug. 10, 1965, would, at request of municipality involved, be amended to reflect amendment to section 1460(d) of this title by section 314(a) of Pub. L. 89–117.

Pub. L. 88–560, title III, § 311(b), Sept. 2, 1964, 78 Stat. 790, provided that any contract under this subchapter executed prior to Sept. 2, 1964, could be amended to provide for payment of increased amounts authorized by section 311(a) of Pub. L. 88–560, which amended section 1460(e) of this title, with respect to any uncompleted project, including acquisitions involving expenditures by local public agencies that could not otherwise be included in costs of such project.

RELOCATION PAYMENTS FOR EXPENSES OR LOSSES INCURRED PRIOR TO SEPTEMBER 23, 1959

Pub. L. 86–372, title IV, § 409(a)(2), Sept. 23, 1959, 73 Stat. 674, prohibited relocation payments under section 1456(f) of this title for expenses or losses incurred prior to Sept. 23, 1959, except to the extent that such payments were authorized by such section as it existed prior to such date.

WAIVER OF REQUIREMENTS OF SECTION 1460(d) FOR CERTAIN ASSISTANCE PROVIDED DURING THE PERIOD FROM JULY 1, 1957, THROUGH DECEMBER 31, 1957

Pub. L. 86–372, title IV, § 414(b), Sept. 23, 1959, 73 Stat. 675, provided that the requirement of section 1460(d) of this title that the assistance provided by a State, municipality, or other public body under that subsection, in order to qualify as a local grant-in-aid, had to be in

connection with a project on which a contract for capital grant had been made under this subchapter, did not apply to assistance provided from July 1, 1957, through Dec. 31, 1957, in connection with urban renewal activities which were extended Federal recognition within 60 days after the provision of such assistance was initiated.

§ 1461. Repealed. Aug. 2, 1954, ch. 649, title III, § 313, 68 Stat. 629

Section, acts July 31, 1953, ch. 302, title I, § 101, 67 Stat. 305; June 24, 1954, ch. 359, title I, § 101, 68 Stat. 283, related to conditions precedent to approval of local slum clearance programs.

§§ 1462 to 1464. Omitted

CODIFICATION

Sections were omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

Section 1462, act July 15, 1949, ch. 338, title I, § 111, as added Aug. 7, 1956, ch. 1029, title III, § 307(a), 70 Stat. 1101; amended May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title XI, § 1106(c), 82 Stat. 567, related to disaster areas, urban renewal assistance, and nonapplicability of certain requirements under this subchapter.

Section 1463, act July 15, 1949, ch. 338, title I, § 112, as added Sept. 23, 1959, Pub. L. 86–372, title IV, § 418, 73 Stat. 677; amended June 30, 1961, Pub. L. 87–70, title III, § 309, 75 Stat. 169; Nov. 3, 1966, Pub. L. 89–754, title VII, § 705, 80 Stat. 1281; May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Dec. 24, 1969, Pub. L. 91–152, title II, § 203(b), 83 Stat. 386, related to financial assistance for urban renewal projects in areas involving colleges, universities, or hospitals.

Section 1464, act July 15, 1949, ch. 338, title I, § 113, as added May 1, 1961, Pub. L. 87–27, § 14, 75 Stat. 57; amended May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21, related to redevelopment areas.

§ 1465. Repealed. Pub. L. 91–646, title II, § 220(a)(5), Jan. 2, 1971, 84 Stat. 1903

Section, act July 15, 1949, ch. 338, title I, § 114, as added Sept. 2, 1964, Pub. L. 88–560, title III, § 310(a), 78 Stat. 788; amended Aug. 10, 1965, Pub. L. 89–117, title I, § 101(i), title IV, § 404(b), (c)(1), 79 Stat. 453, 486; May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 516, 82 Stat. 526; Dec. 31, 1970, Pub. L. 91–609, title II, § 212, 84 Stat. 1779, related to relocation assistance, providing as follows: subsec. (a), financial assistance to displaced individuals, families, businesses, and nonprofit organizations; subsec. (b), payments to business concerns or nonprofit organizations, considerations, and maximum amounts; subsec. (c), payments to individuals and families, considerations, computation of amount, maximum amounts, and restrictions; subsec. (d), payments to individuals, families, business concerns, and nonprofit organizations for recording fees, transfer taxes, incidental expenses, penalty costs, and pro rata taxes; and subsec. (e), rules and regulations, finality of administrative decisions, and promptness of payments. See chapter 61 (section 4601 et seq.) of this title.

EFFECTIVE DATE OF REPEAL

Repeal not applicable to any State so long as sections 4630 and 4655 of this title are not applicable in such State; but such sections completely applicable to all States after July 1, 1972, but until such date applicable to a State to extent the State is able under its laws to comply with such sections, see section 221 of Pub. L. 91–646, set out as an Effective Date note under section 4601 of this title.

SAVINGS PROVISION

Any rights or liabilities existing under provisions repealed by section 220(a) of Pub. L. 91–646 as not affected by such repeal, see section 220(b) of Pub. L. 91–646, set out as a note under section 4621 of this title.

§ 1466. Omitted

CODIFICATION

Section, act July 15, 1949, ch. 338, title I, § 115, as added Aug. 10, 1965, Pub. L. 89–117, title I, § 106(a), 79 Stat. 457; amended May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 503, 82 Stat. 521; Dec. 24, 1969, Pub. L. 91–152, title II, § 205, 83 Stat. 387, which related to rehabilitation grants, was omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

AMENDMENT OF CONTRACTS EXECUTED PRIOR TO ENACTMENT OF SECTION

Pub. L. 89–117, title I, § 106(b), Aug. 10, 1965, 79 Stat. 458, provided that any contract with a local public agency executed under this subchapter before Aug. 10, 1965, could be amended to provide for grants authorized by this section.

§§ 1467 to 1468a. Omitted

CODIFICATION

Sections were omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

Section 1467, act July 15, 1949, ch. 388, title I, § 116, as added Aug. 10, 1965, Pub. L. 89–117, title III, § 311(a), 79 Stat. 477; amended May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 510, 82 Stat. 524; Dec. 24, 1969, Pub. L. 91–152, title II, § 202(b), 83 Stat. 386, related to grants to cities, other municipalities, counties, and Indian tribes, etc., for demolition of unsafe structures.

Section 1468, act July 15, 1949, ch. 338, title I, § 117, as added Aug. 10, 1965, Pub. L. 89–117, title III, § 311(a), 79 Stat. 478; amended May 25, 1967, Pub. L. 90–19, § 6(b), 81 Stat. 21; Aug. 1, 1968, Pub. L. 90–448, title V, § 515, 82 Stat. 525; Dec. 24, 1969, Pub. L. 91–152, title II, § 202(c), 83 Stat. 386, related to grants to cities, other municipalities, counties, and Indian tribes, etc., for code enforcement.

Section 1468a, act July 15, 1949, ch. 338, title I, § 118, as added Aug. 1, 1968, Pub. L. 90–448, title V, § 514, 82 Stat. 525; amended Dec. 24, 1969, Pub. L. 91–152, title II, § 202(d), 83 Stat. 386, related to interim assistance for blighted areas, grants to cities, other municipalities, counties, and Indian tribes, etc., and encouragement of employment of unemployed and underemployed residents.

PART B—NEIGHBORHOOD DEVELOPMENT PROGRAMS

§§ 1469 to 1469c. Omitted

CODIFICATION

Sections were omitted pursuant to section 5316 of this title which terminated authority to make grants or loans under this subchapter after Jan. 1, 1975.

Section 1469, act July 15, 1949, ch. 338, title I, § 131, as added Aug. 1, 1968, Pub. L. 90–448, title V, § 501(b), 82 Stat. 518, set forth the declaration of this part.

Section 1469a, act July 15, 1949, ch. 338, title I, § 132, as added Aug. 1, 1968, Pub. L. 90–448, title V, § 501(b), 82 Stat. 519, related to financing of undertakings and activities and the payment of excess of sale price and imputed capital value of land or other property leased or retained over the gross project cost.

Section 1469b, acts July 15, 1949, ch. 338, title I, § 133, as added Aug. 1, 1968, Pub. L. 90–448, title V, § 501(b), 82 Stat. 519; amended Dec. 24, 1969, Pub. L. 91–152, title II, § 203(c), 83 Stat. 386, related to local grants-in-aid.

Section 1469c, act July 15, 1949, ch. 338, title I, § 134, as added Aug. 1, 1968, Pub. L. 90–448, title V, § 501(b), 82

Stat. 520, contained general provisions relating to workable program requirements, transient housing, removal of buildings, financial assistance for subsequent annual increments, and modification of urban renewal plans.

NEIGHBORHOOD DEVELOPMENT PROGRAMS BY DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Pub. L. 90–448, title V, § 501(c), Aug. 1, 1968, 82 Stat. 520, provided that notwithstanding any requirement or condition to the contrary in section 6 or 20(i) of the District of Columbia Redevelopment Act of 1945 (act Aug. 2, 1946, ch. 736, 60 Stat. 790, as amended), or any other law, the District of Columbia Redevelopment Land Agency was authorized to plan and undertake neighborhood development programs under this part, which programs would be regarded as complying with sections 6 and 20(i) of that Act and any other provision of law, if those programs were in compliance with this part.

SUBCHAPTER III—FARM HOUSING

§ 1471. Financial assistance by Secretary of Agriculture

(a) Authorization and purposes of assistance

The Secretary of Agriculture (hereinafter referred to as the ''Secretary'') is authorized, subject to the terms and conditions of this subchapter, to extend financial assistance, through the Farmers Home Administration, (1) to owners of farms in the United States and in the Territories of Alaska and Hawaii and in the Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, and to purchase buildings and land constituting a minimum adequate site, in order to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this subchapter, and (2) to owners of other real estate in rural areas for the construction, improvement, alteration, or repair of dwellings, related facilities, and farm buildings and to rural residents, including persons who reside in reservations or villages of Indian tribes, for such purposes and for the purchase of buildings and the purchase of land constituting a minimum adequate site, in order to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations, and (3) to elderly or handicapped persons or families who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use, and (4) to an owner described in clause (1), (2), or (3) for refinancing indebtedness which—

(A) was incurred for an eligible purpose described in such clause, and

(B)(i) if not refinanced, is likely to result (because of circumstances beyond the control of the applicant) at an early date in the loss of the applicant's necessary dwelling or essential farm service buildings, or

(ii) if combined (in the case of a dwelling that the Secretary finds not to be decent, safe, and sanitary) with a loan for improvement, rehabilitation, or repairs and not refinanced, is likely to result in the applicant's continuing to be deprived of a decent, safe, and sanitary dwelling.

(5)[1] DEFINITIONS.—For purposes of this subchapter, the terms ''repair'', ''repairs'', ''rehabilitate'', and ''rehabilitation'' include measures to evaluate and reduce lead-based paint hazards, as such terms are defined in section 4851b of this title.

(b) Definitions

(1) For the purpose of this subchapter, the term ''farm'' shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this subchapter whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(2) For the purposes of this subchapter, the terms ''owner'' and ''mortgage'' shall be deemed to include, respectively, the lessee of, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.

(3) For the purposes of this subchapter, the term ''elderly or handicapped persons or families'' means families which consist of two or more persons, the head of which (or his or her spouse) is at least sixty-two years of age or is handicapped. Such term also means a single person who is at least sixty-two years of age or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary, to have an impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions, or if such person has a developmental disability as defined in section 15002 of this title. The Secretary shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this subchapter. Notwithstanding the preceding provisions of this paragraph, such term also includes two or more elderly (sixty-two years of age or over) or handicapped persons living together, one or more such persons living with another person who is determined (under regulations prescribed

[1] So in original.

by the Secretary) to be essential to the care or well-being of such persons, and the surviving member or members of any family described in the first sentence of this paragraph who were living, in a unit assisted under this subchapter, with the deceased member of the family at the time of his or her death.

(4) For the purpose of this subchapter, the terms ''low income families or persons'' and ''very low-income families or persons'' means those families and persons whose incomes do not exceed the respective levels established for lower income families and very low-income families under the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]. Notwithstanding the preceding sentence, the maximum income levels established for purposes of this subchapter for such families and persons in the Virgin Islands shall not be less than the highest such levels established for purposes of this subchapter for such families and persons in American Samoa, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The temporary absence of a child from the home due to placement in foster care should not be considered in considering family composition and family size.

(5)(A) For the purpose of this subchapter, the terms ''income'' and ''adjusted income'' have the meanings given by sections 3(b)(4) and 3(b)(5), respectively, of the United States Housing Act of 1937 [42 U.S.C. 1437a(b)(4), (5)].

(B) For purposes of this subchapter, the term ''income'' does not include dividends received from the Alaska Permanent Fund by a person who was under the age of 18 years when that person qualified for the dividend.

(6) For the purposes of this subchapter, the term ''Indian tribe'' means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93–638) [25 U.S.C. 450 et seq.] or was considered an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter.

(7) For the purposes of this subchapter, the term ''rural resident'' shall include a family or a person who is a renter of a dwelling unit in a rural area.

(8) For the purposes of this subchapter, the term ''adequate dwelling'' means a decent, safe, and sanitary dwelling unit.

(c) Conditions of eligibility

In order to be eligible for the assistance authorized by subsection (a) of this section, the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage, or that he is the owner of other real estate in a rural area or a rural resident without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations, or that the applicant is an elderly or handicapped person or family in a rural area without an adequate dwelling or related facility for its own use, or that he is the owner of a farm or other real estate in a rural area who needs refinancing of indebtedness described in clause (4) of subsection (a) of this section; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill. If an applicant is a State or local public agency or Indian tribe—

(A) the provisions of clause (3) shall not apply to its application; and

(B) the applicant shall be eligible to participate in any program under this subchapter if the persons or families to be served by the applicant with the assistance being sought would be eligible to participate in such program.

(d) Additional definitions

As used in this subchapter (except in sections 1473 and 1474(b) of this title) the terms ''farm'', ''farm dwelling'', and ''farm housing'' shall include dwellings or other essential buildings of eligible applicants.

(e) Prepayment of taxes, insurance, and other expenses; advances to account of borrower: interest, time for repayment

The Secretary shall establish procedures under which borrowers under this subchapter are required to make periodic payments for the purpose of taxes, insurance, and other necessary expenses as the Secretary may deem appropriate. Notwithstanding any other provision of law, such payments shall not be considered public funds. The Secretary shall direct the disbursement of the funds at the appropriate time or times for the purposes for which the funds were escrowed. The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State where State law requires payment of interest on escrowed funds, subject to appropriations to the extent that additional budget authority is necessary to carry out this sentence. If the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay the costs in full, which advances shall be charged to the account of the borrower, bear interest, and be payable in a timely fashion as determined by the Secretary. The Secretary shall notify a borrower in writing when loan payments are delinquent.

(f) Increase in loan limits

With respect to any limitation on the amount of any loan which may be made, insured, or guaranteed under this subchapter for the purchase of a dwelling unit, the Secretary may increase such amount by up to 20 percent if such increase is necessary to account for the increased cost of the dwelling unit due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 1703(a) of title 12) therein.

(g) Avoidance of involuntary displacement of families and businesses

The programs authorized by this subchapter shall be carried out, consistent with program goals and objectives, so that the involuntary displacement of families and businesses is avoided.

(h) Eligibility of resident aliens

The Secretary may not restrict the availability of assistance under this subchapter for any alien for whom assistance may not be restricted under section 1436a of this title.

(i) Loan packaging by nonprofit organizations as a "development cost"

For the purposes of this subchapter, the term ''development cost'' shall include the packaging of loan and grant applications and actions related thereto by public and private nonprofit organizations tax exempt under title 26.

(j) Program transfers

Notwithstanding any other provision of law, the Secretary shall not transfer any program authorized by this subchapter to the Rural Development Administration.

(July 15, 1949, ch. 338, title V, § 501, 63 Stat. 432; Pub. L. 87–70, title VIII, §§ 801(a), 803, June 30, 1961, 75 Stat. 186; Pub. L. 87–723, § 4(a)(1), Sept. 28, 1962, 76 Stat. 670; Pub. L. 89–117, title X, § 1001, Aug. 10, 1965, 79 Stat. 497; Pub. L. 89–754, title VIII, §§ 801, 807, Nov. 3, 1966, 80 Stat. 1282; Pub. L. 91–609, title VIII, § 802, Dec. 31, 1970, 84 Stat. 1806; Pub. L. 93–383, title V, §§ 501–503, 505(a), 520, Aug. 22, 1974, 88 Stat. 692, 693, 699; Pub. L. 95–128, title V, §§ 503, 507(a)(1), (2), (b), Oct. 12, 1977, 91 Stat. 1139–1141; Pub. L. 95–619, title II, § 248(c), Nov. 9, 1978, 92 Stat. 3235; Pub. L. 96–153, title V, §§ 502(b), 506, Dec. 21, 1979, 93 Stat. 1134, 1136; Pub. L. 96–399, title V, §§ 506, 507(a), (h), 512, Oct. 8, 1980, 94 Stat. 1669–1671; Pub. L. 98–181, title V, § 502, Nov. 30, 1983, 97 Stat. 1240; Pub. L. 98–479, title I, § 105(a), title II, § 203(d)(3), Oct. 17, 1984, 98 Stat. 2226, 2229; Pub. L. 99–272, title XIV, § 14001(b)(3), Apr. 7, 1986, 100 Stat. 328; Pub. L. 100–242, title III, §§ 302(a), (b)(1), 303, 315, 316(a), Feb. 5, 1988, 101 Stat. 1893, 1894, 1897; Pub. L. 101–625, title VII, §§ 702, 703, Nov. 28, 1990, 104 Stat. 4282, 4283; Pub. L. 102–550, title VII, § 714, title X, § 1012(m), Oct. 28, 1992, 106 Stat. 3842, 3907; Pub. L. 104–193, title IV, § 441(b), Aug. 22, 1996, 110 Stat. 2276; Pub. L. 106–402, title IV, § 401(b)(8), Oct. 30, 2000, 114 Stat. 1738; Pub. L. 107–76, title VII, § 752, Nov. 28, 2001, 115 Stat. 740; Pub. L. 108–199, div. A, title VII, § 768, Jan. 23, 2004, 118 Stat. 40.)

REFERENCES IN TEXT

The United States Housing Act of 1937, referred to in subsec. (a)(4), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93–383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653, and amended, which is classified generally to chapter 8 (§ 1437 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of this title and Tables.

The Indian Self-Determination and Education Assistance Act, referred to in subsec. (b)(6), is Pub. L. 93–638, Jan. 4, 1975, 88 Stat. 2203, as amended, which is classified principally to subchapter II (§ 450 et seq.) of chapter 14 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 450 of Title 25 and Tables.

Chapter 67 of title 31, referred to in subsec. (b)(6), was repealed by Pub. L. 99–272, title XIV, § 14001(a)(1), Apr. 7, 1986, 100 Stat. 327, effective Oct. 18, 1986.

AMENDMENTS

2004—Subsec. (b)(5)(B). Pub. L. 108–199 struck out ''for fiscal years 2002 and 2003,'' after ''this subchapter,''.

2001—Subsec. (b)(5). Pub. L. 107–76 designated existing provisions as subpar. (A) and added subpar. (B).

2000—Subsec. (b)(3). Pub. L. 106–402 substituted ''developmental disability as defined in section 15002 of this title'' for ''developmental disability as defined in section 6001(7) of this title''.

1996—Subsec. (h). Pub. L. 104–193 struck out par. (1) designation, struck out ''by the Secretary of Housing and Urban Development'' before ''under section 1436a of this title'', and struck out par. (2) which read as follows: ''In carrying out any restriction established by the Secretary on the availability of assistance under this subchapter for any alien, the Secretary shall follow procedures comparable to the procedures established in section 1436a of this title.''

1992—Subsec. (a). Pub. L. 102–550, § 1012(m), added par. (5).

Subsec. (j). Pub. L. 102–550, § 714, added subsec. (j).

1990—Subsec. (b)(4). Pub. L. 101–625, § 702, inserted at end ''The temporary absence of a child from the home due to placement in foster care should not be considered in considering family composition and family size.''

Subsec. (e). Pub. L. 101–625, § 703, inserted after third sentence ''The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State where State law requires payment of interest on escrowed funds, subject to appropriations to the extent that additional budget authority is necessary to carry out this sentence.''

1988—Subsec. (b)(3). Pub. L. 100–242, § 316(a), substituted ''has a developmental disability as defined in section 6001(7) of this title'' for ''is a developmentally disabled individual as defined in section 6001(7) of this title''.

Subsec. (b)(4). Pub. L. 100–242, § 302(b)(1), inserted provisions at end relating to maximum income levels established for families and persons in the Virgin Islands to be not less than the highest such levels established for families and persons in American Samoa, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Subsec. (e). Pub. L. 100–242, § 303, amended subsec. (e) generally. Prior to amendment, subsec. (e) read as follows: ''The Secretary may establish procedures whereby borrowers under this subchapter may make periodic payments for the purpose of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be disbursed by the Secretary at the appropriate time or times for the purposes for which such payments are made, and after October 1, 1977, if the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay these costs in full, which advances shall be charged to the account of the borrower and bear interest and be payable in a timely fashion not to exceed two years, as determined by the Secretary. The Secretary shall notify a borrower in writing when his loan payments are delinquent.''

Subsec. (h). Pub. L. 100–242, § 302(a), added subsec. (h).

Subsec. (i). Pub. L. 100–242, § 315, added subsec. (i).

1986—Subsec. (b)(6). Pub. L. 99–272 substituted ''or was considered an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter'' for ''or under chapter 67 of title 31''.

1984—Subsec. (b)(4). Pub. L. 98–479, § 105(a), struck out ''by the Secretary of Housing and Urban Development'' before ''under the United States Housing Act of 1937.''

Subsec. (b)(6). Pub. L. 98–479, § 203(d)(3), substituted ''chapter 67 of title 31'' for ''the State and Local Fiscal Assistance Act of 1972 (Public Law 92–512)''.

1983—Subsec. (b)(4). Pub. L. 98–181, § 502(a), amended par. (4) generally, substituting definition of low and

very low-income families or persons as those whose incomes do not exceed levels established by the Secretary under the United States Housing Act of 1937 for definition of persons of low income as those whose incomes do not exceed 80 per centum of the area median income, except when it is impracticable to use such median income or variations are necessary because of other factors.

Subsec. (b)(5). Pub. L. 98–181, § 502(b), amended par. (5) generally, substituting definition of income and adjusted income as having the meanings given by sections 3(b)(4) and 3(b)(5) of the United States Housing Act of 1937 for definition of income as income from all sources of each household member, as determined in accordance with criteria prescribed by the Secretary.

1980—Subsec. (a)(2). Pub. L. 96–399, § 507(a), inserted reference to persons residing in reservations or villages of Indian tribes.

Subsec. (b)(6) to (8). Pub. L. 96–399, § 506, added pars. (6) to (8).

Subsec. (c). Pub. L. 96–399, § 507(h), inserted ''or Indian tribe'' after ''local public agency'' in second sentence.

Subsec. (g). Pub. L. 96–399, § 512, added subsec. (g).

1979—Subsec. (a)(4). Pub. L. 96–153, § 506, redesignated former subpar. (B) as (B)(i) and (ii), and in subpar. (B)(i) as so redesignated, inserted reference to circumstances beyond the applicant's control, and in subpar. (B)(ii) as so redesignated, substituted reference to deprivation of decent, safe, and sanitary dwelling for reference to continuing hardship, and struck out subpar. (C) which authorized refinancing indebtedness provided the indebtedness was incurred at least 5 years prior to the application for assistance.

Subsec. (b)(4), (5). Pub. L. 96–153, § 502(b), added pars. (4) and (5).

1978—Subsec. (f). Pub. L. 95–619 added subsec. (f).

1977—Subsec. (a)(3). Pub. L. 95–128, § 507(a)(1), substituted ''elderly or handicapped persons or families'' for ''elderly persons''.

Subsec. (b)(3). Pub. L. 95–128, § 507(b), substituted definition of ''elderly or handicapped persons or families'' for prior definition of ''elderly persons'' as persons who are 62 years of age or over.

Subsec. (c)(1). Pub. L. 95–128, § 507(a)(2), substituted ''the applicant is an elderly or handicapped person or family in a rural area without an adequate dwelling or related facility for its own use'' for ''he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use''.

Subsec. (e). Pub. L. 95–128, § 503, substituted as a second sentence ''Such payments shall be disbursed by the Secretary at the appropriate time or times for the purposes for which such payments are made, and after October 1, 1977, if the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay these costs in full, which advances shall be charged to the account of the borrower and bear interest and be payable in a timely fashion not to exceed two years, as determined by the Secretary'' for ''Such payments shall be held in escrow by the Secretary and paid out by him at the appropriate time or times for the purposes for which such payments are made''.

1974—Subsec. (a)(1). Pub. L. 93–383, § 501, inserted references to the territories and possessions of the United States and the Trust Territory of the Pacific Islands.

Subsec. (a)(4)(B). Pub. L. 93–383, § 502(1), inserted provisions relating to combining of indebtedness with a loan for improvement, rehabilitation, or repairs.

Subsec. (a)(4)(C). Pub. L. 93–383, § 502(2), substituted provisions relating to incursion of indebtedness by the applicant at least five years prior to his applying under this clause for provisions relating to indebtedness not held or insured by the United States or any agency.

Subsec. (a)(4)(D). Pub. L. 93–383, § 502(2), struck out subpar. (D) which related to indebtedness incurred prior to enactment of clause.

Subsec. (b)(2). Pub. L. 93–383, § 503, substituted ''this subchapter'' for ''sections 1472 and 1474 of this title''.

Subsec. (c). Pub. L. 93–383, § 520, inserted provisions relating to applications of a State or local public agency.

Subsec. (e). Pub. L. 93–383, § 505(a), added subsec. (e).

1970—Subsec. (b)(2). Pub. L. 91–609 substituted ''sections 1472 and 1473 of this title, the terms 'owner' and 'mortgage' shall be deemed to include, respectively, the lessee of'' for ''this subchapter, the terms 'owner', 'farm', and 'mortgage' shall be deemed to include, respectively, the lessee of, the land included in''. The words '', the land included in'' were improvidently omitted.

1966—Subsec. (a)(1) to (3). Pub. L. 89–754, § 801, struck out ''previously occupied'' before ''buildings and land'' in cl. (1), ''buildings and the purchase of land'' in cl. (2), and ''dwellings and related facilities'' in cl. (3).

Subsec. (a)(4). Pub. L. 89–754, § 807(a), added cl. (4).

Subsec. (c)(1). Pub. L. 89–754, § 807(b), inserted as a condition of eligibility that the applicant be the owner of a farm or other real estate in a rural area who needs refinancing of indebtedness described in subsec. (a)(4) of this section.

1965—Subsec. (a). Pub. L. 89–117, § 1001(a), authorized the extension of formal assistance to owners of farms to purchase previously occupied buildings and land constituting a minimum adequate site, to owners of other real estate in rural areas for the construction, improvement, alteration, or repair of dwellings, related facilities, and farm buildings, and to rural residents for such purposes and for the purchase of previously occupied buildings and the purchase of land constituting a minimum adequate site.

Subsec. (c). Pub. L. 89–117, § 1001(b), inserted ''or a rural resident'' in cl. (1) after ''or that he is the owner of other real estate in a rural area''.

1962—Subsec. (a)(3). Pub. L. 87–723, § 4(a)(1)(A), added cl. (3).

Subsec. (b)(3). Pub. L. 87–723, § 4(a)(1)(B), added par. (3).

Subsec. (c)(1). Pub. L. 87–723, § 4(a)(1)(C), inserted provisions requiring the applicant for assistance to show in the alternative that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use.

1961—Subsec. (a). Pub. L. 87–70, § 803(a), authorized assistance to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations.

Subsec. (b). Pub. L. 87–70, § 801(a), designated existing provisions as par. (1) and added par. (2).

Subsec. (c). Pub. L. 87–70, § 803(b), permitted the applicant to show that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations.

Subsec. (d). Pub. L. 87–70, § 803(c), added subsec. (d).

EFFECTIVE DATE OF 1988 AMENDMENT

Section 302(b)(2) of Pub. L. 100–242 provided that: ''The amendment made by paragraph (1) [amending this section] shall be applicable to any determination of eligibility for assistance under title V of the Housing Act of 1949 [this subchapter] made on or after the date of the enactment of this Act [Feb. 5, 1988].''

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99–272 effective Oct. 18, 1986, see section 14001(e) of Pub. L. 99–272.

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

PERFORMANCE GOALS FOR FARMERS HOME ADMINISTRATION

Section 925(b) of Pub. L. 102–550 provided that:

''(1) IN GENERAL.—The Secretary of Agriculture may establish performance goals for the major housing programs of the Farmers Home Administration in order to

measure progress towards meeting the objectives of national housing policy.

''(2) FORM OF GOALS.—The performance goals referred to in paragraph (1) shall be expressed in terms sufficient to measure progress.

''(3) REPORT.—The Secretary of Agriculture shall prepare a report to the Congress on the progress made in attaining the performance goals for each program, citing the actual results achieved in such program for the previous year.

''(4) FAILURE TO MEET GOALS.—If a performance standard or goal has not been met, the report under paragraph (3) shall include an explanation of why the goal was not met, propose plans for achieving the performance goal, and recommend any legislative or regulatory changes necessary for achievement of the goal.''

[For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103–7 (in which a report required under section 925(b)(3) of Pub. L. 102–550, set out above, is listed in item 12 on page 47), see section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.]

ADMISSION OF ALASKA AND HAWAII TO STATEHOOD

Alaska was admitted into the Union on Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, and Hawaii was admitted into the Union on Aug. 21, 1959, on issuance of Proc. No. 3309, Aug. 21, 1959, 24 F.R. 6868, 73 Stat. c74. For Alaska Statehood Law, see Pub. L. 85–508, July 7, 1958, 72 Stat. 339, set out as a note preceding section 21 of Title 48, Territories and Insular Possessions. For Hawaii Statehood Law, see Pub. L. 86–3, Mar. 18, 1959, 73 Stat. 4, set out as a note preceding section 491 of Title 48.

§ 1472. Loans for housing and buildings on adequate farms

(a) Terms of loan

(1) If the Secretary determines that an applicant is eligible for assistance as provided in section 1471 of this title and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest. The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability. At the borrower's option, the borrower may prepay to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 1471(e) of this title.

(2) The Secretary may extend the period of any loan made under this section if the Secretary determines that such extension is necessary to permit the making of such loan to any person whose income does not exceed 60 per centum of the median income for the area and who would otherwise be denied such loan because the payments required under a shorter period would exceed the financial capacity of such person. The aggregate period for which any loan may be extended under this paragraph may not exceed 5 years.

(3)(A) Notwithstanding any other provision of this subchapter, a loan may be made under this section for the purchase of a dwelling located on land owned by a community land trust, if the borrower and the loan otherwise meet the requirements applicable to loans under this section.

(B) For purposes of this paragraph, the term ''community land trust'' means a community housing development organization as such term is defined in section 12704 of this title (except that the requirements under section 12704(6)(C) of this title and section 12704(6)(D) of this title shall not apply for purposes of this paragraph)—

(i) that is not sponsored by a for-profit organization;

(ii) that is established to carry out the activities under clause (iii);

(iii) that—

(I) acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;

(II) transfers ownership of any structural improvements located on such leased parcels to the lessees; and

(III) retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low- and moderate-income families in perpetuity; and

(iv) that has its corporate membership open to any adult resident of a particular geographic area specified in the bylaws of the organization.

(b) Provisions of loan instrument

The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm or such other security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary, except that any prepayment of a loan made or insured under section 1484 or 1485 of this title shall be subject to the provisions of subsection (c) of this section;

(3) except for guaranteed loans, contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

(c) Prepayment and refinancing provisions

(1)(A) The Secretary may not accept an offer to prepay, or request refinancing in accordance

with subsection (b)(3) of this section of, any loan made or insured under section 1484 or 1485 of this title pursuant to a contract entered into after December 21, 1979, but before December 15, 1989, unless the Secretary takes appropriate action which will obligate the borrower (and successors in interest thereof) to utilize the assisted housing and related facilities for the purposes specified in section 1484 or 1485 of this title, as the case may be, for a period of—

(i) fifteen years from the date on which the loan was made in the case of a loan made or insured pursuant to a contract entered into after December 21, 1979, but before December 15, 1989, and utilized for housing and related facilities which have not received assistance under section 1490a(a)(1)(B), (a)(2), or (5) of this title or section 1437f of this title; or

(ii) twenty years from the date on which the loan was made in the case of any other such loan;

or until the Secretary determines (prior to the end of such period) that there is no longer a need for such housing and related facilities to be so utilized or that Federal or other financial assistance provided to the residents of such housing will no longer be provided.

(B) The Secretary may not accept an offer to prepay, or request refinancing in accordance with subsection (b)(3) of this section of, any initial loan made or insured under section 1485 of this title pursuant to a contract entered into on or after December 15, 1989.

(2) If any loan which was made or insured under section 1484 or 1485 of this title pursuant to a contract entered into prior to December 15, 1989, is prepaid or refinanced on or after October 8, 1980, and tenants of the housing and related facilities financed with such loan are displaced due to a change in the use of the housing, or to an increase in rental or other charges, as a result of such prepayment or refinancing, the Secretary shall provide such tenants a priority for relocation in alternative housing assisted pursuant to this subchapter.

(3) NOTICE OF OFFER TO PREPAY.—Not less than 30 days after receiving an offer to prepay any loan made or insured under section 1484 or 1485 of this title, the Secretary shall provide written notice of the offer or request to the tenants of the housing and related facilities involved, to interested nonprofit organizations, and to any appropriate State and local agencies.

(4)(A) AGREEMENT BY BORROWER TO EXTEND LOW INCOME USE.—Before accepting any offer to prepay, or requesting refinancing in accordance with subsection (b)(3) of this section of, any loan made or insured under section 1484 or 1485 of this title pursuant to a contract entered into prior to December 15, 1989, the Secretary shall make reasonable efforts to enter into an agreement with the borrower under which the borrower will make a binding commitment to extend the low income use of the assisted housing and related facilities involved for not less than the 20-year period beginning on the date on which the agreement is executed.

(B) ASSISTANCE AVAILABLE TO BORROWER TO EXTEND LOW INCOME USE.—To the extent of amounts provided in appropriation Acts, the agreement under subparagraph (A) may provide for 1 or more of the following forms of assistance that the Secretary, after taking into account local market conditions, determines to be necessary to extend the low income use of the housing and related facilities involved:

(i) Increase in the rate of return on investment.

(ii) Reduction of the interest rate on the loan through the provision of interest credits under section 1490a(a)(1)(B) of this title, or additional assistance or an increase in assistance provided under section 1490a(a)(5) of this title.

(iii) Additional rental assistance, or an increase in assistance provided under existing contracts, under section 1490a(a)(2) or 1490a(a)(5) of this title or under section 1437f of this title.

(iv) An equity loan to the borrower under paragraphs (1) and (2) of section 1485(c) of this title or under paragraphs (1) and (2) of section 1484(j)[1] of this title, except that an equity loan referred to in this clause may not be made available after August 6, 1996, unless the Secretary determines that the other incentives available under this subparagraph are not adequate to provide a fair return on the investment of the borrower, to prevent prepayment of the loan insured under section 1484 or 1485 of this title, or to prevent the displacement of tenants of the housing for which the loan was made.

(v) Incremental rental assistance in connection with loans under clauses (ii) and (iv) to the extent necessary to avoid increases in the rental payments of current tenants not receiving rental assistance under section 1490a(a)(2) of this title or under section 1437f of this title, or current tenants of projects not assisted under section 1490a(a)(5) of this title.

(vi) In the case of a project that has received rental assistance under section 1437f of this title, permitting the owner to receive rent in excess of the amount determined necessary by the Secretary to defray the cost of long-term repair or maintenance of such a project.

(C) APPROVAL OF ASSISTANCE.—The Secretary may approve assistance under subparagraph (B) for assisted housing only if the restrictive period has expired for any loan for the housing made or insured under section 1484 or 1485 of this title pursuant to a contract entered into after December 21, 1979, but before December 15, 1989, and the Secretary determines that the combination of assistance provided—

(i) is necessary to provide a fair return on the investment of the borrower; and

(ii) is the least costly alternative for the Federal Government that is consistent with carrying out the purposes of this subsection.

(5)(A) OFFER TO SELL TO NONPROFIT ORGANIZATIONS AND PUBLIC AGENCIES.—

(i) IN GENERAL.—If the Secretary determines after a reasonable period that an agreement will not be entered into with a borrower under paragraph (4), the Secretary shall require the borrower (except as provided in subparagraph (G)) to offer to sell the assisted housing and related facilities involved to any qualified

[1] See References in Text note below.

nonprofit organization or public agency at a fair market value determined by 2 independent appraisers, one of whom shall be selected by the Secretary and one of whom shall be selected by the borrower. If the 2 appraisers fail to agree on the fair market value, the Secretary and the borrower shall jointly select a third appraiser, whose appraisal shall be binding on the Secretary and the borrower.

(ii) PERIOD FOR WHICH REQUIREMENT APPLICABLE.—If, upon the expiration of 180 days after an offer is made to sell housing and related facilities under clause (i), no qualified nonprofit organization or public agency has made a bona fide offer to purchase, the Secretary may accept the offer to prepay, or may request refinancing in accordance with subsection (b)(3) of this section of, the loan. This clause shall apply only when funds are available for purposes of carrying out a transfer under this paragraph.

(B) QUALIFIED NONPROFIT ORGANIZATIONS AND PUBLIC AGENCIES.—

(i) LOCAL NONPROFIT ORGANIZATION OR PUBLIC AGENCY.—A local nonprofit organization or public agency may purchase housing and related facilities under this paragraph only if—

(I) the organization or agency is determined by the Secretary to be capable of managing the housing and related facilities (either directly or through a contract) for the remaining useful life of the housing and related facilities; and

(II) the organization or agency has entered into an agreement that obligates it (and successors in interest thereof) to maintain the housing and related facilities as affordable for very low-income families or persons and low income families or persons for the remaining useful life of the housing and related facilities.

(ii) NATIONAL OR REGIONAL NONPROFIT ORGANIZATION.—If the Secretary determines that there is no local nonprofit organization or public agency qualified to purchase the housing and related facilities involved, the Secretary shall require the borrower to offer to sell the assisted housing and related facilities to an existing qualified national or regional nonprofit organization.

(iii) SELECTION OF QUALIFIED PURCHASER.—The Secretary shall promulgate regulations that establish criteria for selecting a qualified nonprofit organization or public agency to purchase housing and related facilities when more than 1 such organization or agency has made a bona fide offer. Such regulations shall give a priority to those organizations or agencies with the greatest experience in developing or managing low income housing or community development projects and with the longest record of service to the community.

(C) FINANCING OF SALE.—To facilitate the sale described in subparagraph (A), the Secretary shall—

(i) to the extent provided in appropriation Acts, make an advance to the nonprofit organization or public agency whose offer to purchase is accepted under this paragraph to cover any direct costs (other than the purchase price) incurred by the organization or agency in purchasing and assuming responsibility for the housing and related facilities involved;

(ii) approve the assumption, by the nonprofit organization or public agency involved, of the loan made or insured under section 1484 or 1485 of this title;

(iii) to the extent provided in appropriation Acts, transfer any rental assistance payments that are received under section 1490a(a)(2)(A) of this title or under section 1437f of this title, or any assistance payments received under section 1490a(a)(5) of this title, with respect to the housing and related facilities involved; and

(iv) to the extent provided in appropriation Acts, provide a loan under section 1485(c)(3) of this title to the nonprofit organization or public agency whose offer to purchase is accepted under this paragraph to enable the organization or agency to purchase the housing and related facilities involved.

(D) RENT LIMITATION AND ASSISTANCE.—The Secretary shall, to the extent provided in appropriation Acts, provide to each nonprofit organization or public agency purchasing housing and related facilities under this paragraph financial assistance (in the form of monthly payments or forgiveness of debt) in an amount necessary to ensure that the monthly rent payment made by each low income family or person residing in the housing does not exceed the maximum rent permitted under section 1490a(a)(2)(A) of this title or, in the case of housing assisted under section 1490a(a)(5) of this title, does not exceed the rents established for the project under such section.

(E) RESTRICTION ON SUBSEQUENT TRANSFERS.—Except as provided in subparagraph (B)(ii), the Secretary may not approve the transfer of any housing and related facilities purchased under this paragraph during the remaining useful life of the housing and related facilities, unless the Secretary determines that—

(i) the transfer will further the provision of housing and related facilities for low income families or persons; or

(ii) there is no longer a need for such housing and related facilities by low income families or persons.

(F) GENERAL RESTRICTION ON PREPAYMENTS AND REFINANCINGS.—Following the transfer of the maximum number of dwelling units set forth in subparagraph (H)(i) in any fiscal year or the maximum number of dwelling units for which budget authority is available in any fiscal year, the Secretary may not accept in such fiscal year any offer to prepay, or request refinancing in accordance with subsection (b)(3) of this section of, any loan made or insured under section 1484 or 1485 of this title pursuant to a contract entered into prior to December 15, 1989, except in accordance with subparagraph (G). The limitation established in this subparagraph shall not apply to an offer to prepay, or request to refinance, if, following the date on which such offer or request is made (or following February 5, 1988, whichever occurs later) a 15-month period expires during which no budget authority is available to carry out this paragraph. For purposes of

this subparagraph, the Secretary shall allocate budget authority under this paragraph in the order in which offers to prepay, or request to refinance, are made.

(G) EXCEPTION.—This paragraph shall not apply to any offer to prepay, or any request to refinance in accordance with subsection (b)(3) of this section, any loan made or insured under section 1484 or 1485 of this title pursuant to a contract entered into prior to December 15, 1989, if—

(i) the borrower enters into an agreement with the Secretary that obligates the borrower (and successors in interest thereof)—

(I) to utilize the assisted housing and related facilities for the purposes specified in section 1484 or 1485 of this title, as the case may be, for a period determined by the Secretary (but not less than the period described in paragraph (1)(B) calculated from the date on which the loan is made or insured); and

(II) upon termination of the period described in paragraph (1)(B), to offer to sell the assisted housing and related facilities to a qualified nonprofit organization or public agency in accordance with this paragraph; or

(ii) the Secretary determines that housing opportunities of minorities will not be materially affected as a result of the prepayment or refinancing, and that—

(I) the borrower (and any successor in interest thereof) are obligated to ensure that tenants of the housing and related facilities financed with the loan will not be displaced due to a change in the use of the housing, or to an increase in rental or other charges, as a result of the prepayment or refinancing; or

(II) there is an adequate supply of safe, decent, and affordable rental housing within the market area of the housing and related facilities and sufficient actions have been taken to ensure that the rental housing will be made available to each tenant upon displacement.

(H) FUNDING.—

(i) BUDGET LIMITATION.—Not more than 5,000 dwelling units may be transferred under this paragraph in any fiscal year, and the budget authority that may be provided under this paragraph for any fiscal year may not exceed the amounts required to carry out this paragraph with respect to such number.

(ii) REIMBURSEMENT OF RURAL HOUSING INSURANCE FUND.—There are authorized to be appropriated to the Rural Housing Insurance Fund such sums as may be necessary to reimburse the Fund for financial assistance provided under this paragraph, paragraph (4), and section 1487(j)(7) of this title.

(I) DEFINITIONS.—For purposes of this paragraph:

(i) LOCAL NONPROFIT ORGANIZATION.—The term ''local nonprofit organization'' means a nonprofit organization that—

(I) has a broad based board reflecting various interests in the community or trade area; and

(II) is a not-for-profit charitable organization whose principal purposes include developing or managing low income housing or community development projects.

(ii) NONPROFIT ORGANIZATION.—The term ''nonprofit organization'' means any private organization—

(I) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

(II) that is approved by the Secretary as to financial responsibility; and

(III) that does not have among its officers or directorate persons or parties with a material interest (or persons or parties related to any person or party with such an interest) in loans financed under section 1485 of this title that have been prepaid.

(J) REGULATIONS.—Notwithstanding section 1490n of this title, the Secretary shall issue final regulations to carry out this paragraph not later than 60 days after February 5, 1988. The Secretary shall provide for the regulations to take effect not later than 45 days after the date on which the regulations are issued.

(d) Dwelling units available to very low-income families or persons

On and after November 30, 1983—

(1) not less than 40 percent of the funds approved in appropriation Acts for use under this section shall be set aside and made available only for very low-income families or persons; and

(2) not less than 30 percent of the funds allocated to each State under this section shall be available only for very low-income families or persons.

(e) Manufactured homes; qualifications for loans made or insured; energy conservation requirements

(1) A loan which may be made or insured under this section with respect to housing shall be made or insured with respect to a manufactured home or with respect to a manufactured home and lot, whether such home or such home and lot is real property, personal property, or mixed real and personal property, if—

(A) the manufactured home meets the standards prescribed pursuant to title VI of the Housing and Community Development Act of 1974 [42 U.S.C. 5401 et seq.];

(B) the manufactured home, or the manufactured home and lot, meets the installation, structural, and site requirements which would apply under title II of the National Housing Act [12 U.S.C. 1707 et seq.]; and

(C) the manufactured home meets the energy conserving requirements established under paragraph (2), or until the energy conserving requirements are established under paragraph (2), the manufactured home meets the energy conserving requirements applicable to housing other than manufactured housing financed under this subchapter.

(2) Energy conserving requirements established by the Secretary for the purpose of paragraph (1)(C) shall—

(A) reduce the operating costs for a borrower by maximizing the energy savings and be cost-effective over the life of the manufactured

home or the term of the loan, whichever is shorter, taking into account variations in climate, types of energy used, the cost to modify the home to meet such requirements, and the estimated value of the energy saved over the term of the mortgage; and

(B) be established so that the increase in the annual loan payment resulting from the added energy conserving requirements in excess of those required by the standards prescribed under title VI of the Housing and Community Development Act of 1974 [42 U.S.C. 5401 et seq.] shall not exceed the projected savings in annual energy costs.

(3) A loan that may be made or insured under this section with respect to a manufactured home on a permanent foundation, or a manufactured home on a permanent foundation and a lot, shall be repayable over the same period as would be applicable under section 203(b) of the National Housing Act [12 U.S.C. 1709(b)].

(f) Remote rural areas

(1) Loan supplements

The Secretary may supplement any loan under this section to finance housing located in a remote rural area or on tribal allotted or Indian trust land with a grant in an amount not greater than the amount by which the reasonable land acquisition and construction costs of the security property exceeds the appraised value of such property.

(2) Prohibition

The Secretary may not refuse to make, insure, or guarantee a loan that otherwise meets the requirements under this section solely on the basis that the housing involved is located in an area that is excessively rural in character or excessively remote or on tribal allotted or Indian trust land.

(g) Deferred mortgage demonstration

(1) Authority

With respect to families or persons otherwise eligible for assistance under subsection (d) of this section but having incomes below the amount determined to qualify for a loan under this section, the Secretary may defer mortgage payments beyond the amount affordable at 1 percent interest, taking into consideration income, taxes and insurance. Deferred mortgage payments shall be converted to payment status when the ability of the borrower to repay improves. Deferred amounts shall not exceed 25 percent of the amount of the payment due at 1 percent interest and shall be subject to recapture.

(2) Interest

Interest on principal deferred shall be set at 1 percent and any interest payments deferred under this subsection shall not be treated as principal in calculating indebtedness.

(3) Funding

Subject to approval in appropriations Acts, not more than 10 percent of the amount approved for each of fiscal years 1993 and 1994 for loans under this section may be used to carry out this subsection.

(h) Doug Bereuter section 502 single family housing loan guarantee program

(1) Short title

This subsection may be cited as the ''Doug Bereuter Section 502 Single Family Housing Loan Guarantee Act''.

(2) Authority

The Secretary shall, to the extent provided in appropriation Acts, provide guaranteed loans in accordance with this section, section 1487(d) of this title, and the last sentence of section 1490a(a)(1)(A) of this title, except as modified by the provisions of this subsection. Loans shall be guaranteed under this subsection in an amount equal to 90 percent of the loan.

(3) Eligible borrowers

Loans guaranteed pursuant to this subsection shall be made only to borrowers who are low or moderate income families or persons, whose incomes do not exceed 115 percent of the median income of the area, as determined by the Secretary.

(4) Eligible housing

Loans may be guaranteed pursuant to this subsection only if the loan is used to acquire or construct a single-family residence that is—

(A) to be used as the principal residence of the borrower;

(B) eligible for assistance under this section, section 203(b) of the National Housing Act [12 U.S.C. 1709(b)], or chapter 37 of title 38; and

(C) located in a rural area.

(5) Priority and counseling for first-time homebuyers

(A) In providing guaranteed loans under this subsection, the Secretary shall give priority to first-time homebuyers (as defined in paragraph (13)).

(B) The Secretary may require that, as a condition of receiving a guaranteed loan pursuant to this subsection, a borrower who is a first-time homebuyer successfully complete a program of homeownership counseling under section 1701x(a)(1)(iii) of title 12 and obtain certification from the provider of the program that the borrower is adequately prepared for the obligations of homeownership.

(6) Eligible lenders

Guaranteed loans pursuant to this subsection may be made only by lenders approved by and meeting qualifications established by the Secretary.

(7) Loan terms

Loans guaranteed pursuant to this subsection shall—

(A) be made for a term not to exceed 30 years;

(B) involve a rate of interest that is fixed over the term of the loan and does not exceed the rate for loans guaranteed under chapter 37 of title 38 or comparable loans in the area that are not guaranteed; and

(C) involve a principal obligation (including initial service charges, appraisal, inspec-

tion, and other fees as the Secretary may approve)—

(i) for a first-time homebuyer, in any amount not in excess of 100 percent of the appraised value of the property as of the date the loan is accepted or the acquisition cost of the property, whichever is less, plus the guarantee fee as authorized by subsection (h)(7)[2] of this section; and

(ii) for any borrower other than a first-time homebuyer, in an amount not in excess of the percentage of the property or the acquisition cost of the property that the Secretary shall determine, such percentage or cost in any event not to exceed 100 percent of the appraised value of the property as of the date the loan is accepted or the acquisition cost of the property, whichever is less, plus the guarantee fee as authorized by subsection (h)(7)[2] of this section.

(8) Guarantee fee

With respect to a guaranteed loan under this subsection, the Secretary may collect from the lender at the time of issuance of the guarantee a fee equal to not more than 1 percent of the principal obligation of the loan.

(9) Refinancing

Any guaranteed loan under this subsection may be refinanced and extended in accordance with terms and conditions that the Secretary shall prescribe, but in no event for an additional amount or term which exceeds the limitations under this subsection.

(10) Nonassumption

Notwithstanding the transfer of property for which a guaranteed loan under this subsection was made, the borrower of a guaranteed loan under this subsection may not be relieved of liability with respect to the loan.

(11) Geographical targeting

In providing guaranteed loans under this subsection, the Secretary shall establish standards to target and give priority to areas that have a demonstrated need for additional sources of mortgage financing for low and moderate income families.

(12) Allocation

The Secretary shall provide that, in each fiscal year, guaranteed loans under this subsection shall be allocated among the States on the basis of the need of eligible borrowers in each State for such loans in comparison with the need of eligible borrowers for such loans among all States.

(13) Definitions

For purposes of this subsection:

(A) The term ''displaced homemaker'' means an individual who—

(i) is an adult;

(ii) has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and

(iii) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(B) The term ''first-time homebuyer'' means any individual who (and whose spouse) has had no present ownership in a principal residence during the 3-year period ending on the date of purchase of the property acquired with a guaranteed loan under this subsection except that—

(i) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this subparagraph on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse; and

(ii) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this subparagraph on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.

(C) The term ''single parent'' means an individual who—

(i) is unmarried or legally separated from a spouse; and

(ii)(I) has 1 or more minor children for whom the individual has custody or joint custody; or

(II) is pregnant.

(D) The term ''State'' means the States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territories of the Pacific, and any other possession of the United States.

(14) Guarantees for refinancing loans

(A) In general

Upon the request of the borrower, the Secretary shall, to the extent provided in appropriation Acts and subject to subparagraph (F), guarantee a loan that is made to refinance an existing loan that is made under this section or guaranteed under this subsection, and that the Secretary determines complies with the requirements of this paragraph.

(B) Interest rate

To be eligible for a guarantee under this paragraph, the refinancing loan shall have a rate of interest that is fixed over the term of the loan and does not exceed the interest rate of the loan being refinanced.

(C) Security

To be eligible for a guarantee under this paragraph, the refinancing loan shall be secured by the same single-family residence as was the loan being refinanced, which shall be owned by the borrower and occupied by the borrower as the principal residence of the borrower.

(D) Amount

To be eligible for a guarantee under this paragraph, the principal obligation under

[2] So in original. Probably should be subsection ''(h)(8)''.

the refinancing loan shall not exceed an amount equal to the sum of the balance of the loan being refinanced and such closing costs as may be authorized by the Secretary, which shall include a discount not exceeding 200 basis points and an origination fee not exceeding such amount as the Secretary shall prescribe.

(E) Other requirements

The provisions of the last sentence of paragraph (2) and paragraphs (3), (6), (7)(A), (8), and (10) shall apply to loans guaranteed under this paragraph, and no other provisions of paragraphs (2) through (13) shall apply to such loans.

(F) Authority to establish limitation

The Secretary may establish limitations on the number of loans guaranteed under this paragraph, which shall be based on market conditions and other factors as the Secretary considers appropriate.

(July 15, 1949, ch. 338, title V, § 502, 63 Stat. 433; Pub. L. 87–70, title VIII, § 801(b), June 30, 1961, 75 Stat. 186; Pub. L. 87–723, § 4(a)(2), Sept. 28, 1962, 76 Stat. 671; Pub. L. 89–117, title X, § 1002, Aug. 10, 1965, 79 Stat. 497; Pub. L. 89–754, title VIII, § 802, Nov. 3, 1966, 80 Stat. 1282; Pub. L. 93–383, title V, § 505(b), Aug. 22, 1974, 88 Stat. 693; Pub. L. 95–128, title V, § 502(a), Oct. 12, 1977, 91 Stat. 1139; Pub. L. 96–153, title V, § 503, Dec. 21, 1979, 93 Stat. 1134; Pub. L. 96–399, title V, § 514(a), Oct. 8, 1980, 94 Stat. 1671; Pub. L. 98–181, title V, § 503(a), (d), Nov. 30, 1983, 97 Stat. 1240, 1241; Pub. L. 98–479, title I, § 105(b)(1), Oct. 17, 1984, 98 Stat. 2226; Pub. L. 100–242, title II, § 241, title III, § 314, Feb. 5, 1988, 101 Stat. 1886, 1897; Pub. L. 100–628, title X, § 1028, Nov. 7, 1988, 102 Stat. 3271; Pub. L. 101–235, title II, § 206, Dec. 15, 1989, 103 Stat. 2041; Pub. L. 101–625, title VII, §§ 704(a), 705(a), 706(b), 719(b), Nov. 28, 1990, 104 Stat. 4283, 4284, 4297; Pub. L. 102–142, title VII, § 743(b), Oct. 28, 1991, 105 Stat. 915; Pub. L. 102–550, title VII, §§ 701(g), 702(a), 703, 704, 712(a), (b), Oct. 28, 1992, 106 Stat. 3834, 3835, 3841; Pub. L. 104–180, title VII, § 734(c)(3)(A), (B), Aug. 6, 1996, 110 Stat. 1602; Pub. L. 105–276, title V, § 599C(e)(2)(A), (f), Oct. 21, 1998, 112 Stat. 2662, 2663; Pub. L. 106–569, title VII, § 701, Dec. 27, 2000, 114 Stat. 3013; Pub. L. 108–285, § 3(b), (c), Aug. 2, 2004, 118 Stat. 917, 918; Pub. L. 108–447, div. A, title VII, § 726(b), Dec. 8, 2004, 118 Stat. 2842.)

REFERENCES IN TEXT

Section 1484(j) of this title, referred to in subsec. (c)(4)(B)(iv), was repealed by Pub. L. 106–569, title VII, § 708(b), Dec. 27, 2000, 114 Stat. 3018.

The Housing and Community Development Act of 1974, referred to in subsec. (e)(1)(A), (2)(B), is Pub. L. 93–383, Aug. 22, 1974, 88 Stat. 633, as amended. Title VI of the Housing and Community Development Act of 1974 is known as the National Manufactured Housing Construction and Safety Standards Act of 1974 and is classified generally to chapter 70 (§ 5401 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5301 of this title and Tables.

The National Housing Act, referred to in subsec. (e)(1)(B), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended. Title II of the National Housing Act is classified principally to subchapter II (§ 1707 et seq.) of chapter 13 of Title 12, Banks and Banking. For complete classification of this Act to the Code, see section 1701 of Title 12 and Tables.

Section 502, referred to in subsec. (h), means section 502 of act July 15, 1949, ch. 338, which is classifed to this section.

AMENDMENTS

2004—Subsec. (h). Pub. L. 108–285, § 3(b)(3), substituted ''Doug Bereuter section 502 single family housing loan guarantee program'' for ''Guaranteed loans'' in heading.

Subsec. (h)(1) to (4). Pub. L. 108–285, § 3(b)(1), (2), added par. (1) and redesignated former pars. (1) to (3) as (2) to (4), respectively. Former par. (4) redesignated (5).

Subsec. (h)(5). Pub. L. 108–285, § 3(b)(1), redesignated par. (4) as (5). Former par. (5) redesignated (6).

Subsec. (h)(5)(A). Pub. L. 108–285, § 3(c)(1), substituted ''paragraph (13)'' for ''paragraph (12)(A)''.

Subsec. (h)(6). Pub. L. 108–285, § 3(b)(1), redesignated par. (5) as (6). Former par. (6) redesignated (7).

Subsec. (h)(7). Pub. L. 108–285, § 3(b)(1), redesignated par. (6) as (7). Former par. (7) redesignated (8).

Subsec. (h)(7)(C). Pub. L. 108–447, which directed insertion of '', plus the guarantee fee as authorized by subsection (h)(7) of this section'' after ''whichever is less'' in pars. (i) and (ii) of subsec. (h)(6)(C), was executed by making the insertion in cls. (i) and (ii) of par. (7)(C), to reflect the probable intent of Congress and the amendment by Pub. L. 108–285, § 3(b)(1). See above.

Subsec. (h)(8) to (13). Pub. L. 108–285, § 3(b)(1), redesignated pars. (7) to (12) as (8) to (13), respectively. Former par. (13) redesignated (14).

Subsec. (h)(14). Pub. L. 108–285, § 3(b)(1), redesignated par. (13) as (14).

Subsec. (h)(14)(A). Pub. L. 108–285, § 3(c)(2)(A), made technical amendment to heading in original Act.

Subsec. (h)(14)(E). Pub. L. 108–285, § 3(c)(2)(B), substituted ''paragraph (2) and paragraphs (3), (6), (7)(A), (8), and (10)'' for ''paragraph (1) and paragraphs (2), (5), (6)(A), (7), and (9)'' and ''paragraphs (2) through (13)'' for ''paragraphs (1) through (12)''.

2000—Subsec. (h)(13). Pub. L. 106–569 added par. (13).

1998—Subsec. (c)(1)(A)(i). Pub. L. 105–276, § 599C(e)(2)(A)(i), substituted '', (a)(2), or (5)'' for ''or (a)(2)''.

Subsec. (c)(4)(B)(ii). Pub. L. 105–276, § 599C(e)(2)(A)(ii), inserted before period at end '', or additional assistance or an increase in assistance provided under section 1490a(a)(5) of this title''.

Subsec. (c)(4)(B)(iii). Pub. L. 105–276, § 599C(e)(2)(A)(iii), was executed by inserting ''or 1490a(a)(5)'' after ''section 1490a(a)(2)'' to reflect the probable intent of Congress, notwithstanding the fact that the verb ''inserting'' was missing from the directory language.

Subsec. (c)(4)(B)(v). Pub. L. 105–276, § 599C(e)(2)(A)(iv), inserted before period at end '', or current tenants of projects not assisted under section 1490a(a)(5) of this title''.

Subsec. (c)(5)(C)(iii). Pub. L. 105–276, § 599C(e)(2)(A)(v), struck out comma after ''1490a(a)(2)(A) of this title'' and inserted ''or any assistance payments received under section 1490a(a)(5) of this title,'' before ''with respect''.

Subsec. (c)(5)(D). Pub. L. 105–276, § 599C(e)(2)(A)(vi), inserted before period at end ''or, in the case of housing assisted under section 1490a(a)(5) of this title, does not exceed the rents established for the project under such section''.

Subsec. (h)(6)(C). Pub. L. 105–276, § 599C(f), which directed the striking out of '', subject to the maximum dollar amount limitation of section 203(b)(2) of the National Housing Act'' each place it appeared, was executed by striking out '', subject to the maximum dollar limitation of section 203(b)(2) of the National Housing Act'' after ''whichever is less'' in cl. (i) and after ''Secretary shall determine'' in cl. (ii), to reflect the probable intent of Congress.

1996—Subsec. (c)(4)(B)(iv). Pub. L. 104–180, § 734(c)(3)(A), inserted before period at end ''or under paragraphs (1) and (2) of section 1484(j) of this title, except that an equity loan referred to in this clause may

not be made available after August 6, 1996, unless the Secretary determines that the other incentives available under this subparagraph are not adequate to provide a fair return on the investment of the borrower, to prevent prepayment of the loan insured under section 1484 or 1485 of this title, or to prevent the displacement of tenants of the housing for which the loan was made''.

Subsec. (c)(4)(C). Pub. L. 104–180, §734(c)(3)(B), in introductory provisions substituted ''The Secretary may approve assistance under subparagraph (B) for assisted housing only if the restrictive period has expired for any loan for the housing made or insured under section 1484 or 1485 of this title pursuant to a contract entered into after December 21, 1979, but before December 15, 1989, and the Secretary determines that the combination of assistance provided—'' for ''The Secretary may approve assistance under subparagraph (B) only if the Secretary determines that the combination of assistance provided—''.

1992—Subsec. (a)(3). Pub. L. 102–550, §702(a), added par. (3).

Subsec. (c)(2), (4)(A). Pub. L. 102–550, §712(a)(1), (2), substituted ''prior to December 15, 1989'' for ''before December 21, 1979''.

Subsec. (e)(4)(B)(vi). Pub. L. 102–550, §712(b), added cl. (vi).

Subsec. (e)(5)(F), (G). Pub. L. 102–550, §712(a)(3), (4), substituted ''prior to December 15, 1989'' for ''before December 21, 1979''.

Subsec. (f). Pub. L. 102–550, §704, inserted ''or on tribal allotted or Indian trust land'' in pars. (1) and (2).

Subsec. (g)(3). Pub. L. 102–550, §701(g), substituted ''1993 and 1994'' for ''1991 and 1992''.

Subsec. (h)(2). Pub. L. 102–550, §703, inserted ''115 percent of'' after ''exceed''.

1991—Subsec. (h)(3)(C). Pub. L. 102–142 struck out before period at end ''that is more than 25 miles from an urban area or densely populated area''.

1990—Subsec. (c)(1)(B). Pub. L. 101–625, §719(b), inserted ''initial'' after ''any''.

Subsec. (f). Pub. L. 101–625, §704(a), added subsec. (f).

Subsec. (g). Pub. L. 101–625, §705(a), added subsec. (g).

Subsec. (h). Pub. L. 101–625, §706(b), added subsec. (h).

1989—Subsec. (c)(1). Pub. L. 101–235, §206, designated existing provisions as subpar. (A), redesignated former subpars. (A) and (B) as cls. (i) and (ii), respectively, inserted ''but before December 15, 1989,'' after ''December 21, 1979,'' in introductory provisions and cl. (i), and added subpar. (B).

1988—Subsec. (c)(3). Pub. L. 100–242, §241, added par. (3).

Subsec. (c)(4). Pub. L. 100–242, §241, added par. (4).

Subsec. (c)(4)(B)(iv). Pub. L. 100–628, §1028(a), substituted ''paragraphs (1) and (2) of section 1485(c)'' for ''paragraphs (7) and (8) of section 1485(b)''.

Subsec. (c)(5). Pub. L. 100–242, §241, added par. (5).

Subsec. (c)(5)(B)(iii). Pub. L. 100–628, §1028(b), added cl. (iii).

Subsec. (c)(5)(I). Pub. L. 100–628, §1028(c), substituted ''Definitions'' for ''Definition'' in heading and amended text generally. Prior to amendment, text read as follows: ''For purposes of this paragraph, the term 'nonprofit organization' means any private organization—

''(i) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual; and

''(ii) that is approved by the Secretary as to financial responsibility.''

Subsec. (e)(3). Pub. L. 100–242, §314, added par. (3).

1984—Subsec. (d)(1). Pub. L. 98–479 substituted ''percent of the funds approved in appropriation Acts for use under this section shall be set aside and made available only for very low-income families or persons'' for ''per centum of the dwelling units financed under this section shall be available only for occupancy by very low-income families or persons''.

Subsec. (d)(2). Pub. L. 98–479 substituted ''percent of the funds allocated to each State under this section shall be available only for very low-income families or persons'' for ''per centum of the dwelling units in each State financed under this section shall be available only for occupancy by very low-income families or persons''.

1983—Subsec. (a)(1). Pub. L. 98–181, §503(d)(1), (2), designated existing provisions as par. (1) and substituted ''The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability. At the borrower's option, the borrower may prepay to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 1471(e) of this title'' for ''in the case of applicants described in clauses (1) and (2) of section 1471(a) of this title, at a rate not to exceed 5 per centum per annum on the unpaid balance of principal, and, in the case of applicants described in clause (3) of section 1471(a) of this title and applicants under sections 1473 and 1474 of this title, at a rate not to exceed 4 per centum per annum on such unpaid balance. Loans made or insured under this subchapter shall be conditioned on the borrower paying such fees and other charges as the Secretary may require and on the borrower prepaying to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 1471(e) of this title. The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability''.

Subsec. (a)(2). Pub. L. 98–181, §503(d)(3), added par. (2).

Subsecs. (d), (e). Pub. L. 98–181, §503(a), added subsecs. (d) and (e).

1980—Subsec. (c). Pub. L. 96–399, in par. (1), substituted ''The Secretary may not accept'' for ''Except as provided in paragraph (2), the Secretary may not accept'', and ''entered into after'' for ''entered into before or after'' in two places, and in par. (2) substituted provisions granting priority for relocation to tenants displaced by virtue of prepayment or refinancing of loans on or after Oct. 8, 1980, for provisions relating to acceptance of an offer to prepay unless, after examination of the consequences of such offer, the Secretary determines that prepayment will result in displacement of tenants, and in the case of facilities containing more than ten units, will have an adverse effect on the supply of affordable and decent housing for low and moderate income and elderly persons.

1979—Subsec. (b)(2). Pub. L. 96–153, §503(a), inserted provisions that prepayment of loans made or insured under section 1484 or 1485 of this title shall be subject to the provisions of subsec. (c) of this section.

Subsec. (c). Pub. L. 96–153, §503(b), added subsec. (c).

1977—Subsec. (b)(3). Pub. L. 95–128 inserted introductory phrase ''except for guaranteed loans,''.

1974—Subsec. (a). Pub. L. 93–383 inserted provisions relating to the borrower prepaying to the Secretary as escrow agent taxes, insurance, and other expenses required by the Secretary in accordance with section 1471(e) of this title.

1966—Subsec. (a). Pub. L. 89–754 substituted ''The'' for ''In cases of applicants who are elderly persons, the'' in third sentence.

1965—Subsec. (a). Pub. L. 89–117 increased to 5 per centum the interest rate in the case of applicants described in clauses (1) and (2) of section 1471(a) of this title and also authorized the Secretary to charge fees on loans made or insured under this subchapter.

1962—Subsec. (a). Pub. L. 87–723 authorized the Secretary to accept, in the case of applicant's who are elderly persons, the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.

1961—Subsec. (b)(1). Pub. L. 87–70 substituted ''or such other security'' for ''and such additional security''.

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105–276, title V, §599C(g), Oct. 21, 1998, 112 Stat. 2663, provided that: ''The amendments made by

this section [amending this section and sections 1479, 1483 to 1485, 1490a, 1490j, and 1490p–2 of this title] are made on, and shall apply beginning upon, the date of the enactment of this Act [Oct. 21, 1998].''

EFFECTIVE DATE OF 1984 AMENDMENT

Section 105(b)(2) of Pub. L. 98–479 provided that: ''Notwithstanding any other provision of law, the provisions of section 502(d) of the Housing Act of 1949 [subsec. (d) of this section], as amended by paragraph (1), shall apply with respect to fiscal year 1985 and thereafter, and the provisions of such section, as so amended, may not be changed or superseded except by another provision of law which amends such section.''

REGULATIONS

Section 704(b) of Pub. L. 101–625 provided that: ''Not later than the expiration of the 120-day period beginning on the date of enactment of this Act [Nov. 28, 1990], the Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by subsection (a) [amending this section].''

Section 705(b) of Pub. L. 101–625 provided that: ''Not later than the expiration of the 120-day period beginning on the date of enactment of this Act [Nov. 28, 1990], the Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by subsection (a) [amending this section].''

Section 706(d) of Pub. L. 101–625 provided that:

''(1) PROPOSED REGULATIONS AND COMMENT PERIOD.—Not later than 120 days after the date of the enactment of this Act [Nov. 28, 1990], the Secretary of Agriculture shall publish in the Federal Register proposed regulations to implement the amendments made by this section [amending this section and section 1701x of Title 12, Banks and Banking]. The Secretary shall receive comments regarding the regulations during the 30-day period beginning on the date of the publication of the proposed regulations.

''(2) IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations to implement the amendments made by this section. The Secretary shall provide for the regulations to take effect not later than 30 days after the date on which the regulations are issued.

''(3) APPLICABILITY.—The amendments made by this section shall not apply to guaranteed loans under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) made before the date on which the final regulations issued by the Secretary under paragraph (2) take effect.

''(4) CONSULTATION.—In developing and promulgating the regulations under paragraphs (1) and (2), the Secretary of Agriculture shall consult with the chairperson of the Federal Agricultural Mortgage Corporation and shall solicit the views of borrowers, lenders, realtors, and homebuilders experienced and knowledgeable regarding housing in rural areas to provide that the regulations promulgated ensure that guaranteed loans pursuant to the amendments made by this section—

''(A) are made in a manner that is cost-effective; and

''(B) are made in a manner that reduces, to the extent practicable, the burden of administration and paperwork for borrowers and lenders.''

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

CONGRESSIONAL FINDINGS FOR 2004 AMENDMENT

Pub. L. 108–285, § 3(a), Aug. 2, 2004, 118 Stat. 917, provided that: ''The Congress finds that—

''(1) the Cranston-Gonzalez National Affordable Housing Act [Pub. L. 101–625, see Tables for classification], enacted November 28, 1990, established the section 502 single family housing loan guarantee program of the Rural Housing Service of the United States Department of Agriculture;

''(2) Congressman Doug Bereuter of Nebraska was the legislative author of the single family housing loan guarantee program;

''(3) 316,625 single family loans have been guaranteed under the program since its implementation in 1991;

''(4) the program facilitates home ownership for low- to moderate-income borrowers in rural areas and nonmetropolitan communities who are unable to obtain conventional home mortgage financing; and

''(5) in 2003, the average income of a borrower with a loan guaranteed under the section 502 guarantee program was $34,124.''

MAXIMUM LEVEL FOR RURAL SINGLE FAMILY HOUSING ASSISTANCE

Pub. L. 108–447, div. A, title VII, § 765, Dec. 8, 2004, 118 Stat. 2847, provided that: ''Notwithstanding any other provision of law, for any fiscal year and hereafter, in the case of a high cost isolated rural area in Alaska that is not connected to a road system, the maximum level for the single family housing assistance shall be 150 percent of the average income level in the metropolitan areas of the State and 115 percent of all other eligible areas of the State.''

Similar provisions were contained in the following appropriation acts:

Pub. L. 109–97, title VII, § 754(3), Nov. 10, 2005, 119 Stat. 2157.

Pub. L. 108–199, div. A, title VII, § 763, Jan. 23, 2004, 118 Stat. 39.

FEE FOR GUARANTEED LOANS

Pub. L. 106–387, § 1(a) [title VII, § 739], Oct. 28, 2000, 114 Stat. 1549, 1549A–34, provided that: ''Hereafter, notwithstanding section 502(h)(7) of the Housing Act of 1949 (42 U.S.C. 1472(h)(7)), the fee collected by the Secretary of Agriculture with respect to a guaranteed loan under such section 502(h) at the time of the issuance of such guarantee may be in an amount equal to not more than 2 percent of the principal obligation of the loan.''

INCOME LIMIT FOR BORROWERS

Pub. L. 106–387, § 1(a) [title VII, § 751], Oct. 28, 2000, 114 Stat. 1549, 1549A–41, provided that: ''Hereafter, the Secretary of Agriculture shall consider any borrower whose income does not exceed 115 percent of the median family income of the United States as meeting the eligibility requirements for a borrower contained in section 502(h)(2) of the Housing Act of 1949 (42 U.S.C. 1472(h)(2)).''

RURAL HOUSING LOAN GUARANTEES; FINDINGS AND PURPOSE

Section 706(a) of Pub. L. 101–625 provided that:

''(1) FINDINGS.—The Congress finds that—

''(A) the Federal Government should encourage support for homeownership through nonsubsidized mortgage loans guaranteed by the Secretary of Agriculture for the purchase of modest homes located in rural areas and small communities of the country that are not adequately served by private conventional, federally insured, or guaranteed mortgage credit providers; and

''(B) many rural areas contain disproportionate amounts of substandard housing in need of repair, but lack the necessary funding and support to modernize such housing through preservation.

''(2) PURPOSE.—The purpose of this section [amending this section and section 1701x of Title 12, Banks and Banking, and enacting provisions set out above] is to expand homeownership opportunities to low- and moderate-income residents of rural areas of the country through the establishment of guaranteed rural housing loans to be made available in rural locations where there is an insufficient availability of mortgage financing from other sources.''

RURAL HOUSING GUARANTEED LOAN DEMONSTRATION

Section 304 of Pub. L. 100–242, as amended by Pub. L. 100–628, title X, § 1041(a), (b), Nov. 7, 1988, 102 Stat. 3272, provided for establishment by Secretary of Agriculture of a rural housing guaranteed loan demonstration to provide guaranteed loans in accordance with section 1487(d) of this title and last sentence of section 1490(a)(1)(A) of this title, authorized amount available for such loans, established loan criteria, directed Secretary to submit to Congress, as soon as practicable after Sept. 30, 1989, an interim report setting forth findings and recommendations as a result of the demonstration and a final report on such findings and recommendations as soon as practicable after Sept. 30, 1991, prohibited Secretary from providing any guaranteed loans after Sept. 30, 1991, except pursuant to a commitment entered into on or before such date, and excluded applicability of subsec. (d) of this section and second sentence of section 1487(e) of this title to loan demonstration.

PROHIBITION ON ACCEPTANCE OF PREPAYMENT OF CERTAIN LOANS

Pub. L. 100–71, title I, July 11, 1987, 101 Stat. 428, as amended by Pub. L. 100–122, § 2(d), Sept. 30, 1987, 101 Stat. 793; Pub. L. 100–154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100–170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100–179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100–200, Dec. 21, 1987, 101 Stat. 1327, provided that: ''The limitations on loan prepayments contained in section 634 of the Agriculture, Rural Development, and Related Agencies Appropriations Act, 1987 [section 101(a) [title VI, § 634] of Pub. L. 99–500 and 99–591, set out below] shall remain in effect through March 15, 1988.''

Pub. L. 99–500, § 101(a) [title VI, § 634], Oct. 18, 1986, 100 Stat. 1783, 1783–34, and Pub. L. 99–591, § 101(a) [title VI, § 634], Oct. 30, 1986, 100 Stat. 3341, 3341–34, provided that: ''Notwithstanding any other provision of law, including section 502(c)(2) of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) [subsec. (c)(2) of this section], none of the funds appropriated under this or any other Act shall be used prior to June 30, 1987 to accept prepayment of any loan made under section 515 of the Housing Act of 1949 [section 1485 of this title], unless such loan was made at least twenty years prior to the date of prepayment or, for loans made before December 21, 1979, the Secretary makes a determination that a supply of adequate, comparable housing is available in the community, or that prepayment of such loans will not result in a substantial increase in rents to tenants in residence upon date of prepayment or displacement of such tenants.''

STUDY AND REPORT OF COMPARISON OF CONSTRUCTION COSTS AND ENERGY SAVINGS BETWEEN MANUFACTURED HOMES BUILT UNDER NATIONAL MANUFACTURED HOUSING SAFETY STANDARDS AND OTHER HOMES

Section 503(b) of Pub. L. 98–181 provided that: ''Within 18 months from the issuance by the Secretary of Agriculture of regulations under section 502(e)(2) of the Housing Act of 1949 [subsec. (e)(2) of this section], the Secretary of Energy, in consultation with the Secretary of Housing and Urban Development and the Secretary of Agriculture, shall conduct a study and transmit to the Congress a report that compares the increased construction costs, actual annual energy use, and the projected value of energy saved over the expected life of the home or the mortgage term, whichever is shorter, of manufactured homes which are financed under titles I and II of the National Housing Act [12 U.S.C. 1702 et seq., 1707 et seq.], or under title V of the Housing Act of 1949 [this subchapter] and which are built according to national manufactured housing safety standards with other homes insured under either such Act.''

STUDY AND REPORT TO CONGRESS OF ADVERSE EFFECTS ON HOUSING OF PREPAYMENT OF LOANS

Section 514(b) of Pub. L. 96–399 required Secretary of Agriculture to conduct a study of, and report to Congress not later than 6 months after Oct. 8, 1980, on any adverse effects the amendments made by subsection (a) [amending this section] may have on housing, particularly for the elderly and persons of low income.

§ 1473. Loans for housing and buildings on potentially adequate farms; conditions and terms

If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this subchapter; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 1472 of this title. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

Except as provided in title 11, this agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

(July 15, 1949, ch. 338, title V, § 503, 63 Stat. 434; Pub. L. 95–598, title III, § 329, Nov. 6, 1978, 92 Stat. 2679.)

AMENDMENTS

1978—Pub. L. 95–598 inserted introductory phrase ''Except as provided in title 11''.

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–598 effective Oct. 1, 1979, see section 402(a) of Pub. L. 95–598, set out as an Effective Date note preceding section 101 of Title 11, Bankruptcy.

§ 1474. Loans and grants for repairs or improvements of rural dwellings

(a) Prerequisites; purposes; amounts; terms

The Secretary may make a loan, grant, or combined loan and grant to an eligible very low-income applicant in order to improve or modernize a rural dwelling, to make the dwelling safer or more sanitary, or to remove hazards. The Secretary may make a loan or grant under this subsection to the applicant to cover the cost of any or all repairs, improvements, or additions such as repairing roofs, providing sanitary waste facilities, providing a convenient and sanitary water supply, repairing or providing structural supports, or making similar repairs, additions, improvements, including all preliminary and installation costs in obtaining central water and sewer service. The maximum amount of a grant, a loan, or a loan and grant shall not exceed such limitations as the Secretary determines to be appropriate. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable within twenty years in accordance with the principles and conditions set forth in this subchapter, except that a loan for less than $7,500 need be evidenced only by a promissory note. Sums made available by grant may be made subject to the conditions set forth in this subchapter for the protection of the Government with respect to contributions made on loans made by the Secretary.

(b) Additional purposes

In order to encourage adequate family-size farms the Secretary may make loans under this section and section 1473 of this title to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 1483 of this title for such purposes.

(c) Weatherization program; development, etc.

(1) In addition to other duties specified in this section, the Secretary shall develop and conduct a weatherization program for the purpose of making grants to finance the purchase or installation, or both, of weatherization materials in dwelling units occupied by low-income families. Such grants shall be made to low-income families who own dwelling units or, subject to the provisions of paragraph (2), to owners of such units for the benefit of the low-income tenants residing therein. In making grants under this subsection, the Secretary shall give priority to the weatherization of dwelling units occupied by low-income elderly or handicapped persons. The Secretary shall, in carrying out this section, consult with the Director of the Community Services Administration and the Secretary of Energy for the purpose of coordinating the weatherization program under this subsection, section 2809(a)(12) of this title, and part A of the Energy Conservation in Existing Buildings Act of 1976 [42 U.S.C. 6861 et seq.].

(2) In the case of any grant made under this subsection to an owner of a rental dwelling unit the Secretary shall provide that (A) the benefits of weatherization assistance in connection with such unit will accrue primarily to the low-income family residing therein, (B) the rents on such dwelling unit will not be raised because of any increase in value thereof due solely to weatherization assistance provided under this subsection, and (C) no undue or excessive enhancement will occur to the value of such unit.

(3) In carrying out this subsection, the Secretary shall (A) implement the weatherization standards described in paragraphs (2)(A) and (3) of section 413(b) of the Energy Conservation in Existing Buildings Act of 1976 [42 U.S.C. 6863(b)], and (B) provide that, with respect to any dwelling unit, not more than $800 of any grant made under this section be expended on weatherization materials and related matters described in section 415(c) of the Energy Conservation in Existing Buildings Act of 1976 [42 U.S.C. 6865(c)], except that the Secretary shall increase such amount to not more than $1,500 to cover labor costs in areas where the Secretary, in consultation with the Secretary of Labor, determines there is an insufficient number of volunteers and training participants and public service employment workers, assisted pursuant to title I of the Workforce Investment Act of 1998 [29 U.S.C. 2801 et seq.] or the Older American Community Service Employment Act [42 U.S.C. 3056 et seq.],[1] available to work on weatherization projects under the supervision of qualified supervisors.

(4) For purposes of this subsection, the terms ''elderly,'' ''handicapped person,'' ''low income,'' and ''weatherization materials'' shall have the same meanings given such terms in paragraphs (3), (5), (7), and (9), respectively, of section 412 of the Energy Conservation in Existing Buildings Act of 1976 [42 U.S.C. 6862].

(July 15, 1949, ch. 338, title V, § 504, 63 Stat. 434; Pub. L. 87–723, § 4(c)(3), Sept. 28, 1962, 76 Stat. 672; Pub. L. 89–754, title VIII, § 803, Nov. 3, 1966, 80 Stat. 1282; Pub. L. 91–609, title VIII, § 803(a), Dec. 31, 1970, 84 Stat. 1806; Pub. L. 93–383, title V, § 504, Aug. 22, 1974, 88 Stat. 693; Pub. L. 95–619, title II, § 232(a), Nov. 9, 1978, 92 Stat. 3226; Pub. L. 96–153, title V, § 510, Dec. 21, 1979, 93 Stat. 1137; Pub. L. 98–181, title V, § 504, Nov. 30, 1983, 97 Stat. 1242; Pub. L. 105–277, div. A, § 101(f) [title VIII, § 405(d)(32), (f)(24)], Oct. 21, 1998, 112 Stat. 2681–337, 2681–425, 2681–433; Pub. L. 106–569, title VII, § 702, Dec. 27, 2000, 114 Stat. 3013.)

REFERENCES IN TEXT

Section 2809 of this title, referred to in subsec. (c)(1), was repealed by Pub. L. 97–35, title VI, § 683(a), Aug. 13, 1981, 95 Stat. 519.

The Energy Conservation in Existing Buildings Act of 1976, referred to in subsec. (c)(1), is title IV of Pub. L. 94–385, Aug. 14, 1976, 90 Stat. 1150, as amended. Part A of the Energy Conservation in Existing Buildings Act of 1976 is classified generally to Part A (§ 6861 et seq.)

[1] See References in Text note below.

of subchapter III of chapter 81 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 6801 of this title and Tables.

The Workforce Investment Act of 1998, referred to in subsec. (c)(3), is Pub. L. 105–220, Aug. 7, 1998, 112 Stat. 936, as amended. Title I of the Act is classified principally to chapter 30 (§ 2801 et seq.) of Title 29, Labor. For complete classification of this Act to the Code, see Short Title note set out under section 9201 of Title 20, Education, and Tables.

The Older American Community Service Employment Act, referred to in subsec. (c)(3), was title V of Pub. L. 89–73, as added Pub. L. 94–135, title I, § 113(a), Nov. 28, 1975, 89 Stat. 720, and amended. Title V of Pub. L. 89–73 was amended generally and renamed the Community Service Senior Opportunities Act by Pub. L. 109–365, title V, § 501, Oct. 17, 2006, 120 Stat. 2563, and is classified generally to subchapter IX (§ 3056 et seq.) of chapter 35 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3001 of this title and Tables.

AMENDMENTS

2000—Subsec. (a). Pub. L. 106–569 substituted ''$7,500'' for ''$2,500'' in fourth sentence.

1998—Subsec. (c)(3). Pub. L. 105–277, § 101(f) [title VIII, § 405(f)(24)], struck out ''the Job Training Partnership Act or'' after ''pursuant to''.

Pub. L. 105–277, § 101(f) [title VIII, § 405(d)(32)], substituted ''pursuant to the Job Training Partnership Act or title I of the Workforce Investment Act of 1998 or the'' for ''pursuant to the Comprehensive Employment and Training Act of 1973 or the''.

1983—Subsec. (a). Pub. L. 98–181 substituted ''The Secretary may make a loan, grant, or combined loan and grant to an eligible very low-income applicant in order to improve or modernize a rural dwelling, to make the dwelling safer or more sanitary, or to remove hazards. The Secretary may make a loan or grant under this subsection to the applicant to cover the cost of any or all repairs, improvements, or additions such as repairing roofs, providing sanitary waste facilities, providing a convenient and sanitary water supply, repairing or providing structural supports, or making similar repairs, additions, improvements, including all preliminary and installation costs in obtaining central water and sewer service. The maximum amount of a grant, a loan, or a loan and grant shall not exceed such limitations as the Secretary determines to be appropriate.'' for ''In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 1472 and 1473 of this title and that repairs or improvements should be made to a rural dwelling occupied by him in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. No assistance shall be extended to any individual or family under this subsection in the form of a grant in excess of $5,000, and no assistance shall be extended to any individual or family under this subsection in the form of a loan or a combined loan and grant in excess of $7,500.''

1979—Subsec. (a). Pub. L. 96–153 substituted provisions limiting the assistance in the form of grants to any individual or family to $5,000 and in the form of loans or combined loans and grants to $7,500 for provisions limiting loans, grants, or combined loans and grants to $5,000 in the case of assistance to individuals.

1978—Subsec. (c). Pub. L. 95–619 added subsec. (c).

1974—Subsec. (a). Pub. L. 93–383 substituted provisions relating to repairs or improvements of a rural dwelling, scope of such repairs or improvements, limitation of $5,000 as maximum amount of grant or loan, and requirement of a promissory note for loan less than $2,500, for provisions relating to repairs or improvements of a farm dwelling, scope of such repairs or improvements, and limitations of $2,500, or $3,500 in cases involving water or plumbing facilities, as maximum amount of grant or loan.

1970—Subsec. (a). Pub. L. 91–609 increased limitation on amount of assistance from ''$1,500'' to ''$2,500'' and provided for an alternative larger amount not exceeding $3,500 as Secretary determines to be necessary in case of repairs or improvements involving water supply, septic tank, or bathroom or kitchen plumbing facilities.

1966—Subsec. (a). Pub. L. 89–754 increased limitation on assistance from $1,000 to $1,500.

1962—Subsec. (a). Pub. L. 87–723 substituted ''in the form of a loan, grant, or combined loan and grant in excess of $1,000'' for ''(1) in the form of a loan, or combined loan and grant, in excess of $1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of $500.''

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by section 101(f) [title VIII, § 405(d)(32)] of Pub. L. 105–277 effective Oct. 21, 1998, and amendment by section 101(f) [title VIII, § 405(f)(24)] of Pub. L. 105–277 effective July 1, 2000, see section 101(f) [title VIII, § 405(g)(1), (2)(B)] of Pub. L. 105–277, set out as a note under section 3502 of Title 5, Government Organization and Employees.

COMMUNITY SERVICES ADMINISTRATION

Community Services Administration, established by section 601 of Economic Opportunity Act of 1964, as amended (42 U.S.C. 2941), terminated when Economic Opportunity Act of 1964, Pub. L. 88–452, Aug. 20, 1964, 78 Stat. 508, as amended, was repealed, except for titles VIII and X, effective Oct. 1, 1981, by section 683(a) of Pub. L. 97–35, title VI, Aug. 13, 1981, 95 Stat. 519 (42 U.S.C. 9912(a)). An Office of Community Services, headed by a Director, was established in Department of Health and Human Services by section 676 of Pub. L. 97–35 (42 U.S.C. 9905).

§ 1474a. Security for direct or insured rural housing loans to farmer applicants

On and after August 8, 1968, farmer applicants for direct or insured rural housing loans shall be required to provide only such collateral security as is required of owners of nonfarm tracts.

(Pub. L. 90–463, title II, § 201, Aug. 8, 1968, 82 Stat. 651.)

CODIFICATION

Section was enacted as part of the Department of Agriculture and Related Agencies Appropriation Act, 1969, and not as part of the Housing Act of 1949 which comprises this chapter.

§ 1475. Loan payment moratorium and foreclosure procedures

(a) Moratorium

During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without

unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

(b) Foreclosure procedures

In foreclosing on any mortgage held by the Secretary under this subchapter, the Secretary shall follow the foreclosure procedures of the State in which the property involved is located to the extent such procedures are more favorable to the borrower than the foreclosure procedures that would otherwise be followed by the Secretary. This subsection shall be subject to the availability of amounts approved in appropriations Acts, to the extent additional budget authority is necessary to carry out this subsection.

(July 15, 1949, ch. 338, title V, § 505, 63 Stat. 434; Pub. L. 101–625, title VII, § 707, Nov. 28, 1990, 104 Stat. 4287.)

AMENDMENTS

1990—Pub. L. 101–625 amended section catchline generally, designated existing provisions as subsec. (a) and inserted heading, and added subsec. (b).

§ 1476. Buildings and repairs

(a) Construction in accordance with plans and specifications; supervision and inspection; technical services and research

In connection with financial assistance authorized in this subchapter, the Secretary shall require that all new buildings and repairs financed under this subchapter shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this subchapter shall be supervised and inspected as required by the Secretary. In addition to the financial assistance authorized in this subchapter, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this subchapter, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings.

(b) Research and technical studies for reduction of costs and adaptation and development of fixtures and appurtenances

The Secretary is further authorized and directed to conduct research, technical studies, and demonstrations relating to the mission and programs of the Farmers Home Administration and the national housing goals defined in section 1441 of this title. In connection with such activities, the Secretary shall seek to promote the construction of adequate farm and other rural housing, with particular attention to the housing needs of the elderly, handicapped, migrant and seasonal farmworkers, Indians and other identifiable groups with special needs. The Secretary shall conduct such activities for the purposes of stimulating construction and improving the architectural design and utility of dwellings and buildings. In carrying out this subsection, the Secretary may permit demonstrations involving innovative housing units and systems which do not meet existing published standards, rules, regulations, or policies if the Secretary finds that in so doing, the health and safety of the population of the area in which the demonstration is carried out will not be adversely affected, except that the aggregate expenditures for such demonstrations may not exceed $10,000,000 in any fiscal year.

(c) Research, study, and analysis of farm housing

The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

(1) the adequacy of existing farm housing;

(2) the nature and extent of current and prospective needs for farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;

(3) problems faced by farmers and other persons eligible under section 1471 of this title in purchasing, constructing, improving, altering, repairing, and replacing farm housing;

(4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and

(5) any other matters bearing upon the provision of adequate farm housing.

(d) Research capacity within Farmers Home Administration; establishment; authority

In order to carry out this section, the Secretary shall establish a research capacity within the Farmers Home Administration which shall have authority to undertake, or to contract with any public or private body to undertake, research authorized by this section.

(e) Preparation and submission of estimates of housing needs

The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national rural housing needs and reports with respect to the progress being made toward meeting such needs and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to rural housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

(f) Study of housing available for migrant and settled farmworkers

(1) The Secretary shall conduct a study of housing which is available for migrant and settled farmworkers. In conducting such study, the Secretary shall—

(A) determine the location, number, quality, and condition of housing units which are available to such farmworkers and the cost as-

sessed such farmworkers for occupying such units;

(B) recommend legislative, administrative, and other action (including the need for new authority for such action) which may be taken for the purpose of improving both the availability and the condition of such housing units; and

(C) determine the possible roles which individual farmworkers, farmworker associations, individual farmers, farmer associations, and public and private nonprofit agencies can perform in improving the housing conditions of farmworkers.

(2) The Secretary shall transmit the results of the study described in paragraph (1) to each House of the Congress within one year after October 31, 1978.

(July 15, 1949, ch. 338, title V, § 506, 63 Stat. 435; Pub. L. 87–70, title VIII, §§ 804(b)(1), 805(a), June 30, 1961, 75 Stat. 188; Pub. L. 87–723, § 4(c)(2), Sept. 28, 1962, 76 Stat. 672; Pub. L. 88–560, title V, § 503(c), Sept. 2, 1964, 78 Stat. 798; Pub. L. 89–117, title X, § 1005(d), Aug. 10, 1965, 79 Stat. 501; Pub. L. 89–348, § 1(5), Nov. 8, 1965, 79 Stat. 1310; Pub. L. 93–383, title V, §§ 506, 519(a), Aug. 22, 1974, 88 Stat. 694, 699; Pub. L. 95–128, title V, § 510, Oct. 12, 1977, 91 Stat. 1142; Pub. L. 95–557, title V, § 502, Oct. 31, 1978, 92 Stat. 2111; Pub. L. 98–181, title V, § 505, Nov. 30, 1983, 97 Stat. 1242; Pub. L. 104–66, title I, § 1011(m), Dec. 21, 1995, 109 Stat. 710.)

REFERENCES IN TEXT

This Act, referred to in subsec. (e), is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, known as the Housing Act of 1949, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of that Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

AMENDMENTS

1995—Subsec. (b). Pub. L. 104–66 struck out at end ''The Secretary shall report to the Congress at the close of each fiscal year on the results of such demonstrations.''

1983—Subsec. (b). Pub. L. 98–181 inserted provision relating to demonstrations involving innovative housing units and systems not meeting existing standards with expenditures not to exceed $10,000,000 in any fiscal year and a report to be made to Congress at the close of each fiscal year.

1978—Subsec. (b). Pub. L. 95–557, § 502(a), revised the provisions of this subsection to bring particular attention to the housing needs of the elderly, handicapped, migrant and seasonal farmworkers, Indians and other identifiable groups.

Subsec. (f). Pub. L. 95–557, § 502(b), added subsec. (f).

1977—Subsec. (d). Pub. L. 95–128 substituted provision respecting establishment and authority of a research capacity within the Farmers Home Administration for provision to carry out subsec. (b) and (c) research and study programs through grants by the Secretary to land-grant colleges on such terms, conditions, and standards as he may prescribe or through such other agencies as he may elect.

1974—Subsec. (a). Pub. L. 93–383, § 519(a), substituted ''as required by the Secretary'' for ''as may be required by the Secretary, by competent employees of the Secretary''.

Subsec. (d). Pub. L. 93–383, § 506(a), substituted provisions authorizing grants to such other private or public organizations as selected by the Secretary upon finding that required research and study could not be performed by personnel and facilities of Department of Agriculture or land-grant colleges, for provisions authorizing grants to such other agencies as selected by the Secretary.

Subsec. (e). Pub. L. 93–383, § 506(b), substituted ''rural housing'' for ''farm housing'' wherever appearing.

1965—Subsec. (a). Pub. L. 89–117 substituted ''this subchapter'' for ''sections 1471 to 1474 and sections 1484 to 1486 of this title'' wherever appearing.

Subsec. (e). Pub. L. 89–348, which directed the repeal in subsec. (b) of the requirement of the report of estimates of national farm housing needs and of progress made toward meeting such needs, probably was intended to repeal such reporting requirement in subsec. (e) in view of the redesignation of subsec. (b) as (e) by Pub. L. 87–70.

1964—Subsec. (a). Pub. L. 88–560 inserted reference to section 1486 of this title wherever appearing.

1962—Subsec. (a). Pub. L. 87–723 substituted ''sections 1484 and 1485'' for ''section 1484'' wherever appearing.

1961—Subsec. (a). Pub. L. 87–70, §§ 804(b)(1), 805(a)(1), inserted a reference to section 1484 of this title in two places, and struck out provisions which authorized the conduct of research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving architectural design and utility, utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, which provisions are now contained in subsec. (b) of this section.

Subsecs. (b) to (e). Pub. L. 87–70, § 805(a)(2), (3), added subsecs. (b) to (d) and redesignated former subsec. (b) as (e). Provisions of subsec. (b) were formerly contained in subsec. (a).

STUDY OF EMERGENCY POTABLE WATER AND SEWAGE PROGRAM

Section 508 of Pub. L. 95–557 required Secretary of Agriculture to determine the approximate number of rural housing units without access to sanitary toilet facilities or potable water, prepare a projection of the cost providing such facilities and supplies, and report to Congress not later than six months after Oct. 31, 1978.

REPORT OF ESTIMATES OF NATIONAL FARM HOUSING NEEDS

Pub. L. 89–348, § 1(5), Nov. 8, 1965, 79 Stat. 1310, repealed provisions of subsec. (e) of this section which related to reports of the estimates of national farm housing needs and of progress toward meeting such needs.

§ 1477. Preferences for veterans and families of deceased servicemen

As between eligible applicants seeking assistance under sections 1471 to 1474, inclusive, of this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a ''veteran'' shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress, or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101(29) of title 38), and who was discharged or released therefrom on conditions other than dishonorable. ''Deceased servicemen'' shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date

as shall be determined by Presidential proclamation or concurrent resolution of Congress, or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101(29) of title 38), and who died in service before the termination of such war or such period or era.

(July 15, 1949, ch. 338, title V, § 507, 63 Stat. 435; June 30, 1953, ch. 174, § 3, 67 Stat. 132; Pub. L. 87–70, title VIII, § 804(b)(2), June 30, 1961, 75 Stat. 188; Pub. L. 93–383, title V, § 507, Aug. 22, 1974, 88 Stat. 694.)

AMENDMENTS

1974—Pub. L. 93–383 inserted references to the period beginning after Jan. 31, 1955 and ending on Aug. 4, 1964, or during the Vietnam era wherever appearing therein.

1961—Pub. L. 87–70 substituted ''under sections 1471 to 1474, inclusive, of this title'' for ''under this subchapter.''

1953—Act June 30, 1953, enlarged the definition of ''veteran'' and ''deceased servicemen'' to include members of the armed forces who have served during the Korean conflict.

PERIOD OF SERVICE IN MILITARY FORCES

Proc. No. 3080, Jan. 5, 1955, 20 F.R. 173, fixed Jan. 31, 1955, as the date ending the period during which persons must have served in the military forces in order that such persons come within the meaning of the terms ''veteran'' and ''deceased servicemen'', contained in this section, by reason of service during the period beginning June 27, 1950.

CONTINUATION OF PROVISIONS

Joint Res. July 3, 1952, ch. 570, § 1(a)(20), 66 Stat. 332, as amended by Joint Res. Mar. 31, 1953, ch. 13, § 1, 67 Stat. 18, provided that qualification period should continue in force until six months after the termination of the national emergency proclaimed by the President on Dec. 16, 1950 by 1950 Proc. No. 2914, 15 F.R. 9029, set out as a note preceding section 1 of Appendix to Title 50, War and National Defense, or such earlier date or dates as may be provided for by Congress, but in no event beyond July 1, 1953. Section 7 of Joint Res. July 3, 1952, provided that it should become effective June 16, 1952.

REPEAL OF PRIOR ACTS CONTINUING SECTION

Section 6 of Joint Res. July 3, 1952, repealed Joint Res. Apr. 14, 1952, ch. 204, 66 Stat. 54, as amended by Joint Res. May 28, 1952, ch. 339, 66 Stat. 96; Joint Res. June 14, 1952, ch. 437, 66 Stat. 137; Joint Res. June 30, 1952, ch. 526, 66 Stat. 296, which continued provisions until July 3, 1952. This repeal took effect as of June 16, 1952, by section 7 of Joint Res. July 3, 1952.

§ 1478. Local committees to assist Secretary

(a) Composition, appointment, and compensation; chairman; promulgation of procedural rules; forms and equipment

For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this subchapter. In any county or parish in which activities are carried on under this subchapter and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate determined by the Secretary while engaged in the performance of duties under this subchapter and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) Duties

The committees utilized or appointed pursuant to this section may examine applications of persons desiring to obtain the benefits of section 1471(a)(1) and (2) of this title as they relate to the successful operation of a farm, and may submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive such benefits, whether by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan under such section, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan requested will carry out the purposes of this subchapter. The committees may also certify to the Secretary with respect to the amount of any loan.

(July 15, 1949, ch. 338, title V, § 508, 63 Stat. 436; Pub. L. 87–70, title VIII, § 806, June 30, 1961, 75 Stat. 188; Pub. L. 91–609, title VIII, § 803(b), Dec. 31, 1970, 84 Stat. 1807; Pub. L. 93–383, title V, § 508, Aug. 22, 1974, 88 Stat. 694.)

AMENDMENTS

1974—Subsec. (b). Pub. L. 93–383 substituted provisions relating to examination of applications under section 1471(a)(1) and (2) of this title, and certification to the Secretary with respect to amount of any loan, for provisions relating to examination of applications under provisions of this subchapter, certification to the Secretary with respect to the amount of the loan or grant, and requiring performance of such other duties as the Secretary requests.

1970—Subsec. (b). Pub. L. 91–609 substituted ''may'' for ''shall'' in first and second sentences where reading ''shall examine'', ''shall submit'', and ''shall also certify''.

1961—Subsec. (a). Pub. L. 87–70, § 806(a), substituted ''at the rate determined by the Secretary'' for ''at the rate of $5 per day''.

Subsec. (b). Pub. L. 87–70, § 806(b), substituted ''certify to the Secretary as to the amount of the loan or grant'' for ''certify to the Secretary their opinions of the reasonable values of the farms''.

§ 1479. General powers of Secretary

(a) Standards of adequate farm housing and other buildings; criteria

The Secretary, for the purposes of this subchapter, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the

family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land. The Secretary shall approve a residential building as meeting such standards if the building is constructed in accordance with (1) the minimum standards prescribed by the Secretary, (2) the minimum property standards prescribed by the Secretary of Housing and Urban Development for mortgages insured under title II of the National Housing Act [12 U.S.C. 1707 et seq.], (3) the standards contained in any of the voluntary national model building codes, or (4) in the case of manufactured housing, the standards referred to in section 1472(e) of this title. To the maximum extent feasible, the Secretary shall promote the use of energy saving techniques through standards established by such Secretary for newly constructed residential housing assisted under this subchapter. Such standards shall, insofar as is practicable, be consistent with the standards established pursuant to section 526 of the National Housing Act [12 U.S.C. 1735f–4] and shall incorporate the energy performance requirements developed pursuant to such section.

(b) Terms or conditions of leases or occupancy agreements subject to change with approval of Secretary

The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this subchapter shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary.

(c) Rural Housing Insurance Fund for payment of expenditures respecting construction defects; judicial review prohibition

The Secretary is authorized, after October 1, 1977, with respect to any unit or dwelling newly constructed during the period beginning eighteen months prior to October 12, 1977, and purchased with financial assistance authorized by this subchapter which he finds to have structural defects to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property, if such assistance is requested by the owner of the property within thirty-six months after financial assistance under this subchapter is rendered to the owner of the property or, in the case of property with respect to which assistance was made available within eighteen months prior to October 12, 1977, within thirty-six months after October 12, 1977. Expenditures pursuant to this subsection may be paid from the Rural Housing Insurance Fund. Decisions by the Secretary regarding such expenditures or payments under this subsection, and the terms and conditions under which the same are approved or disapproved, shall not be subject to judicial review.

(d) Defaults involving security interest in tribal lands

In the event of default involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe or tribes. If the Secretary subsequently proceeds to liquidate the account, the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.

(e) Terms and conditions; regulations

The Secretary shall, by regulation, prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section.

(f) Housing in underserved areas

(1) Designation of underserved area

The Secretary shall designate as targeted underserved areas 100 counties and communities in each fiscal year that have severe, unmet housing needs as determined by the Secretary. A county or community shall be eligible for designation if, during the 5-year period preceding the year in which the designation is made, it has received an average annual amount of assistance under this subchapter that is substantially lower than the average annual amount of such assistance received during that 5-year period by other counties and communities in the State that are eligible for such assistance calculated on a per capita basis, and has—

(A) 20 percent or more of its population at or below the poverty level; and

(B) 10 percent or more of its population residing in substandard housing.

As used in this paragraph, the term ''poverty level'' has the meaning given the term in section 5302(a)(9) of this title.

(2) Preferences

In selecting projects to receive assistance with amounts set aside under paragraph (4), the Secretary shall give preference to any project located in a county or community that has, at the time of designation and as determined by the Secretary—

(A) 28 percent or more of its population at or below poverty level; and

(B) 13 percent or more of its population residing in substandard housing.

In designating underserved areas under paragraph (1), in each fiscal year the Secretary shall designate not less than 5 counties or communities that contain tribal allotted or Indian trust land.

(3) Outreach program and review

(A) Outreach

The Secretary shall publicize the availability to targeted underserved areas of grants and loans under this subchapter and promote, to the maximum extent feasible, efforts to apply for those grants and loans for housing in targeted underserved areas.

(B) Review

Upon the receipt of data from the 1990 decennial census, the Secretary shall conduct a review of any designations made under paragraph (1) and preferences given under

paragraph (2) and the eligibility of communities and counties for such designation and preference, examining the effects of such data on such eligibility. The Secretary shall submit to the Congress, not later than 9 months after the availability of the data, a report regarding the review, which shall include any recommendations of the Secretary for modifications in the standards for designation and preference.

(4) Set-aside for targeted underserved areas and colonias

(A) In general

The Secretary shall set aside and reserve for assistance in targeted underserved areas an amount equal to 5.0 percent in each fiscal year of the aggregate amount of lending authority under sections 1472, 1474, 1484, 1485, and 1490d of this title. During each fiscal year, the Secretary shall set aside from amounts available for assistance under paragraphs (2) and (5) of section 1490a(a) of this title, an amount that is appropriate to provide assistance with respect to the lending authority under sections 1484 and 1485 of this title that is set aside for such fiscal year. The Secretary shall establish a procedure to reallocate any assistance set aside in any fiscal year for targeted underserved areas that has not been expended during a reasonable period in such year for use in (i) colonias that have applied for and are eligible for assistance under subparagraph (B) or paragraph (7) and did not receive assistance, and (ii) counties and communities eligible for designation as targeted underserved areas but which were not so designated. The procedure shall also provide that any assistance reallocated under the preceding sentence that has not been expended by a reasonable date established by the Secretary (which shall be after the expiration of the period referred to in the preceding sentence) shall be made available and allocated under the laws and regulations relating to such assistance, notwithstanding this subsection.

(B) Priority for colonias

(i) Notwithstanding the designation of counties and communities as targeted underserved areas under paragraph (1) and the provisions of section 1490 of this title, colonias shall be eligible for assistance with amounts reserved under subparagraph (A), as provided in this subparagraph.

(ii) In providing assistance from amounts reserved under this paragraph in each fiscal year, the Secretary shall give priority to any application for assistance to be used in, or in close proximity to, and serving the residents of, a colonia located in a State described under clause (iii). After the Secretary has provided assistance under the priority for colonias located in a State in an amount equal to 5 percent of the total amount of assistance allocated under this subchapter to such State in the fiscal year, the priority shall not apply to any applications for colonias in such State.

(iii) This paragraph shall apply to any State for any fiscal year following 2 fiscal years in which the State obligated the total amount of assistance allocated to it under this subchapter during each of such 2 fiscal years.

(5) List of underserved areas

The Secretary shall publish annually the current list of targeted underserved areas in the Federal Register.

(6) Project preparation assistance

(A) In general

The Secretary may make grants to eligible applicants under subparagraph (D) to promote the development of affordable housing in targeted underserved areas and colonias.

(B) Use

A grant under this paragraph shall not exceed an amount that the Secretary determines to equal the customary and reasonable costs incurred in preparing an application for a loan under section 1472, 1474, 1484, 1485, or 1490d of this title, or a grant under section 1490m of this title (including preapplication planning, site analysis, market analysis, and other necessary technical assistance). The Secretary shall adjust the loan or grant amount under such sections to take account of project preparation costs that have been paid from grant proceeds under this paragraph and that normally would be reimbursed with proceeds of the loan or grant.

(C) Approval

The Secretary shall approve a properly submitted application or issue a written statement indicating the reasons for disapproval not later than 60 days after the receipt of the application.

(D) Eligibility

For purposes of this paragraph, an eligible applicant may be a nonprofit organization or corporation, a community housing development organization, State, unit of general local government, or agency of a State or unit of general local government.

(E) Availability of funding

Any amounts appropriated to carry out this paragraph shall remain available until expended.

(7) Priority for colonias

(A) In general

In providing assistance under this subchapter in any fiscal year described under subparagraph (B), each State in which colonias are located shall give priority to any application for assistance to be used in a colonia. The priority under this subparagraph shall not apply in such State after 5 percent of the assistance available in such fiscal year has been allocated for colonias qualifying for the priority.

(B) Covered years

This paragraph shall apply to any fiscal year following 2 fiscal years in which the State did not obligate the total amount of assistance allocated it under this subchapter during each of such 2 fiscal years.

(8) "Colonia" defined

For purposes of this subsection, the term ''colonia'' means any identifiable community that—

(A) is in the State of Arizona, California, New Mexico, or Texas;

(B) is in the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000;

(C) is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

(D) was in existence as a colonia before November 28, 1990.

(July 15, 1949, ch. 338, title V, § 509, 63 Stat. 436; Pub. L. 95–128, title V, § 504, Oct. 12, 1977, 91 Stat. 1139; Pub. L. 96–153, title V, § 508, Dec. 21, 1979, 93 Stat. 1136; Pub. L. 98–181, title V, § 506(a), Nov. 30, 1983, 97 Stat. 1242; Pub. L. 101–625, title VII, §§ 708, 709(b), Nov. 28, 1990, 104 Stat. 4287, 4288; Pub. L. 102–550, title VII, § 705, Oct. 28, 1992, 106 Stat. 3835; Pub. L. 104–120, § 4(a), Mar. 28, 1996, 110 Stat. 835; Pub. L. 104–180, title VII, § 734(b), Aug. 6, 1996, 110 Stat. 1602; Pub. L. 105–86, title VII, § 735(a), Nov. 18, 1997, 111 Stat. 2110; Pub. L. 105–276, title V, § 599C(a), (e)(2)(B), Oct. 21, 1998, 112 Stat. 2661, 2662.)

REFERENCES IN TEXT

The National Housing Act, referred to in subsec. (a), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended. Title II of the National Housing Act is classified principally to subchapter II (§ 1707 et seq.) of chapter 13 of Title 12, Banks and Banking. For complete classification of this Act to the Code, see section 1701 of Title 12 and Tables.

AMENDMENTS

1998—Subsec. (f)(4)(A). Pub. L. 105–276, in first sentence, substituted ''each fiscal year'' for ''fiscal year 1998'' and, in second sentence, substituted ''During each fiscal year'' for ''During such fiscal year'' and substituted ''from amounts available for assistance under paragraphs (2) and (5) of section 1490a(a) of this title, an amount'' for ''an amount of section 521 rental assistance''.

1997—Subsec. (f)(4)(A). Pub. L. 105–86 substituted ''fiscal year 1998'' for ''fiscal year 1997''.

1996—Subsec. (f)(4)(A). Pub. L. 104–180 substituted ''fiscal year 1997'' for ''fiscal year 1996''.

Pub. L. 104–120 substituted ''fiscal year 1996'' for ''fiscal years 1993 and 1994'' and ''During such fiscal year'' for ''During each such fiscal year''.

1992—Subsec. (f)(1). Pub. L. 102–550, § 705(a)(1), substituted ''in each fiscal year'' for ''in each of fiscal years 1991 and 1992'' in introductory provisions.

Subsec. (f)(2). Pub. L. 102–550, § 705(a)(2), inserted concluding provisions.

Subsec. (f)(4)(A). Pub. L. 102–550, § 705(a)(3), substituted ''an amount equal to 5.0 percent in fiscal years 1993 and 1994'' for ''an amount equal to 3.5 percent in fiscal year 1991 and 5.0 percent in fiscal year 1992''.

Subsec. (f)(4)(B)(ii). Pub. L. 102–550, § 705(c), inserted '', or in close proximity to, and serving the residents of,'' before ''a colonia''.

Subsec. (f)(8)(C) to (E). Pub. L. 102–550, § 705(b), redesignated subpar. (D) as (C), struck out former subpar. (C) which read as follows: ''is designated by the State or county in which it is located as a colonia;'', added subpar. (D), and struck out subpar. (E) which read as follows: ''was in existence and generally recognized as a colonia before November 28, 1990.''

1990—Subsecs. (d), (e). Pub. L. 101–625, § 708, added subsec. (d) and redesignated former subsec. (d) as (e).

Subsec. (f). Pub. L. 101–625, § 709(b), added subsec. (f).

1983—Subsec. (a). Pub. L. 98–181 inserted provisions relating to standards, designated cls. (1) to (4), the compliance with which will result in approval by the Secretary, and inserted provision relating to the promotion of the use of energy saving techniques.

1979—Subsec. (c). Pub. L. 96–153 substituted ''within thirty-six months after October 12, 1977'' for ''within eighteen months after October 12, 1977''.

1977—Subsecs. (c), (d). Pub. L. 95–128 added subsecs. (c) and (d).

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104–120 to be construed to have become effective Oct. 1, 1995, see section 13(a) of Pub. L. 104–120, set out as an Effective and Termination Dates of 1996 Amendments note under section 1437d of this title.

REGULATIONS

Section 709(c) of Pub. L. 101–625 provided that: ''Not later than the expiration of the 120-day period beginning on the date of enactment of the Cranston-Gonzalez National Affordable Housing Act [Nov. 28, 1990], the Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by this section [amending this section].''

HOUSING IN UNDERSERVED AREAS

Section 709(a) of Pub. L. 101–625 provided that: ''The purpose of this section [amending this section and enacting provisions set out above] is to improve the quality of affordable housing in communities that have extremely high concentrations of poverty and substandard housing and that have been underserved by rural housing programs, including extremely distressed areas in the Lower Mississippi Delta and other regions of the Nation, by directing Farmers Home Administration assistance toward designated underserved areas.''

EXEMPTIONS OF EXISTING DWELLINGS FROM LIVING AREA LIMITATIONS; AUTHORITY OF DISTRICT OFFICES OF FARMERS' HOME ADMINISTRATION

Pub. L. 100–202, § 101(k) [title VI, § 632], Dec. 22, 1987, 101 Stat. 1329–322, 1329–356, provided that: ''During fiscal year 1988 and each succeeding fiscal year, the Secretary of Agriculture shall permit each district office of the Farmers Home Administration to exempt any existing dwelling from any limitation established by the Secretary on the number of square feet of living area that may be contained in a dwelling to be eligible for a loan under section 502 of the Housing Act of 1949 [section 1472 of this title], if the dwelling is modest in design, size, and cost for the area in which it is located.''

§ 1480. Administrative powers of Secretary

In carrying out the provisions of this subchapter, the Secretary shall have the power to—

(a) Service and supply contracts

make contracts for services and supplies without regard to the provisions of section 5 of title 41, when the aggregate amount involved is less than $300;

(b) Subordination, subrogation, and other agreements

enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) Compromise of claims and obligations

compromise, adjust, reduce, or charge-off claims, and adjust, modify, subordinate, or re-

lease the terms of security instruments, leases, contracts, and agreements entered into or administered by the Secretary under this subchapter, as circumstances may require, including the release of borrowers or others obligated on a debt from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim;

(d) Collection of claims and obligations

collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this subchapter and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this subchapter shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General; except that—

(1) prosecution and defense of any litigation under section 1472 of this title shall be conducted, at the discretion of the Secretary, by—

(A) the United States attorneys for the districts in which the litigation arises and any other attorney that the Attorney General may designate under law, under the supervision of the Attorney General;

(B) the General Counsel of the Department of Agriculture; or

(C) any other attorney with whom the Secretary enters into a contract after a determination by the Secretary that—

(i) the attorney will provide competent and cost-effective representation for the Farmers Home Administration; and

(ii) representation by the attorney will either (I) accelerate the process by which a family or person eligible for assistance under section 1472 of this title will be able to purchase and occupy the housing involved; or (II) preserve the quality of the housing involved; and

(2) the Secretary shall annually submit to the Congress a report describing activities carried out under paragraph (1)(C), including the cost of entering into contracts with such attorneys and the savings resulting from expedited foreclosure proceedings;

(e) Purchase of pledged or mortgaged property at foreclosure or other sales; operation, sale or disposition of said property

bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this subchapter, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein, to repair and rehabilitate such property, and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property; except that the Secretary may not sell or otherwise dispose of such property unless (1) the Secretary assures that such property will meet decent, safe, and sanitary standards, including cost-effective energy conservation standards prescribed under section 1479(a) of this title, (2) the recipient of the property is obligated, as a condition of the sale or other disposition of the property, to meet such standards with respect to the property before such property is occupied, or (3) such recipient is precluded, as a condition of the sale or other disposition of the property, from using the property for residential purposes and the authority of the Secretary under this paragraph includes the authority to transfer section 1472 inventory properties for use as rental or cooperative units under section 1485 of this title with mortgages containing repayment terms with up to fifty years, or for use as rental units under section 1484 of this title with mortgages containing repayment terms with up to 33 years, to private nonprofit organizations, public bodies, or for-profit entities, which have good records of providing low income housing under section 1485 of this title; such a transfer may be made even where rental assistance may be required so long as the authority to provide such assistance is available after taking into account the requirements of section 1490a(d)(1) of this title; where the Secretary determines the transfer will contribute to the provision of housing for very low-income persons and families, the transfer may be made at the lesser of the appraised value or the Farmers Home Administration's investment;

(f) Processing of applications received prior to determination of nonrural status; assistance

continue processing as expeditiously as possible applications on hand received prior to the time an area has been determined by the Secretary not to be ''rural'' or a ''rural area'', as those terms are defined in section 1490 of this title, and make loans or grants to such applicants who are found to be eligible on the same basis as though the area were still rural;

(g) Rules and regulations for written notice of denial or reduction of assistance

issue rules and regulations which assure that applicants denied assistance under this subchapter or persons or organizations whose assistance under this subchapter is being substantially reduced or terminated are given written notice of the reasons for denial, reduction or termination and are provided at least an opportunity to appeal an adverse decision and to present additional information relevant to that decision to a person, other than the person making the original determination, who has authority to reverse the decision, except that rules issued under this subsection may not exclude from their coverage decisions made by the Secretary that are not based on objective standards contained in published regulations;

(h) Assistance in connection with transfers and assumptions of property for nonrural areas

notwithstanding that an area ceases, or has ceased, to be ''rural'', in a ''rural area'', or an eligible area, make assistance under this subchapter available for subsequent loans to permit necessary dwelling repairs and rehabilitation and in connection with transfers and assumptions of property securing any loan made, insured, or held by the Secretary or in connection with any property held by the Secretary under this subchapter on the same basis as though the area were still rural;

(i) Utilization of indebtedness

utilize with respect to the indebtedness arising from loans and payments made under this subchapter, all the powers and authorities given to him under sections 1150 to 1150b of title 12;

(j) Fee inspectors and appraisers

utilize the services of fee inspectors and fee appraisers to expedite the processing of applications for loans and grants under this subchapter, which services shall be utilized in any case in which a county or district office is unable to expeditiously process such loan and grant applications, and to include the cost of such services in the amount of such loans and grants; and

(k) Rules and regulations

make such rules and regulations as he deems necessary to carry out the purposes of this subchapter.

(July 15, 1949, ch. 338, title V, § 510, 63 Stat. 437; Pub. L. 94–375, § 25(c), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 95–557, title V, § 503, Oct. 31, 1978, 92 Stat. 2112; Pub. L. 96–153, title V, § 507, Dec. 21, 1979, 93 Stat. 1136; Pub. L. 96–399, title V, §§ 508, 510, Oct. 8, 1980, 94 Stat. 1670, 1671; Pub. L. 98–181, title V, § 507, Nov. 30, 1983, 97 Stat. 1243; Pub. L. 98–479, title I, § 105(c), Oct. 17, 1984, 98 Stat. 2227; Pub. L. 100–242, title III, § 313, Feb. 5, 1988, 101 Stat. 1897; Pub. L. 100–628, title X, § 1045, Nov. 7, 1988, 102 Stat. 3273; Pub. L. 101–625, title VII, §§ 710, 711, Nov. 28, 1990, 104 Stat. 4291.)

AMENDMENTS

1990—Subsec. (e)(3). Pub. L. 101–625, § 710, inserted '', or for use as rental units under section 1484 of this title with mortgages containing repayment terms with up to 33 years,'' after ''fifty years'' and substituted '', public bodies, or for-profit entities, which have good records of providing low income housing under section 1485 of this title'' for ''or public bodies''.

Subsec. (g). Pub. L. 101–625, § 711, inserted before semicolon at end '', except that rules issued under this subsection may not exclude from their coverage decisions made by the Secretary that are not based on objective standards contained in published regulations''.

1988—Subsec. (c). Pub. L. 100–242 amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows: ''compromise claims and obligations arising out of sections 1472 to 1475 of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

''(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this subchapter; and

''(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this subchapter which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;''.

Subsec. (d). Pub. L. 100–628 inserted before semicolon at end ''; except that—'' and added pars. (1) and (2).

1984—Subsec. (e). Pub. L. 98–479 substituted ''; such'' and ''; where'' for ''. Such'' and ''. Where'', respectively.

1983—Subsec. (e). Pub. L. 98–181, § 507(a), inserted provisions relating to the authority of the Secretary to transfer section 1472 inventory property to private nonprofit organizations or public bodies.

Subsecs. (j), (k). Pub. L. 98–181, § 507(b), added subsec. (j) and redesignated former subsec. (j) as (k).

1980—Subsec. (e)(1). Pub. L. 96–399, § 508, inserted provisions respecting cost-effective energy conservation standards prescribed under section 1479(a) of this title.

Subsec. (h). Pub. L. 96–399, § 510, inserted provisions respecting subsequent loans to permit necessary dwelling repairs and rehabilitation.

1979—Subsec. (e). Pub. L. 96–153 substituted ''United States therein, to repair and rehabilitate such property, and to sell'' for ''United States therein and to sell'', and inserted provision that the Secretary may not sell or otherwise dispose of such property unless the conditions in cls. (1) to (3) are satisfied.

1978—Subsecs. (g) to (j). Pub. L. 95–557 added subsec. (g) and redesignated former subsecs. (g), (h), and (i) as (h), (i), and (j), respectively.

1976—Subsecs. (f) to (i). Pub. L. 94–375 added subsecs. (f) and (g) and redesignated former subsecs. (f) and (g) as (h) and (i), respectively.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of reporting provisions in subsec. (d)(2) of this section, see section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and the last item on page 47 of House Document No. 103–7.

STUDY OF PROBLEMS CAUSED BY REMOTE CLAIMS

Section 509 of Pub. L. 95–557 directed Secretary of Agriculture to make a detailed study of problems associated with obtaining title insurance by persons in rural areas with respect to real property encumbered by remote claims and make a final report to Congress with respect to such study not later than one year after Oct. 31, 1978.

§ 1481. Issuance of notes and obligations for loan funds; amount; limitation; security; form and denomination; interest; purchase and sale by Treasury; public debt transaction

The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making direct loans under this subchapter. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this subchapter and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as

may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Each such note or other obligation shall bear interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which such note or other obligation is issued, which are neither due nor callable for redemption for 15 years from their date of issue. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which securities may be issued under such chapter are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

(July 15, 1949, ch. 338, title V, § 511, 63 Stat. 438; July 14, 1952, ch. 723, § 11(a), 66 Stat. 604; June 29, 1954, ch. 410, § 5(a), 68 Stat. 320; Aug. 2, 1954, ch. 649, title VIII, § 812(a), 68 Stat. 647; Aug. 11, 1955, ch. 783, title V, § 501(1), 69 Stat. 654; Aug. 7, 1956, ch. 1029, title VI, § 606(a), 70 Stat. 1114; Pub. L. 87–70, title VIII, §§ 801(c), 802, June 30, 1961, 75 Stat. 186; Pub. L. 87–723, § 4(c)(1), Sept. 28, 1962, 76 Stat. 672; Pub. L. 88–560, title V, § 501(a), Sept. 2, 1964, 78 Stat. 796; Pub. L. 89–117, title X, § 1003(b), Aug. 10, 1965, 79 Stat. 500; Pub. L. 98–181, title V, § 508, Nov. 30, 1983, 97 Stat. 1243; Pub. L. 98–479, title II, § 203(d)(4), Oct. 17, 1984, 98 Stat. 2229.)

AMENDMENTS

1984—Pub. L. 98–479 substituted ''chapter 31 of title 31'' for ''the Second Liberty Bond Act, as amended'' and ''such chapter'' for ''such Act''.

1983—Pub. L. 98–181 struck out second sentence providing that total principal amount of such notes and obligations issued pursuant to this section during the period beginning July 1, 1956, and ending October 1, 1969, shall not exceed $850,000,000.

1965—Pub. L. 89–117 changed the purpose for which the Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury from that of making loans under this subchapter (other than loans under section 1474(b) or 1485 of this title) to that of making direct loans under the entire subchapter, substituted ''October 1969'' for ''September 30, 1965'', eliminated reservation that, of the allowable $850,000,000 principal amount of notes and obligations, $50,000,000 be available exclusively for assistance to elderly persons under clause (3) of section 1471(a) of this title, and changed the method for setting the interest on notes and obligations from that of having the Secretary set a rate taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations to that of the Secretary setting a rate equal to the average rate payable by the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which such note or other obligation is issued, which are neither due nor callable for redemption for 15 years from their date of issuance.

1964—Pub. L. 88–560 substituted ''September 30, 1965'' for ''June 30, 1965'', and ''$850,000,000'' for ''$700,000,000''.

1962—Pub. L. 87–723 substituted ''1474(b) or 1485'' for ''1474(b)'' and ''$700,000,000, of which $50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 1471(a) of this title'' for ''$650,000,000''.

1961—Pub. L. 87–70 substituted ''June 30, 1965'' for ''June 30, 1961'', and ''$650,000,000'' for ''$450,000,000''.

1956—Act Aug. 7, 1956, authorized $450,000,000 for loans for the period beginning July 1, 1956, and ending June 30, 1961.

1955—Act Aug. 11, 1955, authorized an additional $100,000,000 on and after July 1, 1955.

1954—Act Aug. 2, 1954, substituted ''$100,000,000'' for the authorization of $8,500,000 (on and after July 1, 1954) which had been inserted by Act June 29, 1954.

Act June 29, 1954, authorized an additional $8,500,000 on and after July 1, 1954.

1952—Act July 14, 1952, authorized an additional $100,000,000 for fiscal year 1954.

EFFECTIVE DATE OF 1956 AMENDMENT

Section 606(d) of act Aug. 7, 1956, provided that: ''This section [amending this section and sections 1482 and 1483 of this title] shall take effect as of July 1, 1956.''

§ 1482. Repealed. Pub. L. 98–181, title V, § 509, Nov. 30, 1983, 97 Stat. 1243

Section, acts July 15, 1949, ch. 338, title V, § 512, 63 Stat. 438; July 14, 1952, ch. 723, § 11(b), 66 Stat. 604; June 29, 1954, ch. 410, § 5(b), 68 Stat. 320; Aug. 2, 1954, ch. 649, title VIII, § 812(b), 68 Stat. 647; Aug. 11, 1955, ch. 783, title V, § 501(2), 69 Stat. 654; Aug. 7, 1956, ch. 1029, title VI, § 606(b), 70 Stat. 1114; June 30, 1961, Pub. L. 87–70, title VIII, § 801(c), 75 Stat. 186; Sept. 4, 1964, Pub. L. 88–560, title V, § 501(b), 78 Stat. 796; Aug. 10, 1965, Pub. L. 89–117, title X, § 1005(a), 79 Stat. 501, related to authorization to make commitments for contributions aggregating not to exceed $10,000,000 during period beginning July 1, 1956, and ending Oct. 1, 1969, in connection with loans made pursuant to section 1473 of this title.

§ 1483. Program levels and authorizations

(a) In general

(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this subchapter during fiscal years 1993 and 1994, in aggregate amounts not to exceed $2,446,855,600 and $2,549,623,535, respectively, as follows:

(A) For insured or guaranteed loans under section 1472 of this title on behalf of low-income borrowers receiving assistance under section 1490a(a)(1) of this title, $1,676,484,000 for fiscal year 1993 and $1,746,896,328 for fiscal year 1994.

(B) For guaranteed loans under section 1472(h) of this title on behalf of low- and moderate-income borrowers, such sums as may be appropriated for fiscal years 1993 and 1994.

(C) For loans under section 1474 of this title, $12,400,000 for fiscal year 1993 and $12,920,800 for fiscal year 1994.

(D) For insured loans under section 1484 of this title, $16,821,600 for fiscal year 1993 and $17,528,107 for fiscal year 1994.

(E) For insured loans under section 1485 of this title, $739,500,000 for fiscal year 1993 and $770,559,000 for fiscal year 1994.

(F) For loans under section 1490c(b)(1)(B) of this title, $800,000 for fiscal year 1993 and $833,600 for fiscal year 1994.

(G) For site loans under section 1490d of this title, $850,000 for fiscal year 1993 and $885,700 for fiscal year 1994.

(2) Notwithstanding any other provision of law, insured and guaranteed loan authority au-

thorized in this subchapter for any fiscal year beginning after September 30, 1984, shall not be transferred or used for any purpose not specified in this subchapter.

(b) Authorization of appropriations

There are authorized to be appropriated for fiscal years 1993 and 1994, and to remain available until expended, the following amounts:

(1) For grants under section 1472(f)(1) of this title, $1,100,000 for fiscal year 1993 and $1,146,200 for fiscal year 1994.

(2) For grants under section 1474 of this title, $21,100,000 for fiscal year 1993 and $21,986,200 for fiscal year 1994.

(3) For purposes of section 1479(c) of this title, $600,000 for fiscal year 1993 and $625,200 for fiscal year 1994.

(4) For project preparation grants under section 1479(f)(6) of this title, $5,300,000 in fiscal year 1993 and $5,522,600 in fiscal year 1994.

(5) In fiscal years 1993 and 1994, such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 1481 of this title equal to—

(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 1473 of this title; and

(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary.

(6) For grants for service coordinators under section 1485(y) of this title, $1,000,000 in fiscal year 1993 and $1,042,000 in fiscal year 1994.

(7) For financial assistance under section 1486 of this title—

(A) for low-rent housing and related facilities for domestic farm labor under subsections (a) through (j) of such section, $21,700,000 for fiscal year 1993 and $22,611,400 for fiscal year 1994; and

(B) for housing for rural homeless and migrant farmworkers under subsection (k) of such section, $10,500,000 for fiscal year 1993 and $10,941,000 for fiscal year 1994.

(8) For grants under section 1490c(f)[1] of this title, $13,900,000 for fiscal year 1993 and $14,483,800 for fiscal year 1994.

(9) For grants under section 1490m of this title, $30,800,000 for fiscal year 1993 and $32,093,600 for fiscal year 1994.

(c) Rental assistance

(1) The Secretary, to the extent approved in appropriations Acts for fiscal years 1993 and 1994, may enter into rental assistance payment contracts under section 1490a(a)(2)(A) of this title aggregating $414,100,000 for fiscal year 1993 and $431,492,200 for fiscal year 1994.

(2) Any authority approved in appropriation Acts for fiscal year 1988 or any succeeding fiscal year for rental assistance payment contracts under section 1490a(a)(2)(A) of this title or contracts for operating assistance under section 1490a(a)(5) of this title shall be used by the Secretary—

(A) to renew rental assistance payment contracts or operating assistance contracts that expire during such fiscal year;

(B) to provide amounts required to continue assistance payments for the remaining period of an existing contract, in any case in which the original amount of assistance is used prior to the end of the term of the contract; and

(C) to make additional rental assistance payment contracts or operating assistance contracts for existing or newly constructed dwelling units.

(d) Supplemental rental assistance contracts

The Secretary, to the extent approved in appropriations Acts for fiscal years 1993 and 1994, may enter into 5-year supplemental rental assistance contracts under section 1472(c)(5)(D) of this title aggregating $12,178,000 for fiscal year 1993 and $12,689,476 for fiscal year 1994.

(e) Authorization of appropriations

There are authorized to be appropriated for rural housing vouchers under section 1490r of this title, $130,000,000 for fiscal year 1993 and $140,000,000 for fiscal year 1994.

(July 15, 1949, ch. 338, title V, § 513, 63 Stat. 438; July 14, 1952, ch. 723, § 11(c), 66 Stat. 604; June 29, 1954, ch. 410, § 5(c), 68 Stat. 320; Aug. 2, 1954, ch. 649, title VIII, § 812(c), 68 Stat. 647; Aug. 11, 1955, ch. 783, title V, § 501(3), 69 Stat. 654; Aug. 7, 1956, ch. 1029, title VI, § 606(c), 70 Stat. 1115; Pub. L. 87–70, title VIII, §§ 801(c), 805(b), June 30, 1961, 75 Stat. 186, 188; Pub. L. 88–560, title V, §§ 501(c), 503(b), Sept. 2, 1964, 78 Stat. 796, 798; Pub. L. 89–117, title X, § 1005(b), Aug. 10, 1965, 79 Stat. 501; Pub. L. 90–448, title X, § 1003, Aug. 1, 1968, 82 Stat. 553; Pub. L. 91–78, § 1, Sept. 30, 1969, 83 Stat. 125; Pub. L. 91–152, title IV, § 413(a), Dec. 24, 1969, 83 Stat. 398; Pub. L. 93–117, § 13(a), Oct. 2, 1973, 87 Stat. 423; Pub. L. 93–383, title V, § 509(a), Aug. 22, 1974, 88 Stat. 694; Pub. L. 95–60, § 4(a), June 30, 1977, 91 Stat. 258; Pub. L. 95–80, § 4(a), July 31, 1977, 91 Stat. 340; Pub. L. 95–128, title V, § 501(a), Oct. 12, 1977, 91 Stat. 1138; Pub. L. 95–406, § 7(a), Sept. 30, 1978, 92 Stat. 880; Pub. L. 95–557, title V, § 501(a)–(c), Oct. 31, 1978, 92 Stat. 2110, 2111; Pub. L. 95–619, title II, § 232(b), Nov. 9, 1978, 92 Stat. 3227; Pub. L. 96–71, § 5(a), Sept. 28, 1979, 93 Stat. 502; Pub. L. 96–105, § 5(a), Nov. 8, 1979, 93 Stat. 795; Pub. L. 96–153, title V, § 501(a), Dec. 21, 1979, 93 Stat. 1132; Pub. L. 96–372, § 6(a), Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96–399, title V, § 501(a), Oct. 8, 1980, 94 Stat. 1667; Pub. L. 97–35, title III, § 351(a), Aug. 13, 1981, 95 Stat. 420; Pub. L. 98–181, title V, § 511(a), Nov. 30, 1983, 97 Stat. 1243; Pub. L. 98–479, title I, § 105(d), Oct. 17, 1984, 98 Stat. 2227; Pub. L. 99–272, title III, § 3005, Apr. 7, 1986, 100 Stat. 103; Pub. L. 100–242, title III, § 301(a)–(d), (g), Feb. 5, 1988, 101 Stat. 1891–1893; Pub. L. 101–625, title VII, § 701(a)–(d), Nov. 28, 1990, 104 Stat. 4281, 4282; Pub. L. 102–550, title VII, § 701(a)–(d), (f), Oct. 28, 1992, 106 Stat. 3832–3834; Pub. L. 105–276, title V, § 599C(e)(2)(C), Oct. 21, 1998, 112 Stat. 2662.)

REFERENCES IN TEXT

Section 1490c(f) of this title, referred to in subsec. (b)(8), was repealed by Pub. L. 102–550, title VII, § 710(2), Oct. 28, 1992, 106 Stat. 3840.

AMENDMENTS

1998—Subsec. (c)(2). Pub. L. 105–276, § 599C(e)(2)(C)(i), inserted "or contracts for operating assistance under section 1490a(a)(5) of this title" after "section 1490a(a)(2)(A) of this title" in introductory provisions.

[1] See References in Text note below.

Subsec. (c)(2)(A). Pub. L. 105–276, § 599C(e)(2)(C)(ii), inserted ''or operating assistance contracts'' after ''contracts''.

Subsec. (c)(2)(B). Pub. L. 105–276, § 599C(e)(2)(C)(iii), struck out ''rental'' before ''assistance'' in two places.

Subsec. (c)(2)(C). Pub. L. 105–276, § 599C(e)(2)(C)(iv), inserted ''or operating assistance contracts'' after ''contracts''.

1992—Subsec. (a). Pub. L. 102–550, § 701(a), inserted heading and amended par. (1) generally, substituting provisions relating to aggregate amounts for which Secretary may insure and guarantee loans for fiscal years 1993 and 1994 for provisions authorizing aggregate amounts for fiscal years 1991 and 1992.

Subsec. (b). Pub. L. 102–550, § 701(b), amended subsec. (b) generally, inserting heading and substituting provisions authorizing appropriations for fiscal years 1993 and 1994 for provisions authorizing appropriations for fiscal years 1991 and 1992.

Subsec. (c). Pub. L. 102–550, § 701(c), inserted heading and amended par. (1) generally. Prior to amendment, par. (1) read as follows: ''The Secretary, to the extent approved in appropriation Acts for fiscal years 1991 and 1992, may enter into rental assistance payment contracts under section 1490a(a)(2)(A) of this title aggregating $397,000,000 for fiscal year 1991 and $414,100,000 for fiscal year 1992.''

Subsec. (d). Pub. L. 102–550, § 701(d), inserted heading and amended text generally. Prior to amendment, text read as follows: ''The Secretary, to the extent approved in appropriation Acts for fiscal years 1991 and 1992, may enter into 5-year supplemental rental assistance contracts under section 1472(c)(5)(D) of this title aggregating $5,200,000 for fiscal year 1991 and $5,500,000 for fiscal year 1992.''

Subsec. (e). Pub. L. 102–550, § 701(f), amended subsec. (e) generally, substituting present provisions for provisions authorizing a demonstration rural housing voucher program during fiscal years 1988 and 1989. See section 1490r of this title.

1990—Subsec. (a)(1). Pub. L. 101–625, § 701(a), amended par. (1) generally, substituting provisions relating to aggregate amounts for which Secretary may insure and guarantee loans for fiscal years 1991 and 1992 for provisions authorizing aggregate amounts for fiscal years 1988 and 1989.

Subsec. (b). Pub. L. 101–625, § 701(b), amended subsec. (b) generally, substituting provisions authorizing appropriations for fiscal years 1991 and 1992 for provisions authorizing appropriations for fiscal years 1988 and 1989.

Subsec. (c)(1). Pub. L. 101–625, § 701(c), amended par. (1) generally, substituting provisions authorizing appropriations for rental assistance payment contracts for fiscal years 1991 and 1992 for provisions authorizing appropriations for such contracts for fiscal years 1988 and 1989.

Subsec. (d). Pub. L. 101–625, § 701(d), amended subsec. (d) generally, substituting provisions authorizing supplemental rental assistance contracts aggregating $5,200,000 for fiscal year 1991 and $5,500,000 for fiscal year 1992 for provisions authorizing contracts aggregating $26,000,000 for fiscal year 1988 and $27,534,000 for fiscal year 1989.

1988—Subsec. (a)(1). Pub. L. 100–242, § 301(a), amended par. (1) generally, substituting provisions relating to the aggregate amounts for which the Secretary may insure and guarantee loans for fiscal years 1988 and 1989, for provisions authorizing aggregate amounts the Secretary may insure and guarantee for fiscal year 1986.

Subsec. (b). Pub. L. 100–242, § 301(b), amended subsec. (b) generally, substituting provisions authorizing appropriated funds for fiscal years 1988 and 1989, for provisions authorizing appropriated funds for fiscal years 1984 and 1985.

Subsec. (c). Pub. L. 100–242, § 301(c), amended subsec. (c) generally, substituting provisions authorizing appropriations to enter into rental assistance payment contracts for fiscal years 1988 and 1989, for provisions authorizing appropriations for such contracts for fiscal years 1984 and 1985.

Subsecs. (d), (e). Pub. L. 100–242, § 301(d), (g), added subsecs. (d) and (e).

1986—Subsec. (a)(1). Pub. L. 99–272 amended par. (1) generally. Prior to amendment, par. (1) read as follows: ''The Secretary may insure and guarantee loans under this subchapter during fiscal years 1984 and 1985 in an aggregate amount not to exceed such sums as may be approved in an appropriation Act.''

1984—Subsec. (a). Pub. L. 98–479, § 105(d)(1), designated existing provisions as par. (1) and added par. (2).

Subsec. (b)(7). Pub. L. 98–479, § 105(d)(2), substituted ''1490m of this title'' for ''1490k of this title''.

1983—Subsec. (a). Pub. L. 98–181 amended subsec. (a) generally, substituting ''The Secretary may insure and guarantee loans under this subchapter during fiscal years 1984 and 1985 in an aggregate amount not to exceed such sums as may be approved in an appropriation Act'' for ''The Secretary may, as approved in appropriation Acts, insure and guarantee loans under the authorities provided in this subchapter in an aggregate principal amount not to exceed $3,700,600,000 with respect to the fiscal year ending September 30, 1982; except that—

''(1) not less than $3,170,000,000 of any amount so approved in appropriation Acts for such year shall be made available for loans insured or guaranteed on behalf of borrowers receiving assistance pursuant to subparagraph (B) or (C) of section 1490a(a)(1) of this title;

''(2) not more than $25,600,000 of such amount so approved for such fiscal year may be made available for loans insured under section 1484 of this title;

''(3) not more than $5,000,000 of such amount so approved shall be available for making advances under section 1471(e) of this title for such fiscal year; and

''(4) none of such amount shall be available for loans guaranteed pursuant to this title on behalf of borrowers who do not receive assistance pursuant to subparagraph (B) or (C) of section 1490a(a)(1) of this title.

Subsec. (b). Pub. L. 98–181 amended subsec. (b) generally, substituting ''There are authorized to be appropriated for fiscal years 1984 and 1985—

''(1) such sums as may be necessary for grants pursuant to section 1474 of this title;

''(2) such sums as may be necessary for the purposes of section 1479(c) of this title;

''(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 1481 of this title equal to (A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 1473 of this title, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

''(4) such sums as may be necessary for financial assistance pursuant to section 1486 of this title;

''(5) such sums as may be necessary for the purposes of section 1490c of this title;

''(6) such sums as may be necessary for purposes of section 1490e(a) of this title;

''(7) not to exceed $100,000,000 for each such year for grants under section 1490k of this title; of which 5 per centum shall be available for technical assistance; and

''(8) such sums as may be required by the Secretary to administer the provisions of sections 1715z and 1715z–1 of title 12 and section 1437f of this title''

for ''There are authorized to be appropriated—

''(1) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 1481 of this title equal to (A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 1473 of this title, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

''(2) not to exceed $50,000,000 for loans and grants pursuant to section 1474 of this title for the fiscal year ending September 30, 1982, of which not more than $25,000,000 shall be available for grants;

''(3) not to exceed $25,000,000 for financial assistance pursuant to section 1486 of this title for the fiscal year ending September 30, 1982;

''(4) not to exceed $2,000,000 for the purposes of section 1490e(a) of this title, of which not less than $1,000,000 shall be used for counseling purchasers and delinquent borrowers, for the fiscal year ending September 30, 1982;

''(5) such sums as may be required by the Secretary to administer the provisions of sections 1752 and 1752–1 of title 12 and section 1437f of this title; and

''(6) not to exceed $2,000,000 for the purposes of section 1479(c) of this title for the fiscal year ending September 30, 1982.''

Subsec. (c). Pub. L. 98–181 added subsec. (c).

1981—Subsec. (a). Pub. L. 97–35, § 351(a)(1)–(3), in introductory text substituted provisions authorizing appropriations for the fiscal year ending Sept. 30, 1982, for provisions authorizing appropriations for the fiscal year ending Sept. 30, 1981, in par. (1) substituted ''$3,170,000,000'' for ''$3,120,000,000'', and in par. (3) substituted ''none'' for ''not more than $100,000,000''.

Subsec. (b). Pub. L. 97–35, § 351(a)(4)–(7), in par. (2) substituted ''$50,000,000'' for ''$49,000,000'' and ''1982'' for ''1981'', in par. (3) substituted ''1982'' for ''1981'', in par. (4) substituted ''1982'' for ''1981'', and added par. (6).

1980—Subsec. (a). Pub. L. 96–399, § 501(a)(1)–(4), substituted in introductory clause, provision for $3,797,600,000 for fiscal year ending Sept. 30, 1981, for provision for $4,484,000,000 for fiscal year ending Oct. 15, 1980, in par. (1) substituted ''$3,120,000,000'' for ''$3,070,000,000'', in par. (2) substituted ''$25,600,000'' for ''$38,000,000'', and added par. (4).

Pub. L. 96–372, § 6(a)(1), substituted ''October 15, 1980'' for ''September 30, 1980''.

Subsec. (b). Pub. L. 96–399, § 501(a)(5)–(7), in par. (2) substituted provision for $49,000,000 for fiscal year ending Sept. 30, 1981, for provision for $48,000,000 for fiscal year ending Sept. 30, 1980, and inserted limitation of $25,000,000 available for grants, in par. (3) substituted provision for $25,000,000 for fiscal year ending Sept. 30, 1981, for provision for $30,000,000 for fiscal year ending Oct. 15, 1980, and in par. (4) substituted ''$2,000,000'' for ''$1,500,000'', ''$1,000,000'' for ''$750,000'', ''1981'' for ''1980'', and struck out ''and not to exceed $1,000,000 for the purposes of section 1490e(b) of this title'' after ''borrowers''.

Pub. L. 96–372, § 6(a)(2), substituted ''October 15, 1980'' for ''September 30, 1980'' in pars. (2) to (4).

1979—Pub. L. 96–153 amended section generally, inserted authorization of appropriations for fiscal year ending Sept. 30, 1980 for guaranteeing loans under this subchapter and laid down maximum limits for certain programs, authorized appropriation of $48,000,000 for fiscal year ending Sept. 30, 1980 for purposes of section 1481 of this title, of $30,000,000 for fiscal year ending Sept. 30, 1980 for purposes of section 1486 of this title, of $1,500,000 for fiscal year ending Sept. 30, 1980 for purposes of section 1490e(a) of this title, of $1,000,000 for purposes of section 1490e(b) of this title, inserted reference to section 1437f of this title, and struck out authorization of appropriations for research and study programs.

Pub. L. 96–105 substituted ''November 30, 1979'' for ''October 31, 1979'' wherever appearing in cls. (b) to (d).

Pub. L. 96–71 substituted ''October 31, 1979'' for ''September 30, 1979'' wherever appearing in cls. (b) to (d).

1978—Pub. L. 95–619 in cl. (b) inserted requirement that not less than $25,000,000 of any amount authorized to be appropriated for the fiscal year ending Sept. 30, 1979, was to be appropriated for the purpose of making grants pursuant to section 1474(c) of this title.

Pub. L. 95–557, inserted in cl. (b) ''and not to exceed $48,000,000 for the fiscal year ending September 30, 1979'', and in cl. (c) ''and not to exceed $38,000,000 for the fiscal year ending September 30, 1979'', and substituted in cl. (d) ''not to exceed $10,000,000 for research and study programs pursuant to subsections (b), (c), and (d) of section 1476 of this title for the fiscal year ending September 30, 1979'' for ''not to exceed $250,000 per year for research and study programs pursuant to subsection (b), (c), and (d) of section 1476 of this title during the period beginning July 1, 1961, and ending June 30, 1974, and not to exceed $1,000,000 per year for such programs during the period beginning October 1, 1974, and ending October 31, 1978''.

Pub. L. 95–406 substituted in cls. (b) to (d) ''October 31, 1978'' for ''September 30, 1978''.

1977—Pub. L. 95–128 substituted in cls. (b) to (d) ''September 30, 1978'' for ''September 30, 1977'' and in cls. (b) and (c) ''$105,000,000'' for ''$80,000,000''.

Pub. L. 95–80 substituted ''September 30, 1977'' for ''July 31, 1977'' wherever appearing.

Pub. L. 95–60 substituted ''July 31, 1977'' for ''June 30, 1977'' wherever appearing.

1974—Pub. L. 93–383 in cls. (b) and (c) increased amount from $50,000,000 to $80,000,000 and substituted ''June 30, 1977'' for ''October 1, 1974'', and in cl. (d) substituted ''June 30, 1974'' for ''October 1, 1974'' and inserted provisions authorizing not to exceed $1,000,000 per year during the period beginning October 1, 1974, and ending June 30, 1977.

1973—Pub. L. 93–117 substituted ''October 1, 1974'' for ''October 1, 1973'' wherever appearing.

1969—Pub. L. 91–152 substituted ''October 1, 1973'' for ''January 1, 1970'' wherever appearing.

Pub. L. 91–78 substituted ''January 1, 1970'' for ''October 1, 1969'' wherever appearing.

1968—Pub. L. 90–448 authorized appropriations of such sums as may be required to administer the provisions of sections 1715z and 1715z–1 of title 12.

1965—Pub. L. 89–117 substituted ''October 1, 1969'' for ''September 30, 1965'' wherever appearing and ''$50,000,000'' for ''$10,000,000'' in cl. (c) as the maximum allowable appropriation for financial assistance pursuant to section 1486 of this title.

1964—Pub. L. 88–560 substituted ''September 30, 1965'' for ''June 30, 1965'' wherever appearing, redesignated cls. (c) and (d) as (d) and (e), and added cl. (c).

1961—Pub. L. 87–70 extended the period for grants and loans pursuant to section 1474 (a), (b) of this title from June 30, 1961, to June 30, 1965, and authorized appropriations of not more than $250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 1476 of this title for the period beginning July 1, 1961, and ending June 30, 1965.

1956—Act Aug. 7, 1956, authorized $50,000,000 for grants and loans from July 1, 1956, to June 30, 1961.

1955—Act Aug. 11, 1955, authorized an additional $10,000,000 on July 1, 1955.

1954—Act Aug. 2, 1954, substituted $10,000,000 for the authorization of $850,000 (available July 1, 1954) which had been authorized by act June 29, 1954.

Act June 29, 1954, authorized an appropriation of $850,000 to be available on July 1, 1954.

1952—Act July 14, 1952, authorized an appropriation of $10,000,000 to be available on July 1, 1953.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

EFFECTIVE DATE OF 1956 AMENDMENT

Amendment by act Aug. 7, 1956, effective July 1, 1956, see section 606(d) of act Aug. 7, 1956, set out as a note under section 1481 of this title.

§ 1484. Insurance of loans for housing and related facilities for domestic farm labor

(a) Authorization; terms and conditions

The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm or any association of farmers for the purpose of providing housing and related facilities for domestic farm labor, or to any In-

dian tribe for such purpose, or to any State (or political subdivision thereof), or any broad-based public or private nonprofit organization, or any limited partnership in which the general partner is a nonprofit entity, or any nonprofit organization of farmworkers incorporated within the State for the purpose of providing housing and related facilities for domestic farm labor any place within the State where a need exists. All such loans shall be made in accordance with terms and conditions substantially identical with those specified in section 1472 of this title, except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 1 per centum per annum;

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) of this section notwithstanding the fact that the note may be held by the lender or his assignee.

(b) Utilization of farm tenant mortgage insurance fund; additions to and deposits in fund; deposits in Treasury

The Secretary shall utilize the insurance fund created by section 1005a of title 7[1] and the provisions of section 1005c(a), (b), and (c) of title 7[1] to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

(c) Insurance contract; obligation of United States; incontestability

Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

(d) Repealed. Pub. L. 96–153, title V, § 501(b), Dec. 21, 1979, 93 Stat. 1133

(e) Administrative expenses

Amounts made available pursuant to section 1483 of this title shall be available for administrative expenses incurred under this section.

(f) Definitions

As used in this section—

(1) the term ''housing'' means (A) new structures (including household furnishings) suitable for dwelling use by domestic farm labor, and (B) existing structures (including household furnishings) which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

(2) the term ''related facilities'' means (A) new structures (including household furnishings) suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures (including household furnishings) which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement and (C) land necessary for an adequate site; and

(3) the term ''domestic farm labor'' means any person (and the family of such person) who receives a substantial portion of his or her income from primary production of agricultural or aquacultural commodities or the handling of such commodities in the unprocessed stage, without respect to the source of employment, except that—

(A) such person shall be a citizen of the United States or a person legally admitted for permanent residence;

(B) such term includes any person (and the family of such person) who is retired or disabled, but who was domestic farm labor at the time of retirement or becoming disabled; and

(C) in applying this paragraph with respect to vacant units in farm labor housing, the Secretary shall make units available for occupancy in the following order of priority:

(i) to active farm laborers (and their families);

(ii) to retired or disabled farm laborers (and their families) who were active in the local farm labor market at the time of retiring or becoming disabled; and

[1] See References in Text note below.

(iii) to other retired or disabled farm laborers (and their families).

(g) Waiver of interest rate limitations

The Secretary may waive the interest rate limitation contained in subsection (a)(2) of this section and the requirement of section 1471(c)(3) of this title in any case in which the Secretary determines that qualified public or private nonprofit sponsors are not currently available and are not likely to become available within a reasonable period of time and such waiver is necessary to permit farmers to provide housing and related facilities for migrant domestic farm laborers, except that the benefits resulting from such waiver shall accrue to the tenants, and the interest rate on a loan insured under this section and for which the Secretary permits such waiver shall be no less than one-eighth of 1 per centum above the average interest rate on notes or other obligations which are issued under section 1481 of this title and have maturities comparable to such a loan.

(h) Determination of need for assistance

In making available assistance in any area under this section or section 1486 of this title, the Secretary shall—

(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.

(i) Domestic farm labor housing available for other families

Housing and related facilities constructed with loans under this section may be used for tenants eligible for occupancy under section 1485 of this title if the Secretary determines that—

(1) there is no longer a need in the area for farm labor housing; or

(2) the need for such housing in the area has diminished to the extent that the purpose of the loan, providing housing for domestic farm labor, can no longer be met.

(July 15, 1949, ch. 338, title V, § 514, as added Pub. L. 87–70, title VIII, § 804(a), June 30, 1961, 75 Stat. 186; amended Pub. L. 88–560, title V, § 502, Sept. 2, 1964, 78 Stat. 796; Pub. L. 90–448, title X, § 1004, Aug. 1, 1968, 82 Stat. 553; Pub. L. 91–609, title VIII, § 801(a)–(c), Dec. 31, 1970, 84 Stat. 1805, 1806; Pub. L. 95–128, title V, § 505, Oct. 12, 1977, 91 Stat. 1140; Pub. L. 95–557, title V, §§ 501(d), 504, Oct. 31, 1978, 92 Stat. 2111, 2112; Pub. L. 96–153, title V, § 501(b), Dec. 21, 1979, 93 Stat. 1133; Pub. L. 96–399, title V, § 507(b), Oct. 8, 1980, 94 Stat. 1670; Pub. L. 98–181, title V, § 510, Nov. 30, 1983, 97 Stat. 1243; Pub. L. 100–242, title III, §§ 305(a), 316(b), Feb. 5, 1988, 101 Stat. 1895, 1897; Pub. L. 100–628, title X, § 1043(a), Nov. 7, 1988, 102 Stat. 3273; Pub. L. 104–180, title VII, § 734(e)(1), Aug. 6, 1996, 110 Stat. 1603; Pub. L. 105–276, title V, § 599C(d), Oct. 21, 1998, 112 Stat. 2661; Pub. L. 106–569, title VII, §§ 703, 708(b), Dec. 27, 2000, 114 Stat. 3013, 3018.)

REFERENCES IN TEXT

Sections 1005a and 1005c(a), (b), and (c) of title 7, referred to in subsec. (b), were repealed by section 341(a) of Pub. L. 87–128, title III, Aug. 8, 1961, 75 Stat. 318 (set out as a note under section 1921 of Title 7, Agriculture), which also provided that references in other laws to the Bankhead-Jones Farm Tenant Act shall be construed as referring to appropriate provisions of section 1921 et seq. of Title 7. The fund established pursuant to section 1005a of Title 7 was renamed the Agricultural Credit Insurance Fund. See section 1929 of Title 7.

CODIFICATION

Another section 801(b) of Pub. L. 91–609 amended section 1460(c)(1) of this title.

AMENDMENTS

2000—Subsec. (a). Pub. L. 106–569, § 703, substituted ''limited partnership'' for ''nonprofit limited partnership'' in first sentence of introductory provisions.

Subsec. (j). Pub. L. 106–569, § 708(b), struck out heading and text of subsec. (j). Text read as follows: ''Whoever, as an owner, agent, or manger, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this subchapter or the regulations adopted pursuant to this subchapter, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.''

1998—Subsec. (a). Pub. L. 105–276 inserted '', or any nonprofit limited partnership in which the general partner is a nonprofit entity,'' after ''private nonprofit organization'' in first sentence.

1996—Subsec. (j). Pub. L. 104–180 added subsec. (j).

1988—Subsec. (f)(1). Pub. L. 100–242, § 316(b), struck out ''and'' at end.

Subsec. (f)(3). Pub. L. 100–242, § 305(a), amended par. (3) generally. Prior to amendment, par. (3) read as follows: ''the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States, Puerto Rico, or the Virgin Islands and either (A) are citizens of the United States, or (B) reside in the United States, Puerto Rico, or the Virgin Islands after being legally admitted for permanent residence therein.''

Subsec. (i). Pub. L. 100–628 added subsec. (i).

1983—Subsec. (h). Pub. L. 98–181 added subsec. (h).

1980—Subsec. (a). Pub. L. 96–399 inserted reference to Indian tribe.

1979—Subsec. (d). Pub. L. 96–153 repealed subsec. (d) which provided for a maximum of $38,000,000 for the aggregate amount of principal obligations of loans insured under this section.

1978—Subsec. (d). Pub. L. 95–557, § 501(d), substituted ''$38,000,000 (subject to approval in an appropriation Act)'' for ''$25,000,000''.

Subsec. (g). Pub. L. 95–557, § 504, added subsec. (g).

1977—Subsec. (f)(3). Pub. L. 95–128 extended definition of ''domestic farm labor'' to include laborers on farms situated in Puerto Rico and the Virgin Islands and the residents of the islands after being legally admitted for permanent residence.

1970—Subsec. (a). Pub. L. 91–609, § 801(a), authorized insurance of loans to broad-based nonprofit organizations and nonprofit organizations of farmworkers incorporated within the State and provided for housing and related facilities for domestic farm labor any place within the State where need exists.

Subsec. (a)(2). Pub. L. 91–609, § 801(b), substituted ''1'' for ''5'' per centum.

Subsec. (f)(1), (2). Pub. L. 91–609, § 801(c), substituted ''structures (including household furnishings)'' for ''structures'' in cls. (A) and (B).

1968—Subsec. (f)(2). Pub. L. 90–448 included land necessary for an adequate site within the definition of ''related facilities''.

1964—Subsec. (f)(3). Pub. L. 88–560 included residents of the United States after being legally admitted for permanent residence.

§ 1485. Housing and related facilities for elderly persons and families or other persons and families of low income

(a) Direct loans; authorization; terms and conditions; revolving fund; appropriation

The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives and Indian tribes to provide rental or cooperative housing and related facilities for elderly or handicapped persons or families of low or moderate income or other persons and families of low income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

(2) such a loan may be made for a period of up to 30 years from the making of the loan; and

(3) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that any person who is admitted as an eligible member and tenant of the cooperative may not subsequently be deprived of his membership or tenancy by reason of his no longer meeting the income eligibility requirements established by the Secretary.

There is authorized to be appropriated not to exceed $50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

(b) Insurance of loans; authorization; terms and conditions; utilization of Agricultural Credit Insurance Fund

The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, Indian tribe, or partnership to provide rental or cooperative housing and related facilities for elderly or handicapped persons or families or other persons and families of moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;

(3) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 1929 of title 7 and the second and third sentences of section 1928[1] of title 7, including the authority in section 1929(f)(1)[1] of title 7 to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed $10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders;

(4) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that any person who is admitted as an eligible member and tenant of the cooperative may not subsequently be deprived of his membership or tenancy by reason of his no longer meeting the income eligibility requirements established by the Secretary;

(5) loans may be made to owners who are otherwise eligible under this section to purchase and convert single-family residences to rental units of two or more dwellings; and

(6) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

(A) the Secretary determines—

(i) it is more cost-efficient and serves the tenant base more effectively to maintain the current property than to build a new property in the same location; or

(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

(B) the Secretary determines—

(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

(ii) any other criteria established by the Secretary has been met.

(c) Equity recapture loans and loans to nonprofit organizations and public agencies

With respect to a loan made or insured under subsection (a) or (b) of this section, the Secretary is authorized to—

(1) make or insure an equity loan in the form of a supplemental loan for the purpose of equity takeout to the owner of housing financed with a loan made or insured under this section pursuant to a contract entered into before December 15, 1989, for the purpose of extending the affordability of the housing for low income families or persons and very low-income families or persons for not less than 20 years, except that such loan may not exceed 90 percent of the value of the equity in the project as determined by the Secretary;

(2) transfer and reamortize an existing loan in connection with assistance provided under paragraph (1); and

(3) make or insure a loan to enable a nonprofit organization or public agency to make a purchase described in section 1472(c)(5) of this title.

(d) Construction requirements; detached units for cooperative housing

No loan shall be made or insured under subsection (a) or (b) of this section unless the Sec-

[1] See References in Text note below.

retary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials. However, specifically designed equipment required by elderly or handicapped persons or families shall not be considered elaborate or extravagant. A loan may be made or insured under subsection (a) or (b) of this section with respect to detached units, including those on scattered sites, for cooperative housing.

(e) Definitions

As used in this section—

(1) the term ''housing'' means new or existing housing suitable for dwelling use by occupants eligible under this section, and such term also means manufactured home rental parks where either the lots or both the lots and the homes are available for use by occupants eligible under this section; and such term also means congregate housing facilities for elderly or handicapped persons or families who require some supervision and central services but are otherwise able to care for themselves; such housing for the handicapped may be utilized in conjunction with educational and training facilities;

(2) the term ''related facilities'' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

(3) the term ''congregate housing'' means housing in which (A) some of the units may not have kitchen facilities, and (B) there is a central dining facility to provide wholesome and economic meals for elderly or handicapped persons or families.

(4) the term ''development cost'' means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges, initial operating expenses up to 2 per centum of the aforementioned costs, approved by the Secretary, impact fees, local charges for installation, provision, or use of infrastructure, and local assessments for public improvements and services imposed by State and local governments. Such fees and charges may include payments of qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities for low or moderate income families. Notwithstanding the first sentence of this paragraph, the term ''development cost'' shall not include any initial operating expenses in the case of any nonprofit corporation or consumer cooperative that is financing housing under this section and has been allocated a low-income housing tax credit by a housing credit agency pursuant to section 42 of title 26.

(f) Administrative expenses

Amounts made available pursuant to section 1483 of this title shall be available for administrative expenses incurred under this section.

(g) Loans for financing transfers of memberships in cooperatives

Notwithstanding the provisions of subsections (a) and (b) of this section, the Secretary may make and insure loans to consumer cooperatives to enable such cooperatives to finance the transfers of memberships in the cooperatives upon such terms and conditions as low- and moderate-income persons can reasonably afford, except that such loans shall not be made upon terms more favorable than are authorized under section 1490a(a) of this title, and that the total loan to a cooperative under this section shall not exceed the value of the property.

(h) Project transfers

After August 6, 1996, the ownership or control of a project for which a loan is made or insured under this section may be transferred only if the Secretary determines that such transfer would further the provision of housing and related facilities for low-income families or persons and would be in the best interests of residents and the Federal Government.

(i) Limitations on cost increases after approval for project involving newly constructed or substantially rehabilitated units; applicable factors

After approving a project involving newly constructed or substantially rehabilitated units under this section, the Secretary shall limit cost increases to those approved by the Secretary. The Secretary may approve those increases only for unforeseen factors beyond the owner's control, design changes required by the Secretary or the local government, or changes in financing approved by the Secretary.

(j) Contract preferences for providing units in newly constructed projects

For the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a preference in entering into contracts under this section for projects which are to be located on specific tracts of land provided by States, units of local government, or others if the Secretary determines that the tract of land is suitable for such housing, and that affording such preference will be cost effective.

(k) Management fees

The Secretary shall assure that management fees are not excessive when a project developed under this section is managed by the developer or an affiliate of the developer.

(*l*) Determination of market feasibility of project

For purposes of determining the market feasibility of any project to be assisted under this section—

(1) in the case of any applicant who applies for rental assistance payments under section 1490a of this title in connection with such project, the Secretary shall consider the availability of such rental assistance payments with respect to the project and shall require such applicant to demonstrate that a market exists for persons and families eligible for such rental assistance payments; and

(2) in the case of any applicant whose project is expected to utilize any assistance under a

program of a State, or political subdivision thereof, that is similar to such assistance payments under section 1490a of this title, the Secretary shall only require such applicant to demonstrate that—

(A) a market exists for persons and families eligible for such program of assistance;

(B) such program of assistance will provide rental assistance for a period of not less than five years, and, at the option of the applicant, either that there is a reasonable assurance that the contract for assistance will be extended or renewed, or for the term of the loan remaining after the period of such assistance, that an adequate rental market exists for the project without such assistance; and

(C) during the term of such rental assistance contracts, such State or political subdivision shall make available the amounts required for such rental assistance not less than annually.

(m) Standards for housing and related facilities rehabilitated or repaired; establishment, criteria, etc.

The Secretary shall establish standards for housing and related facilities rehabilitated or repaired with amounts received under a loan made or insured under this section. Standards established by the Secretary under this subsection shall provide that except for substantial rehabilitation the particular items or systems repaired or rehabilitated must meet appropriate levels of quality or performance comparable to those levels prescribed by the Secretary of Housing and Urban Development for rehabilitation, but shall not require that such items or systems or the remainder of the property meet the standards which are applicable to new construction. The Secretary shall ensure that standards prescribed under this subsection provide decent, safe, and sanitary housing and related facilities.

(n) Assistance to projects located on more than one site

The Secretary may not deny assistance under this section or section 1490a of this title on the basis that the project involved is to be located on more than one site.

(*o*) Rental assistance payments as affecting assistance to projects or occupancy by eligible persons

The Secretary may not (1) deny assistance under this section on the basis that rental assistance payments under section 1490a of this title may be required unless the authority to provide such assistance is not available; or (2) promulgate any regulation that would have the effect of denying occupancy to eligible persons on the basis that such persons require rental assistance payments under section 1490a of this title.

(p) Occupancy by low income persons and families other than very low-income persons and families

(1) To the extent assistance is available under section 1490a(a)(2) of this title, not more than 25 per centum of the dwelling units which were available for occupancy under this section prior to November 30, 1983, and which will be leased on or after November 30, 1983, shall be available for leasing by low income persons and families other than very low-income persons and families.

(2) To the extent assistance is available under section 1490a(a)(2) of this title, not more than 5 per centum of the dwelling units which become available for occupancy under this section on or after November 30, 1983, shall be available for leasing by low income persons and families other than very low-income persons and families.

(3) Units in projects financed under this section which become available for occupancy after November 30, 1983, shall not be available for occupancy by persons and families other than very low-income persons and families if the authority to provide assistance for such persons is available.

(4) In projects financed under this section, units that have been allocated a low-income housing tax credit by a housing credit agency pursuant to section 42 of title 26 shall not be available for occupancy by persons or families other than persons or families with incomes not in excess of the qualifying income applicable to such units pursuant to subparagraph (A) or (B) of section 42(g)(1) of title 26.

(5) The Secretary shall coordinate the processing of any application for a loan under this section for a project and the processing of any application for assistance under section 1490a(a)(2) of this title with respect to housing units in the same project in an economical and efficient manner. At the time the Secretary enters into a commitment to make or insure a loan under this section the Secretary shall obligate amounts for assistance payments under section 1490a(a)(2) of this title for the project, to the extent that such amounts are available and the Secretary determines such assistance is necessary for the market feasibility of the project.

(q) Determination of income of person or family occupying financed housing

In determining the income of a person or family occupying housing financed under this section, the Secretary shall consider the value of that person's or family's assets in the same manner as the Secretary of Housing and Urban Development considers such value for the purpose of the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.].

(r) Operating reserve and equity contribution requirements; regulations to implement adjustment by negotiated rulemaking procedure

(1) the[2] Secretary—

(A) may require that the initial operating reserve under this section may be in the form of an irrevocable letter of credit; and

(B) except as provided in paragraph (2), may require not more than a 3 percent contribution to equity, except that the Secretary shall require a 5 percent contribution in the case of a project that is allocated a low-income housing tax credit pursuant to section 42 of title 26.

(2) The Secretary may adjust the amount of equity contribution to ensure that assistance

[2] So in original. Probably should be capitalized.

provided is not more than is necessary to provide affordable housing after taking account of assistance from all Federal, State, and local sources.

(3) Not later than 60 days after August 6, 1996, the Secretary shall issue regulations to implement subsection (r)(2) of this section in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5: *Provided*, That if the negotiated rulemaking is not completed within the designated time, the Secretary shall proceed to promulgate regulations under the rulemaking authority contained in section 557 of title 5.

(s) Limitation of fees on loans

No fee other than a late fee may be imposed by or for the Secretary or any other Federal agency on or with respect to a loan made or insured under this section.

(t) Equity takeout loans

(1) Authority

The Secretary is authorized to guarantee an equity loan (in the form of a supplemental loan) to an owner of housing financed with a loan made or insured under subsection (b) of this section, only if the Secretary determines, after taking into account local market conditions, that there is reasonable likelihood that the housing will continue as decent, safe, and sanitary housing for the remaining life of the original loan on the project made or insured under subsection (b) of this section and that such an equity loan is—

(A) necessary to provide a fair return on the owner's investment in the housing;

(B) the least costly alternative for the Federal Government that is consistent with carrying out the purposes of this subsection; and

(C) would not impose an undue hardship on tenants or an unreasonable cost to the Federal Government.

The amount of loans guaranteed under this subsection shall be subject to limits provided in appropriations Acts.

(2) Timing

The Secretary is authorized to guarantee an equity loan under this subsection after the expiration of the 20-year period beginning on the date that an existing loan under subsection (b) of this section was made or insured. Not more than one equity loan under this subsection may be provided for any project.

(3) Amount of the takeout

The amount of an equity loan under this subsection shall not exceed the difference between the outstanding principal on debt secured by the project and 90 percent of the appraised value of the project. The appraised value of the project shall be determined by 2 independent appraisers, 1 of whom shall be selected by the Secretary and 1 of whom shall be selected by the owner. If the 2 appraisers fail to agree on the value of the project, the Secretary and the owner shall jointly select a third appraiser whose appraisal shall be binding on the Secretary and the owner. The amount of the equity loan shall not exceed 30 percent of the amount of the original appraised value of the project made or insured under subsection (b) of this section.

(4) Submission of plan

An owner requesting an equity loan under this subsection shall submit a plan acceptable to the Secretary to ensure that the cost of amortizing an equity loan under paragraph (1) does not result in the displacement of very-low-income tenants or substantially alter the income mix of the tenants in the project.

(5) Regulations

The Secretary shall issue final regulations within 180 days from December 15, 1989.

(6) Effective date

The requirements of this subsection shall apply to any loan obligated under this section on or after December 15, 1989. This subsection shall not require retroactive reserve account payments with respect to any loan that was obligated on or after December 15, 1989, and on or before June 16, 1990, but reserve account payments shall be required for such loans beginning on November 28, 1990.

(u) Reuse of loan authority

Loan authority that is obligated under this section but that is not expended due to any action that removes the original borrower, may be reallocated to a different borrower during the same fiscal year in which the loan authority was obligated. Any loan authority under this section appropriated or made available within limits established in appropriations Acts shall remain available until expended.

(v) Assumption of loans

The Secretary may provide for the assumption or transfer of a loan or loan obligation under this section to any person or entity qualified to receive a loan or loan obligation under this section in any case of default or foreclosure with respect to the original borrower. The Secretary shall provide in each assumption or transfer under this subsection for the assumption of the obligations, rights, and interests under the terms of the loan or loan obligation or such other terms as the Secretary determines appropriate.

(w) Set-aside of rural rental housing funds

(1) Authority

Except as provided in paragraph (2), the Secretary shall set aside from amounts made available for each State for loans under this section, not less than 9 percent of the amounts available in each fiscal year. Amounts set aside shall be available only for nonprofit entities in the State, which may not be wholly or partially owned or controlled by a for-profit entity. A partnership, that has as its general partner a nonprofit entity or the nonprofit entity's for-profit subsidiary, is eligible to receive funds set aside under this subsection to sponsor a project which is receiving low-income housing tax credits authorized under section 42 of title 26. For the purposes of this subsection, a nonprofit entity is an organization that—

(A) will own an interest in a project to be financed under this section and will materi-

ally participate in the development and the operation of the project;

(B) is a private organization that has nonprofit, tax exempt status under section 501(c)(3) or section 501(c)(4) of title 26;

(C) has among its purposes the planning, development, or management of low-income housing or community development projects; and

(D) is not affiliated with or controlled by a for-profit organization.

(2) Minimum State set-aside

If the amount set aside under paragraph (1) for any State is less than $750,000 in any fiscal year, the Secretary shall pool such amount together with set-aside amounts from other States whose set-aside is less than $750,000, and shall make such amounts available for such eligible entities under paragraph (1) in any such State. The Secretary shall establish a procedure to provide that any amounts pooled under this paragraph from the allocation for any State in any fiscal year that are not obligated during a reasonable period in such year shall be made available for any such eligible entities under paragraph (1) in such State. The Secretary may provide amounts available for reallocation under this subsection in excess of $750,000 in a given State, if such amounts are necessary to finance a project under this section.

(3) Unused amounts

(A) Equitable distribution

Any amounts set aside under this subsection from the allocation for any State that are not obligated by 9 months after the allocation, shall first be pooled and made available to any other eligible nonprofit entity in any State as defined in this subsection. The Secretary shall make reasonable efforts to ensure that pooled funds are distributed under this subparagraph in an equitable manner.

(B) Return to the States

After funds have been pooled and obligated for 30 days, the Secretary shall return any remaining funds to the States on a proportional basis for use by any other eligible entity as defined in this section.

(x) Uniform project costs; coordination of housing resources and tax benefits

The Secretary shall—

(1) establish standard guidelines for State offices that describe allowable development costs which are required for development of all projects under this section, without regard to whether the project was allocated a low-income housing tax credit;

(2) require each State to establish a process for coordinating the selection of projects under this section with the housing needs and priorities as established in a State comprehensive housing affordability strategy under section 12705 of this title and a low-income housing tax credit allocation plan under section 42 of title 26; and

(3) develop, in consultation with housing credit agencies (as that term is defined under section 42 of title 26), uniform procedures for identifying and sharing information on project costs, builder profit, identity of interests relationships, and other factors, as appropriate, with the relevant housing credit agency for projects that are allocated a low-income housing tax credit pursuant to section 42(h) of title 26 for the purpose of achieving compliance with section 3545(d) of this title.

(y) Service coordinators

(1) Grants

The Secretary may make grants under this subsection, with respect to any project that the Secretary determines has a sufficient number of frail elderly residents, for the cost of employing or otherwise retaining the services of one or more individuals to coordinate services provided to frail elderly residents of the project (in this subsection referred to as a ''service coordinator''), who shall be responsible for—

(A) assessing the supportive service needs of frail elderly residents of the project, based on objective criteria and interviews with such residents;

(B) working with service providers to design the provision of services to meet the needs of frail elderly residents of the project, taking into consideration the needs and desires of such residents and their ability and willingness to pay for such services, as expressed by the residents;

(C) mobilizing public and private resources to obtain funding for such services for such residents;

(D) monitoring and evaluating the impact and effectiveness of any supportive services provided for such residents;

(E) consulting and coordinating with any appropriate public and private agencies regarding the provision of supportive services; and

(F) performing such other duties that the Secretary deems appropriate to enable frail elderly persons residing in federally assisted housing to live with dignity and independence.

(2) Qualifications

Individuals employed as service coordinators pursuant to this subsection shall meet the minimum qualifications and standards established under section 8011(d)(4) of this title for service coordinators under a congregate housing services program.

(3) Application and selection

The Secretary shall provide for the form and manner of applications for grants under this subsection and for the selection of applicants to receive the grants.

(4) "Frail elderly" defined

For purposes of this subsection, the term ''frail elderly'' has the meaning given the term in section 8011(k) of this title.

(z) Accounting and recordkeeping requirements

(1) Accounting standards

The Secretary shall require that borrowers in programs authorized by this section main-

tain accounting records in accordance with generally accepted accounting principles for all projects that receive funds from loans made or guaranteed by the Secretary under this section.

(2) Record retention requirements

The Secretary shall require that borrowers in programs authorized by this section retain for a period of not less than 6 years and make available to the Secretary in a manner determined by the Secretary, all records required to be maintained under this subsection and other records identified by the Secretary in applicable regulations.

(aa) Double damages for unauthorized use of housing projects assets and income

(1) Action to recover assets or income

(A) In general

The Secretary may request the Attorney General to bring an action in a United States district court to recover any assets or income used by any person in violation of the provisions of a loan made or guaranteed by the Secretary under this section or in violation of any applicable statute or regulation.

(B) Improper documentation

For purposes of this subsection, a use of assets or income in violation of the applicable loan, loan guarantee, statute, or regulation shall include any use for which the documentation in the books and accounts does not establish that the use was made for a reasonable operating expense or necessary repair of the project or for which the documentation has not been maintained in accordance with the requirements of the Secretary and in reasonable condition for proper audit.

(C) Definition

For the purposes of this subsection, the term ''person'' means—

(i) any individual or entity that borrows funds in accordance with programs authorized by this section;

(ii) any individual or entity holding 25 percent or more interest of any entity that borrows funds in accordance with programs authorized by this section; and

(iii) any officer, director, or partner of an entity that borrows funds in accordance with programs authorized by this section.

(2) Amount recoverable

(A) In general

In any judgment favorable to the United States entered under this subsection, the Attorney General may recover double the value of the assets and income of the project that the court determines to have been used in violation of the provisions of a loan made or guaranteed by the Secretary under this section or any applicable statute or regulation, plus all costs related to the action, including reasonable attorney and auditing fees.

(B) Application of recovered funds

Notwithstanding any other provision of law, the Secretary may use amounts recovered under this subsection for activities authorized under this section and such funds shall remain available for such use until expended.

(3) Time limitation

Notwithstanding any other provision of law, an action under this subsection may be commenced at any time during the 6-year period beginning on the date that the Secretary discovered or should have discovered the violation of the provisions of this section or any related statutes or regulations.

(4) Continued availability of other remedies

The remedy provided in this subsection is in addition to and not in substitution of any other remedies available to the Secretary or the United States.

(July 15, 1949, ch. 338, title V, §515, as added Pub. L. 87–723, §4(b), Sept. 28, 1962, 76 Stat. 671; amended Pub. L. 88–340, June 30, 1964, 78 Stat. 233; Pub. L. 88–560, title V, §501(d) Sept. 2, 1964, 78 Stat. 796; Pub. L. 89–117, title X, §1005(c), Aug. 10, 1965, 79 Stat. 501; Pub. L. 89–754, title VIII, §§804, 805, Nov. 3, 1966, 80 Stat. 1282; Pub. L. 91–78, §1, Sept. 30, 1969, 83 Stat. 125; Pub. L. 91–152, title IV, §413(a), Dec. 24, 1969, 83 Stat. 398; Pub. L. 91–609, title VIII, §803(c), Dec. 31, 1970, 84 Stat. 1807; Pub. L. 93–117, §13(b), Oct. 2, 1973, 87 Stat. 423; Pub. L. 93–383, title V, §§509(b), 510, Aug. 22, 1974, 88 Stat. 695; Pub. L. 95–60, §4(b), June 30, 1977, 91 Stat. 258; Pub. L. 95–80, §4(b), July 31, 1977, 91 Stat. 340; Pub. L. 95–128, title V, §§501(b), 507(a)(3), 508, Oct. 12, 1977, 91 Stat. 1138, 1140, 1141; Pub. L. 95–406, §7(b), Sept. 30, 1978, 92 Stat. 881; Pub. L. 95–557, title V, §501(e), Oct. 31, 1978, 92 Stat. 2111; Pub. L. 96–71, §5(b), Sept. 28, 1979, 93 Stat. 502; Pub. L. 96–105, §5(b), Nov. 8, 1979, 93 Stat. 795; Pub. L. 96–153, title V, §501(f), Dec. 21, 1979, 93 Stat. 1134; Pub. L. 96–372, §6(b), Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96–399, title V, §§501(b), 502, 503, 507(c), Oct. 8, 1980, 94 Stat. 1668, 1670; Pub. L. 97–35, title III, §351(b), Aug. 13, 1981, 95 Stat. 420; Pub. L. 97–289, §3(a), Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98–35, §3(a), May 26, 1983, 97 Stat. 198; Pub. L. 98–109, §4(a), Oct. 1, 1983, 97 Stat. 746; Pub. L. 98–181, title V, §§511(b), 512, Nov. 30, 1983, 97 Stat. 1244; Pub. L. 98–479, title I, §105(e), Oct. 17, 1984, 98 Stat. 2227; Pub. L. 99–120, §3(a), Oct. 8, 1985, 99 Stat. 503; Pub. L. 99–156, §3(a), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99–219, §3(a), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99–267, §3(a), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99–272, title III, §3009(a), Apr. 7, 1986, 100 Stat. 105; Pub. L. 99–289, §1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99–345, §1, June 24, 1986, 100 Stat. 673; Pub. L. 99–430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100–122, §1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100–154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100–170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100–179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100–200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100–242, title II, §§242, 263, title III, §§301(e), 306, 307, 316(c), Feb. 5, 1988, 101 Stat. 1890, 1891, 1893, 1895, 1896, 1898; Pub. L. 100–628, title X, §1042, Nov. 7, 1988, 102 Stat. 3273; Pub. L. 101–137, §7(a), Nov. 3, 1989, 103 Stat. 825; Pub. L. 101–235, title II, §207, title IV, §402, Dec. 15, 1989, 103 Stat. 2042, 2048; Pub. L. 101–625, title VII, §§701(e), 712, 713, Nov. 28, 1990, 104 Stat. 4282, 4291, 4292; Pub. L. 102–142, title VII, §743(a), Oct.

28, 1991, 105 Stat. 915; Pub. L. 102–230, § 4, Dec. 12, 1991, 105 Stat. 1721; Pub. L. 102–550, title VII, §§ 701(e), 707(a)–(f)(1), 708(a), Oct. 28, 1992, 106 Stat. 3834, 3836–3839; Pub. L. 104–120, § 4(b), (c), Mar. 28, 1996, 110 Stat. 835; Pub. L. 104–180, title VII, § 734(a), (c)(1), (2), (3)(C), (d), (e)(2), Aug. 6, 1996, 110 Stat. 1601–1603; Pub. L. 105–86, title VII, § 735(b), Nov. 18, 1997, 111 Stat. 2110; Pub. L. 105–276, title V, § 599C(b), Oct. 21, 1998, 112 Stat. 2661; Pub. L. 106–569, title VII, § 704, Dec. 27, 2000, 114 Stat. 3014.)

REFERENCES IN TEXT

Section 1928 of title 7, referred to in subsec. (b)(3), was amended generally by Pub. L. 104–127, title VI, § 605, Apr. 4, 1996, 110 Stat. 1086, and, as so amended, consists of subsecs. (a) and (b) which are substantially similar to provisions formerly contained in the third sentence of such section.

Section 1929(f)(1) of title 7, referred to in subsec. (b)(3), was repealed and section 1929(f)(2) was redesignated section 1929(f)(1) by Pub. L. 104–127, title VII, § 744, Apr. 4, 1996, 110 Stat. 1125.

The United States Housing Act of 1937, referred to in subsec. (q), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93–383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653, and amended, which is classified generally to chapter 8 (§ 1437 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of this title and Tables.

CODIFICATION

Section 203(a) of Pub. L. 100–242, as amended, which was formerly set out in a note under section 1715*l* of Title 12, Banks and Banking, and which provided that on Nov. 28, 1990, the amendment made by section 263 of Pub. L. 100–242 is repealed and section is to read as it would without such amendment, was omitted in the general amendment of subtitle A of title II of Pub. L. 100–242 by Pub. L. 101–625.

AMENDMENTS

2000—Subsec. (z). Pub. L. 106–569 added subsec. (z) and struck out heading and text of former subsec. (z). Text read as follows: ''Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other fund derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this subchapter or the regulations adopted pursuant to this subchapter, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.''

Subsec. (aa). Pub. L. 106–569 added subsec. (aa).

1998—Subsec. (b)(4) to (7). Pub. L. 105–276, § 599C(b)(1), redesignated pars. (5) to (7) as (4) to (6), respectively, and struck out former par. (4) which read as follows: ''no loan shall be insured under this subsection after September 30, 1998;''.

Subsec. (w)(1). Pub. L. 105–276, § 599C(b)(2), substituted ''each fiscal year'' for ''fiscal year 1998'' in first sentence.

1997—Subsec. (a)(2). Pub. L. 105–86, § 735(b)(3)(A), substituted ''up to 30 years'' for ''up to fifty years''.

Subsec. (b)(2). Pub. L. 105–86, § 735(b)(3)(B)(i), added par. (2) and struck out former par. (2) which read as follows: ''provide for complete amortization by periodic payments within such term as the Secretary may prescribe;''.

Subsec. (b)(4). Pub. L. 105–86, § 735(b)(1), substituted ''September 30, 1998'' for ''September 30, 1997''.

Subsec. (b)(7). Pub. L. 105–86, § 735(b)(3)(B)(ii)–(iv), added par. (7).

Subsec. (w)(1). Pub. L. 105–86, § 735(b)(2), substituted ''fiscal year 1998'' for ''fiscal year 1997''.

1996—Subsec. (b)(4). Pub. L. 104–180, § 734(a)(1), substituted ''September 30, 1997'' for ''September 30, 1996''.

Pub. L. 104–120, § 4(b), substituted ''September 30, 1996'' for ''September 30, 1994''.

Subsec. (c)(1). Pub. L. 104–180, § 734(c)(3)(C), substituted ''December 15, 1989'' for ''December 21, 1979''.

Subsec. (h). Pub. L. 104–180, § 734(c)(1), added subsec. (h).

Subsec. (r). Pub. L. 104–180, § 734(d)(1), added subsec. (r) and struck out former subsec. (r) which read as follows: ''The Secretary—

''(1) may require that the initial operating reserve under this section may be in the form of an irrevocable letter of credit; and

''(2) may not require more than a 3 percent contribution to equity, except that the Secretary shall require a 5 percent contribution in the case of a project that is allocated a low-income housing tax credit pursuant to section 42 of title 26.''

Subsec. (t)(4). Pub. L. 104–180, § 734(c)(2), redesignated par. (6) as (4) and struck out heading and text of former par. (4). Text read as follows: ''For each initial loan made or insured under subsection (b) of this section pursuant to a contract entered into after the date this subsection takes effect, the owner shall make monthly payments from project income to the Secretary for deposit in a reserve account for the project. Such monthly payments shall, in the first year after the loan is made or insured, equal $2 for each unit in the project, and shall increase by $2 annually until the expiration of the 20-year period beginning on the date that the loan was made or insured, except that such initial payments, any accrued payments, and annual increases shall not be required for a unit occupied by a low-income family or individual who is paying more than 30 percent of the family's or individual's adjusted income in rent. The rent on a unit for which payment is made under this paragraph shall be increased by the amount of such payment.''

Subsec. (t)(5). Pub. L. 104–180, § 734(c)(2), redesignated par. (7) as (5) and struck out former par. (5) which read as follows:

''(5) RESERVE ACCOUNT.—

''(A) Payments under paragraph (4) shall be deposited in an interest bearing account that the Secretary shall establish for the project.

''(B) The Secretary shall make available amounts in the reserve account only for payments of principal and interest on an equity loan under this subsection. Such payments shall be in amounts necessary to ensure that rent payments made by low-income families residing in the housing do not exceed the maximum rent under section 1490a(a)(2)(A) of this title;

''(C) Any payments to the account, and interest on such payments, not expended in the project from which such payments were made, shall be used in other projects to make payments of principal and interest on an equity loan under this subsection. Such payments shall be in amounts necessary to ensure that rent payments made by low-income families residing in the housing do not exceed the maximum rent under section 1490a(a)(2)(A) of this title.

''(D) The Secretary shall make payments from accounts under this paragraph only to the extent provided in appropriations Acts.''

Subsec. (t)(6) to (8). Pub. L. 104–180, § 734(c)(2)(B), redesignated pars. (6) to (8) as (4) to (6), respectively.

Subsec. (w)(1). Pub. L. 104–180, § 734(a)(2), substituted ''fiscal year 1997'' for ''fiscal year 1996''.

Pub. L. 104–120, § 4(c), substituted ''fiscal year 1996'' for ''fiscal years 1993 and 1994''.

Subsec. (z). Pub. L. 104–180, § 734(d)(2), (e)(2), added subsec. (z) and struck out heading and text of former subsec. (z). Text consisted of 3 pars. which denied Secretary authority to refuse to make complying loan solely because facilities were in rural or remote area or to provide preference for project based on availability of particular essential service and required Secretary to give preference to proposed projects serving rural communities 20 or more miles from an urban area.

1992—Subsec. (b)(4). Pub. L. 102–550, § 701(e), substituted ''1994'' for ''1992''.

Subsec. (e)(4). Pub. L. 102–550, § 707(a), struck out ''and'' before ''initial operating expenses up to'', inserted '', impact fees, local charges for installation, provision, or use of infrastructure, and local assessments for public improvements and services imposed by State and local governments'' after ''approved by the Secretary'', and inserted at end ''Notwithstanding the first sentence of this paragraph, the term 'development cost' shall not include any initial operating expenses in the case of any nonprofit corporation or consumer cooperative that is financing housing under this section and has been allocated a low-income housing tax credit by a housing credit agency pursuant to section 42 of title 26.''

Subsec. (*l*)(1). Pub. L. 102–550, § 707(b)(1), added par. (1) and struck out former par. (1) which read as follows: ''in the case of any applicant whose project is expected to utilize rental assistance payments under section 1490a of this title, the Secretary shall only require such applicant to demonstrate that a market exists for persons and families eligible for such rental assistance payments; and''.

Subsec. (p)(4). Pub. L. 102–550, § 707(b)(2)(1), substituted period at end for '', except when the Secretary determines that the continued vacancy of units that have been unoccupied for at least 6 months threatens the financial viability of the project. The preceding sentence shall not be interpreted as authorizing the Secretary to—

''(A) limit the ability of a housing credit agency to require an owner of housing, in order to receive a low-income housing tax credit, to enter into a restrictive covenant, in such form and for such period as the housing credit agency deems appropriate, to maintain the occupancy characteristics of the project as prescribed in section 42(h)(6) of title 26; or

''(B) deny or delay closing of financing under this section by reason of the existence, or occupancy terms, of any such restrictive covenant.''

Subsec. (p)(5). Pub. L. 102–550, § 707(b)(2)(2), added par. (5).

Subsec. (r)(2). Pub. L. 102–550, § 707(c), inserted before period at end '', except that the Secretary shall require a 5 percent contribution in the case of a project that is allocated a low-income housing tax credit pursuant to section 42 of title 26''.

Subsec. (w)(1). Pub. L. 102–550, § 708(a)(1)–(3), substituted ''not less than 9 percent of the amounts available in fiscal years 1993 and 1994'' for ''not less than 7 percent of the amounts available in fiscal year 1991 and not less than 9 percent of the amounts available in fiscal year 1992'' in first sentence, struck out ''or under whole or partial control with a for-profit entity'' after ''by a for-profit entity'' in second sentence, and inserted at end ''A partnership, that has as its general partner a nonprofit entity or the nonprofit entity's for-profit subsidiary, is eligible to receive funds set aside under this subsection to sponsor a project which is receiving low-income housing tax credits authorized under section 42 of title 26. For the purposes of this subsection, a nonprofit entity is an organization that—'' and subpars. (A) to (D).

Subsec. (w)(2). Pub. L. 102–550, § 708(a)(4), inserted at end ''The Secretary may provide amounts available for reallocation under this subsection in excess of $750,000 in a given State, if such amounts are necessary to finance a project under this section.''

Subsec. (w)(3). Pub. L. 102–550, § 708(a)(5), added par. (3) and struck out heading and text of former par. (3). Text read as follows: ''Any amounts set aside or pooled under this subsection from the allocation for any State in any fiscal year that are not obligated by a reasonable date established by the Secretary (which shall be after the expiration of the period under paragraph (2)) shall be made available to any entity eligible under this section in such State.''

Subsec. (x). Pub. L. 102–550, § 707(d), added subsec. (x).

Subsec. (y). Pub. L. 102–550, § 707(e), added subsec. (y).

Subsec. (z). Pub. L. 102–550, § 707(f)(1), added subsec. (z).

1991—Subsec. (b)(4). Pub. L. 102–142 substituted ''1992'' for ''1991''.

Subsec. (p)(4). Pub. L. 102–230 inserted at end ''The preceding sentence shall not be interpreted as authorizing the Secretary to—'' and subpars. (A) and (B).

1990—Subsec. (b)(4). Pub. L. 101–625, § 701(e), substituted ''1991'' for ''1990''.

Subsec. (t)(3). Pub. L. 101–625, § 712(a)(1), substituted ''original appraised value of the project'' for ''original loan on the project''.

Subsec. (t)(4). Pub. L. 101–625, § 712(a)(2), inserted ''initial'' before ''loan'' in first sentence and inserted ''initial payments, any accrued payments, and'' after ''except that such'' in second sentence.

Subsec. (t)(8). Pub. L. 101–625, § 712(a)(3), added par. (8) and struck out former par. (8) which read as follows: ''The requirements of this subsection shall apply to any applications for assistance under this section on or after the expiration of 180 days from December 15, 1989.''

Subsec. (u). Pub. L. 101–625, § 712(b), inserted at end ''Any loan authority under this section appropriated or made available within limits established in appropriations Acts shall remain available until expended.''

Subsec. (v). Pub. L. 101–625, § 712(c), added subsec. (v).

Subsec. (w). Pub. L. 101–625, § 713, added subsec. (w).

1989—Subsec. (b)(4). Pub. L. 101–137 substituted ''September 30, 1990'' for ''September 30, 1989''.

Subsec. (t). Pub. L. 101–235, § 207, added subsec. (t).

Subsec. (u). Pub. L. 101–235, § 402, added subsec. (u).

1988—Subsec. (b)(4). Pub. L. 100–242, § 301(e), substituted ''September 30, 1989'' for ''March 15, 1988''.

Subsec. (c). Pub. L. 100–242, § 242, added subsec. (c). Former subsec. (c) redesignated (d).

Subsecs. (d) to (g). Pub. L. 100–242, § 242(1), redesignated former subsecs. (c) to (f) as (d) to (g), respectively.

Subsec. (h). Pub. L. 100–628 struck out subsec. (h) which read as follows: ''The Secretary shall limit increases in rents on or after November 30, 1983, for newly constructed or substantially rehabilitated projects assisted under this section to the lesser of the actual operating cost increases incurred or the amount of operating cost increases incurred with respect to comparable rental dwelling units of various sizes and types in the same market area which are suitable for occupancy by families and persons assisted under this section. Where no comparable dwelling units exist in the same market area, the Secretary shall have authority to approve such increases in accordance with the best available data regarding operating cost increases in rental dwelling units.''

Pub. L. 100–242, § 242(1), redesignated subsec. (g) as (h). Former subsec. (h) redesignated (i).

Subsecs. (i) to (p). Pub. L. 100–242, § 242(1), redesignated subsecs. (h) to (*o*) as (i) to (p), respectively.

Subsec. (p)(1). Pub. L. 100–242, § 316(c), substituted ''on or after such date'' for ''on or after such effective date'', which for purposes of codification was translated as ''on or after November 30, 1983'', thus requiring no change in text.

Subsec. (p)(4). Pub. L. 100–242, § 306, added par. (4).

Subsec. (q). Pub. L. 100–242, § 242(1), redesignated former subsec. (p) as (q).

Subsec. (r). Pub. L. 100–242, § 263, added subsec. (r).

Subsec. (s). Pub. L. 100–242, § 307, added subsec. (s).

1987—Subsec. (b)(4). Pub. L. 100–200 substituted ''March 15, 1988'' for ''December 16, 1987''.

Pub. L. 100–179 substituted ''December 16, 1987'' for ''December 2, 1987''.

Pub. L. 100–170 substituted ''December 2, 1987'' for ''November 15, 1987''.

Pub. L. 100–154 substituted ''November 15, 1987'' for ''October 31, 1987''.

Pub. L. 100–122 substituted ''October 31, 1987'' for ''September 30, 1987''.

1986—Subsec. (b)(4). Pub. L. 99–430 substituted ''September 30, 1987'' for ''September 30, 1986''.

Pub. L. 99–345 substituted ''September 30, 1986'' for ''June 6, 1986''.

Pub. L. 99–289 substituted ''June 6, 1986'' for ''April 30, 1986''.

Pub. L. 99–272 directed amendment identical to Pub. L. 99–219, substituting ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–267 substituted ''April 30, 1986'' for ''March 17, 1986''.

1985—Subsec. (b)(4). Pub. L. 99–219 substituted ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–156 substituted ''December 15, 1985'' for ''November 14, 1985''.

Pub. L. 99–120 substituted ''November 14, 1985'' for ''September 30, 1985''.

1984—Subsec. (k)(2)(B). Pub. L. 98–479 inserted '', at the option of the applicant, either that there is a reasonable assurance that the contract for assistance will be extended or renewed, or''.

1983—Subsec. (a)(2) to (4). Pub. L. 98–181, § 512(c)(1), (2), struck out par. (2) which related to rates of interest on loans, and redesignated pars. (3) and (4) as (2) and (3), respectively.

Subsec. (b)(2) to (4). Pub. L. 98–181, § 512(c)(3), (4), struck out par. (2) which related to rates of interest on loans and redesignated pars. (3) to (5) as (2) to (4), respectively.

Subsec. (b)(5). Pub. L. 98–181, § 512(c)(4), redesignated par. (6) as (5). Former par. (5) redesignated (4).

Pub. L. 98–181, § 511(b), substituted ''September 30, 1985'' for ''November 30, 1983''.

Pub. L. 98–109 substituted ''November 30, 1983'' for ''September 30, 1983''.

Pub. L. 98–35 substituted ''September 30, 1983'' for ''May 20, 1983''.

Subsec. (b)(6), (7). Pub. L. 98–181, § 512(c)(4), redesignated par. (7) as (6). Former par. (6) redesignated (5).

Pub. L. 98–181, § 512(b), added par. (7).

Subsec. (c). Pub. L. 98–181, § 512(d), inserted provisions relating to detached units, on scattered sites, for cooperative housing.

Subsec. (d)(1). Pub. L. 98–181, § 512(e), inserted provisions relating to applicability to manufactured home rental parks.

Subsecs. (g) to (p). Pub. L. 98–181, § 512(a), added subsecs. (g) to (p).

1982—Subsec. (b)(5). Pub. L. 97–289 substituted ''May 20, 1983'' for ''September 30, 1982''.

1981—Subsec. (b)(5). Pub. L. 97–35 substituted ''1982'' for ''1981''.

1980—Subsec. (a). Pub. L. 96–399, §§ 503(a), 507(c)(1), inserted reference to Indian tribes in provisions preceding par. (1), and added par. (4).

Subsec. (b). Pub. L. 96–399, §§ 501(b), 503(b), 507(c)(2), inserted reference to Indian tribe in provisions preceding par. (1), in par. (5) substituted ''September 30, 1981'' for ''October 15, 1980'', and added par. (6).

Pub. L. 96–372 substituted ''October 15, 1980'' for ''September 30, 1980'' in par. (5).

Subsec. (f). Pub. L. 96–399, § 502, added subsec. (f).

1979—Subsec. (b)(5). Pub. L. 96–153 substituted ''September 30, 1980'' for ''November 30, 1979''.

Pub. L. 96–105 substituted ''November 30, 1979'' for ''October 31, 1979''.

Pub. L. 96–71 substituted ''October 31, 1979'' for ''September 30, 1979''.

1978—Subsec. (b)(5). Pub. L. 95–557 substituted ''September 30, 1979'' for ''October 31, 1978''.

Pub. L. 95–406 substituted ''October 31, 1978'' for ''September 30, 1978''.

1977—Subsec. (a). Pub. L. 95–128, § 507(a)(3), authorized loans for housing of handicapped persons or families.

Subsec. (b). Pub. L. 95–128, §§ 501(b), 507(a)(3), substituted ''elderly or handicapped persons or families'' for ''elderly persons and elderly families'' in provision preceding par. (1) and ''September 30, 1978'' for ''September 30, 1977'' in par. (5).

Pub. L. 95–80 substituted ''September 30, 1977'' for ''July 31, 1977'' in par. (5).

Pub. L. 95–60 substituted ''July 31, 1977'' for ''June 30, 1977'' in par. (5).

Subsec. (c). Pub. L. 95–128, § 508(a), provided that specifically designed equipment required by elderly or handicapped persons or families shall not be considered elaborate or extravagant.

Subsec. (d)(1). Pub. L. 95–128, § 508(b), defined ''housing'' to also mean congregate housing facilities for elderly or handicapped persons or families who require some supervision and central services but are otherwise able to care for themselves and authorized such housing for the handicapped to be utilized in conjunction with educational and training facilities.

Subsec. (d)(3). Pub. L. 95–128, § 508(c), substituted definition of ''congregate housing'' for prior definition of ''elderly persons'' as persons 62 years of age or over and ''elderly families'' as families the head of which (or his spouse) is 62 years of age or over.

1974—Subsec. (b)(1). Pub. L. 93–383, § 510(a), struck out ''$750,000 or'' after ''exceed'' and substituted ''less'' for ''least''.

Subsec. (b)(5). Pub. L. 93–383, § 509(b), substituted ''June 30, 1977'' for ''October 1, 1974''.

Subsec. (d)(4). Pub. L. 93–383, § 510(b), inserted provisions including initial operating expenses up to 2 per centum of enumerated costs and requiring payments to be made to consultants rendering services to nonprofit corporations or consumer cooperatives providing housing and related facilities to low or moderate income families.

1973—Subsec. (b)(5). Pub. L. 93–117 substituted ''October 1, 1974'' for ''October 1, 1973''.

1970—Subsec. (b)(1). Pub. L. 91–609 substituted ''$750,000'' for ''$300,000''.

1969—Subsec. (b)(5). Pub. L. 91–152 substituted ''October 1, 1973'' for ''January 1, 1970''.

Pub. L. 91–78 substituted ''January 1, 1970'' for ''October 1, 1969''.

1966—Subsec. (a). Pub. L. 89–754, §§ 804(a), 805(a), inserted ''or other persons and families of low income'' after ''income'' and substituted ''rental or cooperative housing'' for ''rental housing'', respectively.

Subsec. (b). Pub. L. 89–754, § 805(a), (b), substituted ''rental or cooperative housing'' for ''rental housing'' and inserted ''or other persons and families of moderate income'' after ''families'', respectively.

Subsec. (d)(1). Pub. L. 89–754, § 804(b), substituted in the definition of ''housing'' the words ''occupants eligible under this section,'' for ''elderly persons or elderly families''.

Subsec. (d)(4). Pub. L. 89–754, § 805(c), defined fees and charges as used for purposes of ''development cost'' to include payments to qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities.

1965—Subsec. (b)(5). Pub. L. 89–117 substituted ''October 1, 1969'' for ''September 30, 1965''.

1964—Subsec. (b). Pub. L. 88–560 substituted ''$300,000'' for ''$100,000'' in cl. (1), and ''1965'' for ''1964'' in cl. (5).

Pub. L. 88–340 substituted ''September 30, 1964'' for ''June 30, 1964'' in cl. (5).

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104–120 to be construed to have become effective Oct. 1, 1995, see section 13(a) of Pub. L. 104–120, set out as an Effective and Termination Dates of 1996 Amendments note under section 1437d of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 708(b) of Pub. L. 102–550 provided that: ''The amendment made by subsection (a)(5) [amending this section] shall take effect on October 1, 1993, and shall apply to fiscal year 1994 and each fiscal year thereafter.''

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

REGULATIONS

Section 707(f)(2) of Pub. L. 102–550 provided that: ''The Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by paragraph (1) [amending this section] not later than the expiration of the 45-day period beginning on the date of the enactment of this Act [Oct. 28, 1992]. Not later than the expiration of the 30-day period beginning on the date of the enactment of this Act, the Secretary shall submit a copy of any regulations to be issued under this subsection to the Congress. The requirements of section 534(d) of the Housing Act of 1949 [42 U.S.C. 1490n(d)] and subsections (b) and (c) of section 553 of title 5, United States Code, shall apply to any such regulations.''

§ 1486. Financial assistance to provide low-rent housing for domestic farm labor

(a) Application; considerations

Upon the application of any State or political subdivision thereof, or any Indian tribe, or any broad-based public or private nonprofit organization incorporated within the State, or any nonprofit organization of farmworkers incorporated within the State, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities (which may be located any place within the State) for domestic farm labor, if he finds that—

(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

(2) the applicant will contribute, from its own resources or from funds borrowed under section 1484 of this title or elsewhere, at least 10 per centum of the total development cost;

(3) the types of housing and related facilities to be provided are most practicable, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof, and such housing and facilities shall be durable and suitable for year-around occupancy or use, unless the Secretary finds that there is no need for such year-around occupancy or use in that area; and

(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

(b) Maximum amount of assistance

The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed 90 per centum of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practicably obtained from other sources (including a loan under section 1484 of this title).

(c) Prerequisite agreements; rentals; safety and sanitation standards; priority of domestic farm labor

No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

(d) Payments; contracts to specify uses of housing

The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner, as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

(e) Regulations for prevention of waste

The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated. The Secretary shall not give priority for funding under this section to any one of the groups listed in subsection (a) of this section over any of the others so listed.

(f) Wages; labor standards; waiver; authority and functions of Secretary

All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with sections 3141–3144, 3146, and 3147 of title 40. The Secretary shall not extend any financial assistance under this section for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity, undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 3145 of title 40.

(g) Definitions

As used in this section—

(1) the term ''low-rent housing'' means rental housing within the financial reach of families of low income consisting of (A) new structures (including household furnishings) suitable for dwelling use by domestic farm labor, and (B) existing structures (including household furnishings) which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

(2) the terms ''related facilities'' and ''domestic farm labor'' shall have the meaning assigned to them in section 1484(f) of this title;

(3) the term ''development cost'' shall have the meaning assigned to it in section 1485(d)(4)[1] of this title; and

(4) the term ''domestic farm labor'' has the meaning given such term in section 1484(f)(3) of this title.

(h) Migrant farmworker housing

Notwithstanding the provisions of subsection (a)(3) of this section, the Secretary may, upon a finding of persistent need for migrant farmworker housing in any area, provide assistance to eligible applicants for 90 per centum of the development costs of such housing in such area to be used solely by migrant farmworkers while they are away from their residence. Such housing shall be constructed in such a manner as to be safe and weatherproof for the time it is to be occupied, be equipped with potable water and modern sanitation facilities (including a kitchen sink, toilet, and bathing facilities), and meet such other requirements as the Secretary may prescribe.

(i) Farm labor housing

The Secretary shall utilize not more than 10 per centum of the amounts available for any fiscal year for purposes of this section for financial assistance to eligible private and public nonprofit agencies to encourage the development of domestic and migrant farm labor housing projects under this subchapter.

(j) Domestic farm labor housing available for other families

Housing and related facilities constructed with grants under this section may be used for tenants eligible for occupancy under section 1485 of this title if the Secretary determines that—

(1) there is no longer a need in the area for farm labor housing; or

(2) the need for such housing in the area has diminished to the extent that the purpose of the grant, providing housing for domestic farm labor, can no longer be met.

(k) Housing for rural homeless and migrant farmworkers

(1) In general

The Secretary may provide financial assistance for providing affordable rental housing and related facilities for migrant farmworkers and homeless individuals (and the families of such individuals) to applicants as provided in this subsection.

(2) Types of assistance

(A) In general

The Secretary may provide the following assistance for housing under this subsection:

(i) An advance, in an amount not to exceed $400,000, of the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure or construction of a new structure for use in the provision of housing under this subsection. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this subparagraph if the structure was not used for the purposes under this subsection prior to the receipt of assistance.

(ii) A grant, in an amount not to exceed $400,000, for moderate rehabilitation of an existing structure for use in the provision of housing under this subsection.

(iii) Annual payments for operating costs of such housing (without regard to whether the housing is an existing structure), not to exceed 75 percent of the annual operating costs of such housing.

(B) Available assistance

A recipient may receive assistance under both clauses (i) and (ii) of subparagraph (A). The Secretary may increase the limit contained in such clauses to $800,000 in areas which the Secretary finds have high acquisition and rehabilitation costs.

(C) Repayment of advance

Any advance provided under subparagraph (A)(i) shall be repaid on such terms as may be prescribed by the Secretary when the project ceases to be used as housing in accordance with the provisions of this subsection. Recipients shall be required to repay 100 percent of the advance if the housing is used for purposes under this subsection for fewer than 10 years following initial occupancy. If the housing is used for such purposes for more than 10 years, the percentage of the amount that shall be required to be repaid shall be reduced by 10 percentage points for each year in excess of 10 that the property is so used.

(D) Prevention of undue benefits

Upon any sale or other disposition of housing acquired or rehabilitated with assistance under this subsection prior to the close of 20 years after the housing is placed in service, other than a sale or other disposition resulting in the use of the project for the direct benefit of low income persons or where all of the proceeds are used to provide housing for migrant farmworkers and homeless individuals (and the families of such individuals), the recipient shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient from unduly benefiting from the sale or other disposition of the project.

[1] See References in Text note below.

(3) Program requirements

(A) Applications

(i) Applications for assistance under this subsection shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(ii) The Secretary shall require that applications contain at a minimum (I) a description of the proposed housing, (II) a description of the size and characteristics of the population that would occupy the housing, (III) a description of any public and private resources that are expected to be made available in connection with the housing, (IV) a description of the housing needs for migrant farmworkers and homeless individuals (and the families of such individuals) in the area to be served by the housing, and (V) assurances satisfactory to the Secretary that the housing assisted will be operated for not less than 10 years for the purpose specified in the application.

(iii) The Secretary shall require that an application furnish reasonable assurances that the housing will be available for occupancy by homeless individuals (and the families of such individuals) only on an emergency and temporary basis during the off-season and shall be otherwise available for occupancy by migrant farmworkers (and their families).

(iv) The Secretary shall require that an application furnish reasonable assurances that the applicant will own or have control of a site for the proposed housing not later than 6 months after notification of an award for grant assistance. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.

(B) Selection criteria

The Secretary shall establish selection criteria for a national competition for assistance under this subsection, which shall include—

(i) the ability of the applicant to develop and operate the housing;

(ii) the feasibility of the proposal in providing the housing;

(iii) the need for such housing in the area to be served;

(iv) the cost effectiveness of the proposed housing;

(v) the extent to which the project would meet the needs of migrant farmworkers and homeless individuals (and the families of such individuals) in the State;

(vi) the extent to which the applicant has control of the site of the proposed housing; and

(vii) such other factors as the Secretary determines to be appropriate for purposes of this subsection.

(C) Required agreements

The Secretary may not approve assistance for any housing under this subsection unless the applicant agrees—

(i) to operate the proposed project as housing for migrant farmworkers and homeless individuals (and the families of such individuals) in compliance with the provisions of this subsection and the application approved by the Secretary;

(ii) to monitor and report to the Secretary on the progress of the housing; and

(iii) to comply with such other terms and conditions as the Secretary may establish for purposes of this subsection.

(D) Occupant rent

Each migrant farmworker and homeless individual residing in a facility assisted under this subsection shall pay as rent an amount determined in accordance with the provisions of section 1437a(a) of this title.

(4) Guidelines

(A) Regulations

Not later than 120 days after November 28, 1990, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subsection.

(B) Limitation on use of funds

No assistance received under this subsection (or any State or local government funds used to supplement such assistance) may be used to replace other public funds previously used, or designated for use, to assist homeless individuals (and the families of such individuals) or migrant farmworkers.

(5) Limitation on administrative expenses

No recipient may use more than 5 percent of an advance or grant received under this subsection for administrative purposes.

(6) Omitted

(7) Definitions

For purposes of this subsection:

(A) The term ''applicant'' means a State, political subdivision thereof, Indian tribe, any private nonprofit organization incorporated within the State that has applied for a grant under this subsection.

(B) The term ''homeless individual'' has the same meaning given the term under section 11302 of this title.

(C) The term ''migrant farmworker''—

(i) means any person (and the family of such person) who (I) receives a substantial portion of his or her income from primary production of agricultural or aquacultural commodities, the handling of such commodities in the unprocessed stage, or the processing of such commodities, without respect to the source of employment, and (II) establishes residence in a location on a seasonal or temporary basis, in an attempt to receive an income as described in subclause (I); and

(ii) includes any person (and the family of such person) who is retired or disabled, but who met the requirements of clause (i)

at the time of retirement or becoming disabled.

(D) The term ''operating costs'' means expenses incurred by a recipient providing housing under this subsection with respect to the administration, maintenance, repair, and security of such housing and utilities, fuel, furnishings, and equipment for such housing.

(July 15, 1949, ch. 338, title V, § 516, as added Pub. L. 88–560, title V, § 503(a), Sept. 2, 1964, 78 Stat. 796; amended Pub. L. 91–609, title VIII, § 801(c), (d), Dec. 31, 1970, 84 Stat. 1806; Pub. L. 95–557, title V, § 505, Oct. 31, 1978, 92 Stat. 2112; Pub. L. 96–153, title V, § 509, Dec. 21, 1979, 93 Stat. 1136; Pub. L. 96–399, title V, § 507(d), Oct. 8, 1980, 94 Stat. 1670; Pub. L. 98–181, title V, § 513, Nov. 30, 1983, 97 Stat. 1247; Pub. L. 100–242, title III, § 305(b), Feb. 5, 1988, 101 Stat. 1895; Pub. L. 100–628, title X, § 1043(b), Nov. 7, 1988, 102 Stat. 3273; Pub. L. 101–625, title VII, § 714(a), Nov. 28, 1990, 104 Stat. 4292; Pub. L. 106–400, § 2, Oct. 30, 2000, 114 Stat. 1675.)

REFERENCES IN TEXT

Reorganization Plan Numbered 14 of 1950, referred to in subsec. (f), is set out in the Appendix to Title 5, Government Organization and Employees.

Section 1485(d)(4) of this title, referred to in subsec. (g)(3), was redesignated section 1485(e)(4) of this title by Pub. L. 100–242, title II, § 242(1), Feb. 5, 1988, 101 Stat. 1890.

CODIFICATION

In subsec. (f), ''sections 3141–3144, 3146, and 3147 of title 40'' substituted for ''the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a–5)'' and ''section 3145 of title 40'' substituted for ''section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c)'' on authority of Pub. L. 107–217, § 5(c), Aug. 21, 2002, 116 Stat. 1303, the first section of which enacted Title 40, Public Buildings, Property, and Works.

Subsec. (k)(6) of this section, which required the Secretary to submit an annual report to Congress summarizing the activities carried out under subsec. (k) and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities, terminated, effective May 15, 2000, pursuant to section 3003 of Pub. L. 104–66, as amended, set out as a note under section 1113 of Title 31, Money and Finance. See, also, item 18 on page 103 of House Document No. 103–7.

AMENDMENTS

2000—Subsec. (k)(7)(B). Pub. L. 106–400 made technical amendment to reference in original act which appears in text as reference to section 11302 of this title.

1990—Subsec. (k). Pub. L. 101–625 added subsec. (k).

1988—Subsec. (g)(4). Pub. L. 100–242 added par. (4).

Subsec. (j). Pub. L. 100–628 added subsec. (j).

1983—Subsec. (i). Pub. L. 98–181 added subsec. (i).

1980—Subsec. (a). Pub. L. 96–399 inserted reference to Indian tribe in provisions preceding par. (1).

1979—Subsec. (h). Pub. L. 96–153 added subsec. (h).

1978—Subsec. (e). Pub. L. 95–557 inserted ''The Secretary shall not give priority for funding under this section to any one of the groups listed in subsection (a) of this section over any of the others so listed''.

1970—Subsec. (a). Pub. L. 91–609, § 801(d)(1), authorized financial assistance for broad-based nonprofit organizations incorporated within the State and nonprofit organizations of farmworkers incorporated within the State and provided for low-rent housing and related facilities ''(which may be located within the State)''.

Subsec. (a)(2). Pub. L. 91–609, § 801(d)(2), substituted ''10 per centum'' for ''one-third''.

Subsec. (a)(3). Pub. L. 91–609, § 801(d)(3), inserted '', and such housing and facilities shall be durable and suitable for year-around occupancy or use, unless the Secretary finds that there is no need for such year-around occupancy or use in that area;''.

Subsec. (b). Pub. L. 91–609, § 801(d)(4), substituted ''90 per centum'' for ''two-thirds''.

Subsec. (g)(1). Pub. L. 91–609, § 801(c), substituted ''structures (including household furnishings)'' for ''structures'' in cls. (A) and (B).

§ 1487. Rural Housing Insurance Fund

(a) Authority to make and insure loans for housing and buildings on adequate farms; amounts

The Secretary may insure loans meeting the requirements of section 1472 of this title, and may make loans in accordance with the requirements of such section to be sold and insured. The amount of such a loan to a low income person or family shall not exceed the amount necessary to provide adequate housing which is modest in size, design, and cost (as determined by the Secretary).

(b) Authority to make and insure loans for housing and related facilities for domestic farm labor and elderly persons; transfer of notes, contracts, and mortgages from Agricultural Credit Insurance Fund; compensation

The Secretary may insure loans in accordance with the requirements of section 1484 of this title (exclusive of subsections (a)(3), (a)(5), and (b) thereof), 1485 of this title (exclusive of subsections (a) and (b)(3) thereof), 1490d, and 1490f of this title, and may make loans meeting such requirements to be sold and insured. Upon the expiration of ninety days after the original capitalization of the Rural Housing Insurance Fund, created by subsection (e) of this section, no new loans shall be made or insured under section 1484 or 1485(b) of this title, except in conformity with this section. The notes held in the Agricultural Credit Insurance Fund (section 1929 of title 7) which evidence loans made or insured by the Secretary under section 1484 or 1485(b) of this title, the rights and liabilities of that Fund under insurance contracts relating to such loans held by insured investors, the mortgages securing the obligations of the borrowers under such loans held in the Fund or by insured investors, and all rights to subsequent collections on and proceeds of such notes, contracts, and mortgages, are hereby transferred to the Rural Housing Insurance Fund and for the purposes of this subchapter and any other Act shall be subject to the provisions of this section as if created pursuant thereto. The Rural Housing Insurance Fund shall compensate the Agricultural Credit Insurance Fund for the aggregate unpaid principal balance plus accrued interest of the notes so transferred.

(c) Use of funds from Rural Housing Insurance Fund for loans; sale of insured and guaranteed loans to public

The Secretary may use the Rural Housing Insurance Fund for the purpose of making loans to be sold and insured under this section. Any loan made and sold by the Secretary under this section after April 7, 1986 (and any loan made by other lenders under this subchapter that is in-

sured or guaranteed in accordance with this section, is purchased by the Secretary, and is sold by the Secretary under this section after such date) shall be sold to the public and may not be sold to the Federal Financing Bank, unless such sale to the Federal Financing Bank is required to service transactions under this subchapter between the Secretary and the Federal Financing Bank occurring on or before such date.

(d) Authority to insure payment of interest and principal; liens; assignability of notes evidencing loans; interest subsidy on insured and guaranteed loans offered for sale to public; protection of borrowers under loans sold to public

(1) The Secretary may, in conformity with subsections (a), (b), and (m) of this section, insure the payment of principal and interest on loans made by lenders other than the United States, and on loans made from or otherwise acquired by the Rural Housing Insurance Fund which are sold by the Secretary. Any contract of insurance executed by the Secretary hereunder shall be an obligation supported by the full faith and credit of the United States, and shall be incontestable except for fraud or material misrepresentation of which the holder has actual knowledge. In connection with loans insured under this section, the Secretary may take liens running to the United States notwithstanding the fact that the notes evidencing such loans may be held by lenders other than the United States. Notes evidencing such loans shall be freely assignable, but the Secretary shall not be bound by any such assignment until notice thereof is given to and acknowledged by him.

(2) Each loan made by the Secretary or other lenders under this subchapter that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by an agreement by the Secretary to pay to the holder of such loan (through an agreement to purchase such loan or through such other means as the Secretary determines to be appropriate) the difference between the rate of interest paid by the borrower of such loan and the market rate of interest (as determined by the Secretary) on obligations having comparable periods to maturity on the date of such sale.

(3) Each loan made by the Secretary or other lenders under this subchapter that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by agreements for the benefit of the borrower under the loan that provide that—

(A) the purchaser or any assignee of the loan shall not diminish any substantive or procedural right of the borrower arising under this subchapter;

(B) upon any substantial default of the borrower, but prior to foreclosure, the loan shall be assigned to the Secretary for the purpose of avoiding foreclosure; and

(C) following any assignment under subparagraph (B) and before commencing any action to foreclose or otherwise dispossess the borrower, the Secretary shall afford the borrower all substantive and procedural rights arising under this subchapter, including consideration for interest subsidy, moratorium, reamortization, refinancing, and appeal of any adverse decision to an impartial officer.

(4) From the proceeds of loan sales under paragraph (2), the Secretary shall set aside as a reserve against future losses not less than 5 percent of the outstanding face amount of the loans held by the public at any time.

(e) Rural Housing Insurance Fund; creation; authorization of appropriations; separate operation of guaranteed and insured loan programs: transfer of funds

There is hereby created the Rural Housing Insurance Fund (hereinafter referred to as the ''Fund'') which shall be used by the Secretary as a revolving fund for carrying out the provisions of this section. There are authorized to be appropriated to the Secretary such sums as may be necessary for the purposes of the Fund. The guaranteed loan program under this subchapter shall be operated separately from the insured loan program operated under this subchapter and no funds designated for one program may be transferred to another program.

(f) Investment of excess Fund moneys

Money in the Fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(g) Fund assets and liabilities; sale of loans; agreements for servicing and purchasing loans

All funds, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and all collections and proceeds therefrom, shall constitute assets of the Fund; and all liabilities and obligations of such assets shall be liabilities and obligations of the Fund. Loans may be held in the Fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof. The Secretary is authorized to make agreements with respect to servicing loans held or insured by him under this section and purchasing such insured loans on such terms and conditions as he may prescribe.

(h) Issuance of notes; form and denominations; interest rate; purchase by Secretary of the Treasury; debt transactions

The Secretary is authorized to issue notes to the Secretary of the Treasury to obtain funds necessary for discharging obligations under this section and for authorized expenditures out of the Fund, but, except as may be authorized in appropriation Acts, not for the original or any additional capital of the Fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Each note shall bear interest at the average rate, as determined by the Secretary of the Treasury, payable by the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which such note is issued, which are neither due nor callable for redemption for fifteen years from their date of issue. The Secretary of the Treasury is

authorized and directed to purchase any notes of the Secretary issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under chapter 31 of title 31, and the purposes for which such securities may be issued under such chapter are extended to include purchases of notes issued by the Secretary. All redemption, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States. The notes issued by the Secretary to the Secretary of the Treasury shall constitute obligations of the Fund.

(i) Retention of annual charge; administrative expenses; merger of funds

The Secretary may retain out of interest payments by the borrower an annual charge in an amount specified in the insurance or sale agreement applicable to the loan. Of the charges retained by the Secretary, if any, not to exceed 1 per centum per annum of the unpaid balance of the loan shall be deposited in the Fund. Any retained charges not deposited in the Fund shall be available for administrative expenses in carrying out the provisions of this subchapter, to be transferred annually, and become merged with any appropriation for administrative expenses of the Farmers Home Administration, when and in such amounts as may be authorized in appropriation Acts.

(j) Additional uses of Fund moneys

The Secretary may also utilize the Fund—

(1) to pay amounts to which the holder of the note is entitled in accordance with an insurance or sale agreement under this section accruing between the date of any payment by the borrower to the Secretary and the date of transmittal of any such payments to the holder of the note; and in the discretion of the Secretary, payments other than final payments need not be remitted to the holder until due or until the next agreed annual or semiannual remittance date;

(2) to pay the holder of any note insured under this section any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, or pursuant to a purchase agreement, the entire balance outstanding on the note;

(3) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, and other services customary in the industry, independent audits of project expenses, construction inspections, commercial appraisals, servicing of loans, and other related program services and expenses, and other expenses and advances to protect the security for loans which are insured under this section or held in the Fund, and to acquire such security property at foreclosure sale or otherwise;

(4) to make assistance payments authorized by section 1490a(a) of this title;

(5) after October 1, 1977, and as approved in appropriations Acts, to make advances authorized by section 1471(e) of this title;

(6) to make payments and take other actions in accordance with agreements entered into under paragraphs (2) and (3) of subsection (d) of this section; and

(7) to provide advances and assistance required to carry out paragraphs (4) and (5) of section 1472(c) of this title.

(k) Sale of loans as sale of assets

Any sale by the Secretary of loans individually or in blocks, pursuant to subsections (c) and (g) of this section, shall be treated as a sale of assets for the purposes of chapter 11 of title 31, notwithstanding the fact that the Secretary, under an agreement with the purchaser, holds the debt instruments evidencing the loans and holds or reinvests payments thereon as trustee and custodian for the purchaser.

(*l*) Commitments to make or insure loans to lenders, builders, or sellers; terms and conditions

The Secretary may also, upon the application of lenders, builders, or sellers and upon compliance with requirements specified by him, make commitments upon such terms and conditions as he shall prescribe to make or insure loans under this section to eligible applicants.

(m) Transfer of assets, liabilities, and authorizations of Rural Housing Direct Loan Account to Fund; abolition of Account; applicability of provisions

The assets and liabilities of, and authorizations applicable to, the Rural Housing Direct Loan Account are hereby transferred to the Fund, and such Account is hereby abolished. Such assets and their proceeds, including loans made out of the Fund pursuant to this section, shall be subject to all of the provisions of this section.

(n) Purchase of eligible residential properties

The Secretary may guarantee and service loans made for the purchase of eligible residential properties under section 1441a(c) of title 12 in accordance with subsection (d) of this section and the last sentence of section 1490a(a)(1)(A) of this title.

(*o*) Rules to encourage rehabilitation or purchase of existing buildings; regulations to facilitate marketability of insured or guaranteed loans in secondary mortgage market

(1) The Secretary shall promulgate rules which encourage the rehabilitation or purchase of existing buildings for the purpose of providing housing which is economical in cost and operation.

(2) Not later than the expiration of the 90-day period following April 7, 1986, the Secretary shall issue regulations to facilitate the marketability in the secondary mortgage market of loans insured or guaranteed under this section. Such regulations shall ensure that such loans are competitive with other loans and mortgages insured or guaranteed by the Federal Government.

(July 15, 1949, ch. 338, title V, § 517, as added Pub. L. 89–117, title X, § 1003(a), Aug. 10, 1965, 79 Stat. 498; amended Pub. L. 89–754, title VIII, § 806, Nov. 3, 1966, 80 Stat. 1282; Pub. L. 91–78, § 1, Sept. 30, 1969, 83 Stat. 125; Pub. L. 91–152, title IV,

§ 413(a)–(e)(2), (f)(2), Dec. 24, 1969, 83 Stat. 398–400; Pub. L. 91–609, title VIII, § 803(d), Dec. 31, 1970, 84 Stat. 1807; Pub. L. 93–117, § 13(c), Oct. 2, 1973, 87 Stat. 423; Pub. L. 93–383, title V, §§ 505(c), 509(b), 514(c), 516(b), 517, 519(b), Aug. 22, 1974, 88 Stat. 694–696, 698, 699; Pub. L. 95–60, § 4(c), June 30, 1977, 91 Stat. 258; Pub. L. 95–80, § 4(c), July 31, 1977, 91 Stat. 340; Pub. L. 95–128, title V, §§ 501(c), 502(b), (c), 506, 509, Oct. 12, 1977, 91 Stat. 1139–1141; Pub. L. 95–406, § 7(c), Sept. 30, 1978, 92 Stat. 881; Pub. L. 95–557, title V, §§ 501(f), 506(b), Oct. 31, 1978, 92 Stat. 2111, 2113; Pub. L. 96–71, § 5(c), Sept. 28, 1979, 93 Stat. 502; Pub. L. 96–105, § 5(c), Nov. 8, 1979, 93 Stat. 795; Pub. L. 96–153, title V, §§ 501(g), 511, Dec. 21, 1979, 93 Stat. 1134, 1137; Pub. L. 96–372, § 6(c), Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96–399, title V, §§ 501(c), 511, Oct. 8, 1980, 94 Stat. 1668, 1671; Pub. L. 97–35, title III, § 351(c), Aug. 13, 1981, 95 Stat. 421; Pub. L. 97–289, § 3(b), Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98–35, § 3(b), May 26, 1983, 97 Stat. 198; Pub. L. 98–109, § 4(b), Oct. 1, 1983, 97 Stat. 746; Pub. L. 98–181, title V, §§ 511(c), 514, Nov. 30, 1983, 97 Stat. 1244, 1247; Pub. L. 98–479, title I, § 105(f), title II, § 203(d)(5), (6), Oct. 17, 1984, 98 Stat. 2227, 2230; Pub. L. 99–272, title III, § 3006, Apr. 7, 1986, 100 Stat. 103; Pub. L. 100–242, title II, § 243, Feb. 5, 1988, 101 Stat. 1890; Pub. L. 101–73, title V, § 501(e)(2), Aug. 9, 1989, 103 Stat. 394; Pub. L. 102–550, title VII, § 707(g), Oct. 28, 1992, 106 Stat. 3839.)

AMENDMENTS

1992—Subsec. (j)(3). Pub. L. 102–550 inserted ''independent audits of project expenses,'' after ''customary in the industry,''.

1989—Subsec. (n). Pub. L. 101–73 added subsec. (n).

1988—Subsec. (j)(7). Pub. L. 100–242 added par. (7).

1986—Subsec. (c). Pub. L. 99–272, § 3006(a), inserted provision requiring any loan made and sold after Apr. 7, 1986, to be sold to the public and not to Federal Financing Bank unless required to service transactions between Secretary and Bank occurring on or before such date.

Subsec. (d). Pub. L. 99–272, § 3006(b), (c), designated existing provisions as par. (1), and added pars. (2) to (4).

Subsec. (j)(6). Pub. L. 99–272, § 3006(d), added par. (6).

Subsec. (n). Pub. L. 99–272, § 3006(e), struck out subsec. (n) which restricted loans guaranteed under this section to borrowers with moderate or above-moderate incomes.

Subsec. (*o*). Pub. L. 99–272, § 3006(f), designated existing provisions as par. (1), and added par. (2).

1984—Subsec. (h). Pub. L. 98–479, § 203(d)(5), substituted ''chapter 31 of title 31'' for ''the Second Liberty Bond Act, as amended'' and ''such chapter'' for ''such Act''.

Subsec. (j)(4). Pub. L. 98–479, § 105(f), inserted ''and'' after the semicolon at the end.

Subsec. (k). Pub. L. 98–479, § 203(d)(6), substituted ''chapter 11 of title 31'' for ''the Budget and Accounting Act, 1921''.

1983—Subsec. (a). Pub. L. 98–181, § 514(a)(1), substituted provisions relating to amount of loan to low income person or family, for provisions designated as pars. (1) and (2) relating to restrictions on loans with respect to amounts, interest, etc., where the borrowers are persons of low or moderate income, and similar restrictions where the borrowers are other persons.

Subsec. (a)(1). Pub. L. 98–181, § 511(c), substituted ''September 30, 1985'' for ''November 30, 1983''.

Pub. L. 98–109 substituted ''November 30, 1983'' for ''September 30, 1983''.

Pub. L. 98–35 substituted ''September 30, 1983'' for ''May 20, 1983''.

Subsec. (b). Pub. L. 98–181, § 514(a)(2), substituted ''(b)(3)'' for ''(b)(4)''.

Subsec. (j)(6). Pub. L. 98–181, § 514(b), struck out par. (6) which related to making expenditures under section 1479(c) of this title after Oct. 1, 1977.

Subsec. (*o*). Pub. L. 98–181, § 514(c), (d), added subsec. (*o*), and struck out former subsec. (*o*) which related to loans to persons of low income and to the minimum amounts available to such persons.

1982—Subsec. (a)(1). Pub. L. 97–289 substituted ''May 20, 1983'' for ''September 30, 1982''.

1981—Subsec. (a)(1). Pub. L. 97–35 substituted ''1982'' for ''1981''.

1980—Subsec. (a)(1). Pub. L. 96–399, § 501(c), substituted ''September 30, 1981'' for ''October 15, 1980''.

Pub. L. 96–372 substituted ''October 15, 1980'' for ''September 30, 1980''.

Subsec. (n). Pub. L. 96–399, § 511, inserted reference to moderate income borrowers.

1979—Subsec. (a)(1). Pub. L. 96–153, § 501(g), substituted ''September 30, 1980'' for ''November 30, 1979''.

Pub. L. 96–105 substituted ''November 30, 1979'' for ''October 31, 1979''.

Pub. L. 96–71 substituted ''October 31, 1979'' for ''September 30, 1979''.

Subsec. (*o*). Pub. L. 96–153, § 511, redesignated existing provisions as par. (1) and added par. (2).

1978—Subsec. (a)(1). Pub. L. 95–557, § 501(f), substituted ''September 30, 1979'' for ''October 31, 1978''.

Pub. L. 95–406 substituted ''October 31, 1978'' for ''September 30, 1978''.

Subsec. (j)(4). Pub. L. 95–557, § 506(b), substituted ''1490a(a)'' for ''1490a(a)(2)''.

1977—Subsec. (a)(1). Pub. L. 95–128, § 501(c), substituted ''September 30, 1978'' for ''September 30, 1977''.

Pub. L. 95–80 substituted ''September 30, 1977'' for ''July 31, 1977''.

Pub. L. 95–60 substituted ''July 31, 1977'' for ''June 30, 1977''.

Subsec. (e). Pub. L. 95–128, § 502(b), required separate operation of guaranteed loan program and insured loan program and prohibited transfer of funds from one program to the other.

Subsec. (j)(5), (6). Pub. L. 95–128, § 506, added pars. (5) and (6).

Subsec. (n). Pub. L. 95–128, § 502(c), added subsec. (n).

Subsec. (*o*). Pub. L. 95–128, § 509, added subsec. (*o*).

1974—Subsec. (a)(1). Pub. L. 93–383, § 509(b), substituted ''June 30, 1977'' for ''October 1, 1974''.

Subsec. (b). Pub. L. 93–383, §§ 516(b), 517, inserted reference to section 1490f of this title and provisions relating to transfer of notes from and compensation for the Agricultural Credit Insurance Fund.

Subsec. (d). Pub. L. 93–383, § 505(c)(1), struck out ''as it becomes due'' after ''principal and interest''.

Subsec. (j). Pub. L. 93–383, §§ 505(c)(2), (3), 514(c), 519(b), in cl. (1) substituted ''any payment'' for ''any prepayment'' and ''such payments'' for ''such prepayments'' and inserted provision relating to next agreed annual or semiannual remittance date, in cl. (3) inserted provisions authorizing other services customary in the industry, etc., and added cl. (4).

1973—Subsec. (a)(1). Pub. L. 93–117 substituted ''October 1, 1974'' for ''October 1, 1973''.

1970—Subsec. (j)(3). Pub. L. 91–609 authorized use of Fund moneys for expenses necessary to obtain credit reports on applicants or borrowers.

1969—Subsec. (a)(1). Pub. L. 91–152, § 413(a), substituted ''October 1, 1973'' for ''January 1, 1970''.

Pub. L. 91–78 substituted ''January 1, 1970'' for ''October 1, 1969''.

Subsec. (b). Pub. L. 91–152, § 413(f)(2), inserted reference to section 1490d of this title.

Subsec. (c). Pub. L. 91–152, § 413(b), struck out provision which imposed a limit of not to exceed $100,000,000 on the aggregate amount of loans held by the Secretary at any one time.

Subsec. (d). Pub. L. 91–152, § 413(e)(2), inserted reference to subsec. (m) of this section and inserted ''or otherwise acquired by'' after ''loans made from''.

Subsecs. (k) to (m). Pub. L. 91–152, § 413(c)–(e)(1), added subsecs. (k) to (m).

1966—Subsec. (a)(1). Pub. L. 89–754 substituted restriction against insurance or making of a loan under this par. after Oct. 1, 1969, except pursuant to a commitment entered into before that date for former clause (C) which provided that such loans shall not exceed in the aggregate of $300,000,000 of new loans made or insured in any one fiscal year.

SALE OF RURAL HOUSING LOANS

Pub. L. 99–509, title II, § 2001, Oct. 21, 1986, 100 Stat. 1879, directed Secretary of Agriculture to take such actions as necessary to ensure that loans made under this subchapter are sold to public in amounts sufficient to provide a net reduction in outlays of not less than $1,715,000,000 in fiscal year 1987 from proceeds of such sales, specified procedures and terms of sales, required Secretary to report to specified Congressional committees not later than 20 days before initial sale estimating amount of discount at which loans will be sold at such initial sale and estimating such amount at each subsequent sale during fiscal year 1987 and periodic reports to such committees, the first not later than 60 days after Oct. 21, 1986, and subsequent reports each 60 days thereafter, on Secretary's activities regarding such sales, authorized audits and evaluations of Secretary's activities by Comptroller General and reports on such audits and evaluations to Congressional committees, and excluded applicability of subsec. (d)(2) and (3) of this section to sale of loans.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

§ 1488. Repealed. Pub. L. 91–152, title IV, § 413(e)(3), Dec. 24, 1969, 83 Stat. 399

Section, act July 15, 1949, ch. 338, title V, § 518, as added Aug. 10, 1965, Pub. L. 89–117, title X, § 1003(a), 79 Stat. 500, created the Rural Housing Direct Loan Account, set forth the composition of such Account, and authorized the issuance of notes to the Secretary of the Treasury.

§ 1489. Transfer of excess funds out of Rural Housing Insurance Fund

Any sums in the Rural Housing Insurance Fund which the Secretary determines are in excess of amounts needed to meet the obligations and carry out the purposes of such Fund shall be returned to miscellaneous receipts of the Treasury.

(July 15, 1949, ch. 338, title V, § 519, as added Pub. L. 89–117, title X, § 1006, Aug. 10, 1965, 79 Stat. 501; amended Pub. L. 91–152, title IV, § 413(e)(4), Dec. 24, 1969, 83 Stat. 399.)

AMENDMENTS

1969—Pub. L. 91–152 struck out applicability of provisions to Rural Housing Direct Loan Account.

§ 1490. "Rural" and "rural area" defined

As used in this subchapter, the terms ''rural'' and ''rural area'' mean any open country, or any place, town, village, or city which is not (except in the cases of Pajaro, in the State of California, and Guadalupe, in the State of Arizona) part of or associated with an urban area and which (1) has a population not in excess of 2,500 inhabitants, or (2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or (3) has a population in excess of 10,000 but not in excess of 20,000, and (A) is not contained within a standard metropolitan statistical area, and (B) has a serious lack of mortgage credit for lower and moderate-income families, as determined by the Secretary and the Secretary of Housing and Urban Development. For purposes of this subchapter, any area classified as ''rural'' or a ''rural area'' prior to October 1, 1990, and determined not to be ''rural'' or a ''rural area'' as a result of data received from or after the 1990 or 2000 decennial census shall continue to be so classified until the receipt of data from the decennial census in the year 2010, if such area has a population in excess of 10,000 but not in excess of 25,000, is rural in character, and has a serious lack of mortgage credit for lower and moderate-income families. Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this subchapter, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the receipt of data from the decennial census in the year 2000.

(July 15, 1949, ch. 338, title V, § 520, as added Pub. L. 89–117, title X, § 1007, Aug. 10, 1965, 79 Stat. 502; amended Pub. L. 91–609, title VIII, § 803(e), Dec. 31, 1970, 84 Stat. 1807; Pub. L. 93–383, title V, § 511, Aug. 22, 1974, 88 Stat. 695; Pub. L. 94–375, § 25(b), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 98–181, title V, § 515, Nov. 30, 1983, 97 Stat. 1247; Pub. L. 98–479, title I, § 105(g), Oct. 17, 1984, 98 Stat. 2227; Pub. L. 99–120, § 3(b), Oct. 8, 1985, 99 Stat. 503; Pub. L. 99–156, § 3(b), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99–219, § 3(b), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99–267, § 3(b), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99–272, title III, § 3009(b), Apr. 7, 1986, 100 Stat. 105; Pub. L. 99–289, § 1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99–345, § 1, June 24, 1986, 100 Stat. 673; Pub. L. 99–430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100–122, § 1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100–154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100–170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100–179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100–200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100–242, title III, § 308, Feb. 5, 1988, 101 Stat. 1896; Pub. L. 101–137, § 7(b), Nov. 3, 1989, 103 Stat. 826; Pub. L. 101–625, title VII, § 715(a), Nov. 28, 1990, 104 Stat. 4296; Pub. L. 102–550, title VII, § 709, Oct. 28, 1992, 106 Stat. 3840; Pub. L. 105–276, title V, § 599H(g), Oct. 21, 1998, 112 Stat. 2669; Pub. L. 106–554, § 1(a)(4) [div. A, § 102], Dec. 21, 2000, 114 Stat. 2763, 2763A–172; Pub. L. 106–569, title VII, § 705, Dec. 27, 2000, 114 Stat. 3015.)

AMENDMENTS

2000—Pub. L. 106–554 and Pub. L. 106–569 amended second sentence identically, substituting ''1990 or 2000 decennial census'' for ''1990 decennial census'' and ''year 2010'' for ''year 2000''.

1998—Pub. L. 105–276 inserted before period at end '', and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this subchapter until the receipt of data from the decennial census in the year 2000''.

1992—Pub. L. 102–550 inserted at end ''Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this subchapter.''

1990—Pub. L. 101–625 substituted ''cases'' for ''case'' in first sentence, inserted '', and Guadalupe, in the State of Arizona'' after ''California'', and substituted last sentence for ''For purposes of this subchapter, any area classified as 'rural' or a 'rural area' prior to the receipt of data from or after the 1980 decennial census and de-

termined not to be 'rural' or a 'rural area' as a result of such data shall continue to be so classified through September 30, 1990, if such area has a population in excess of 10,000 but not in excess of 20,000.''

1989—Pub. L. 101–137 substituted ''September 30, 1990'' for ''September 30, 1989''.

1988—Pub. L. 100–242 added parenthetical exception for Pajaro, in the State of California, and substituted ''September 30, 1989'' for ''March 15, 1988''.

1987—Pub. L. 100–200 substituted ''March 15, 1988'' for ''December 16, 1987''.

Pub. L. 100–179 substituted ''December 16, 1987'' for ''December 2, 1987''.

Pub. L. 100–170 substituted ''December 2, 1987'' for ''November 15, 1987''.

Pub. L. 100–154 substituted ''November 15, 1987'' for ''October 31, 1987''.

Pub. L. 100–122 substituted ''October 31, 1987'' for ''September 30, 1987''.

1986—Pub. L. 99–430 substituted ''September 30, 1987'' for ''September 30, 1986''.

Pub. L. 99–345 substituted ''September 30, 1986'' for ''June 6, 1986''.

Pub. L. 99–289 substituted ''June 6, 1986'' for ''April 30, 1986''.

Pub. L. 99–272 directed amendment identical to Pub. L. 99–219, substituting ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–267 substituted ''April 30, 1986'' for ''March 17, 1986''.

1985—Pub. L. 99–219 substituted ''March 17, 1986'' for ''December 15, 1985''.

Pub. L. 99–156 substituted ''December 15, 1985'' for ''November 14, 1985''.

Pub. L. 99–120 substituted ''November 14, 1985'' for ''the end of fiscal year 1985''.

1984—Pub. L. 98–479 substituted ''1985'' for ''1984''.

1983—Pub. L. 98–181 inserted provisions relating to applicability of this subchapter through fiscal year 1984 to areas classified pursuant to 1980 decennial census.

1976—Cl. (3)(B). Pub. L. 94–375 inserted ''for lower and moderate-income families'' after ''has a serious lack of mortgage credit''.

1974—Cl. (3). Pub. L. 93–383 added cl. (3).

1970—Pub. L. 91–609 substituted as upper population limit ''10,000'' for ''5,500''.

EFFECTIVE DATE OF 1990 AMENDMENT

Section 715(b) of Pub. L. 101–625 provided that: ''The amendment made by this section [amending this section] shall apply with respect to classification of rural areas for fiscal year 1991 and any fiscal year thereafter.''

§ 1490a. Loans to provide occupant owned, rental, and cooperative housing for low and moderate income, elderly or handicapped persons or families

(a) Interest rates; additional assistance; payments to owners; rent limitations

(1)(A) Notwithstanding the provisions of sections 1472, 1487(a) and 1485 of this title, loans to persons of low or moderate income under section 1472 or 1487(a)(1)[1] of this title, loans under section 1485 of this title to provide rental or cooperative housing and related facilities for persons and families of low or moderate income or elderly or handicapped persons or families and loans under section 1490f of this title to provide condominium housing for persons and families of low or moderate income, shall bear interest at a rate prescribed by the Secretary at not less than a rate determined by the Secretary of the Treasury upon the request of the Secretary taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum. Any loan guaranteed under this subchapter shall bear interest at such rate as may be agreed upon by the borrower and the lender.

(B) From the interest rate so determined, the Secretary may provide the borrower with assistance in the form of credits so as to reduce the effective interest rate to a rate not less than 1 per centum per annum for such periods of time as the Secretary may determine for applicants described in subparagraph (A) if without such assistance such applicants could not afford the dwelling or make payments on the indebtedness of the rental or cooperative housing. In the case of assistance provided under this subparagraph with respect to a loan under section 1472 of this title, the Secretary may not reduce, cancel, or refuse to renew the assistance due to an increase in the adjusted income of the borrower if the reduction, cancellation, or nonrenewal will cause the borrower to be unable to reasonably afford the resulting payments required under the loan.

(C) For persons of low income under section 1472 or 1487(a) of this title who the Secretary determines are unable to afford a dwelling with the assistance provided under subparagraph (B) and when the Secretary determines that assisted rental housing programs (as authorized under this subchapter, the National Housing Act [12 U.S.C. 1701 et seq.], and the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]) would be unsuitable in the area in which such persons reside, the Secretary may provide additional assistance, pursuant to amounts approved in appropriation Acts and for such periods of time as the Secretary may determine, which may be in an amount not to exceed the difference between (i) the amount determined by the Secretary to be necessary to pay the principal indebtedness, interest, taxes, insurance, utilities, and maintenance, and (ii) 25 per centum of the income of such applicant. The amount of such additional assistance which may be approved in appropriation Acts may not exceed an aggregate amount of $100,000,000. Such additional assistance may not be so approved with respect to any fiscal year beginning on or after October 1, 1981.

(D)(i) With respect to borrowers under section 1472 or 1487(a) of this title who have received assistance under subparagraph (B) or (C), the Secretary shall provide for the recapture of all or a portion of such assistance rendered upon the disposition or nonoccupancy of the property by the borrower. In providing for such recapture, the Secretary shall make provisions to provide incentives for the borrower to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance.

(ii) In determining the amount recaptured under this subparagraph with respect to any loan made pursuant to section 1472(a)(3) of this

[1] See References in Text note below.

title for the purchase of a dwelling located on land owned by a community land trust, the Secretary shall determine any appreciation of the dwelling based on any agreement between the borrower and the community land trust that limits the sale price or appreciation of the dwelling.

(E) Except for Federal or State laws relating to taxation, the assistance rendered to any borrower under subparagraphs (B) and (C) shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to welfare and public assistance programs.

(F) Loans subject to the interest rates and assistance provided under this paragraph (1) may be made only when the Secretary determines the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under the National Housing Act [12 U.S.C. 1701 et seq.] and the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.].

(G) Interest on loans under section 1472 or 1487(a) of this title to victims of a natural disaster shall not exceed the rate which would be applicable to such loans under section 1472 of this title without regard to this section.

(2)(A) The Secretary shall make and insure loans under this section and sections 1484, 1485, and 1487 of this title to provide rental or cooperative housing and related facilities for persons and families of low income in multifamily housing projects, and shall make, and contract to make, assistance payments to the owners of such rental, congregate, or cooperative housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs. Any rent or contribution of any recipient shall not increase as a result of this section or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.

(B) The owner of any project assisted under this paragraph or paragraph (5) shall be required to provide at least annually a budget of operating expenses and record of tenants' income. The budget (and the income, in the case of a project assisted under this paragraph) shall be used to determine the amount of the assistance for each project.

(C) The project owner shall accumulate, safeguard, and periodically pay to the Secretary any rental charges collected in excess of basic rental charges as established by the Secretary in conformity with subparagraph (A). These funds may be credited to the appropriation and used by the Secretary for making such assistance payments through the end of the next fiscal year. Notwithstanding the preceding sentence, excess funds received from tenants in projects financed under section 1485 of this title during a fiscal year shall be available during the next succeeding fiscal year, together with funds provided under subparagraph (D), to the extent approved in appropriations Acts, to make assistance payments to reduce rent overburden on behalf of tenants of any such project whose rents exceed the levels referred to in subparagraph (A). In providing assistance to relieve rent overburden, the Secretary shall provide assistance with respect to very low-income and low-income families to reduce housing rentals to the levels specified in subparagraph (A).

(D) The Secretary, to the extent approved in appropriation Acts, may enter into rental assistance contracts aggregating not more than $398,000,000 in carrying out subparagraph (A) with respect to the fiscal year ending on September 30, 1982.

(E) In order to assist elderly or handicapped persons or families who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit rental assistance to be used by such persons or families if the shared housing arrangement is in a single-family dwelling. For the purpose of this subparagraph, the Secretary shall prescribe minimum habitability standards to assure decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.

(3)(A) In the case of loans under sections 1484 and 1485 of this title approved prior to the effective date of this paragraph with respect to which rental assistance is provided, the rent for tenants receiving such assistance shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.

(B) In the case of a section 1485 loan approved prior to the effective date of this paragraph with respect to which interest credits are provided, the tenant's rent shall not exceed the highest of (i) 30 per centum of monthly adjusted income, (ii) 10 per centum of monthly income, or (iii) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs, or, where no rental assistance authority is available, the rent level established on a basis of a 1 per centum interest rate on debt service.

(C) No rent for a unit financed under section 1484 or 1485 of this title shall be increased as a result of this subsection or other provision of Federal law or Federal regulation by more than 10 per centum in any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law, or regulation.

(4) In the case of a loan with respect to the purchase of a manufactured home with respect

to which rental assistance is provided, the monthly payment for principal and interest on the manufactured home and for lot rental and utilities shall not exceed the highest of (A) 30 per centum of monthly adjusted income, (B) 10 per centum of monthly income, or (C) if the person or family is receiving payments for welfare assistance from a public agency, the portion of such payments which is specifically designated by such agency to meet the person's or family's housing costs.

(5) OPERATING ASSISTANCE FOR MIGRANT FARMWORKER PROJECTS.—

(A) AUTHORITY.—In the case of housing (and related facilities) for migrant farmworkers provided or assisted with a loan under section 1484 of this title or a grant under section 1486 of this title, the Secretary may, at the request of the owner of the project, use amounts provided for rental assistance payments under paragraph (2) to provide assistance for the costs of operating the project. Any tenant or unit assisted under this paragraph may not receive rental assistance under paragraph (2).

(B) AMOUNT.—In any fiscal year, the assistance provided under this paragraph for any project shall not exceed an amount equal to 90 percent of the operating costs for the project for the year, as determined by the Secretary. The amount of assistance to be provided for a project under this paragraph shall be an amount that makes units in the project available to migrant farmworkers in the area of the project at rates not exceeding 30 percent of the monthly adjusted incomes of such farmworkers, based on the prevailing incomes of such farmworkers in the area.

(C) SUBMISSION OF INFORMATION.—The owner of a project assisted under this paragraph shall be required to provide to the Secretary, at least annually, a budget of operating expenses and estimated rental income, which the Secretary may use to determine the amount of assistance for the project.

(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

(i) The term ''migrant farmworker'' has the same meaning given such term in section 1486(k)(7) of this title.

(ii) The term ''operating cost'' means expenses incurred in operating a project, including expenses for—

(I) administration, maintenance, repair, and security of the project;

(II) utilities, fuel, furnishings, and equipment for the project; and

(III) maintaining adequate reserve funds for the project.

(b) Location in rural areas; inclusion of qualified nonrural residents who will become rural residents

Housing and related facilities provided with loans described in subsection (a) of this section shall be located in rural areas; and applicants eligible for such loans under section 1472, 1487(a)(1),[2] or 1490f(a) of this title, or for occupancy of housing provided with such loans under section 1485 or 1490f(c) of this title, shall include otherwise qualified nonrural residents who will become rural residents.

(c) Reimbursement of Rural Housing Insurance Fund

There shall be reimbursed to the Rural Housing Insurance Fund by annual appropriations (1) the amounts by which nonprincipal payments made from the fund during each fiscal year to the holders of insured loans described in subsection (a)(1) of this section exceed interest due from the borrowers during each year, and (2) the amount of assistance payments described in subsections (a)(2) and (a)(5) of this section. There are authorized to be appropriated to the Rural Housing Insurance Fund such sums as may be necessary to reimburse such fund for the amount of assistance payments described in subsection (a)(1)(C) of this section. The Secretary may from time to time issue notes to the Secretary of the Treasury under section 1487(h) and of this title and section 1490f of this title to obtain amounts equal to such unreimbursed payments, pending the annual reimbursement by appropriation.

(d) Rental assistance contract authority; preconditions, limitations, etc.

(1) In utilizing the rental assistance payments authority pursuant to subsection (a)(2) of this section—

(A) the Secretary shall make such assistance available in existing projects for units occupied by low income families or persons to extend expiring contracts or to provide additional assistance when necessary to provide the full amount authorized pursuant to existing contracts;

(B) any such authority remaining after carrying out subparagraph (A) shall be used in projects receiving commitments under section 1484, 1485, or 1486 of this title after fiscal year 1983 for contracts to assist very low-income families or persons to occupy the units in such projects, except that not more than 5 percent of the units assisted may be occupied by low income families or persons who are not very low-income families or persons; and

(C) any such authority remaining after carrying out subparagraphs (A) and (B) may be used to provide further assistance to existing projects under section 1484, 1485, or 1486 of this title.

(2) The Secretary shall transfer rental assistance contract authority under this section from projects where such authority is unused after initial rentup and not needed because of a lack of eligible tenants in the area to projects where such authority is needed.

(e) Increases in rent or contribution of any recipient

Any rent or contribution of any recipient or any tenant in a project assisted under subsection (a)(5) of this section shall not increase as a result of this section, any amendment thereto, or any other provision of Federal law or regulation by more than 10 per centum during any twelve-month period, unless the increase above 10 per centum is attributable to increases in income which are unrelated to this subsection or other law or regulation.

[2] See References in Text note below.

(July 15, 1949, ch. 338, title V, § 521, as added Pub. L. 90–448, title X, § 1001, Aug. 1, 1968, 82 Stat. 551; amended Pub. L. 93–383, title V, §§ 514(a), (b), 516(c), Aug. 22, 1974, 88 Stat. 696, 698; Pub. L. 94–375, § 25(a), Aug. 3, 1976, 90 Stat. 1078; Pub. L. 95–128, title V, §§ 502(d), 507(a)(4), (5), 511, Oct. 12, 1977, 91 Stat. 1139, 1140, 1142; Pub. L. 95–557, title V, §§ 506(a), 507, Oct. 31, 1978, 92 Stat. 2112, 2113; Pub. L. 96–153, title V, §§ 501(c), 502(a), 504, Dec. 21, 1979, 93 Stat. 1133–1135; Pub. L. 96–372, § 6(d), Oct. 3, 1980, 94 Stat. 1364; Pub. L. 96–399, title V, §§ 501(e), (f), 505, Oct. 8, 1980, 94 Stat. 1668, 1669; Pub. L. 97–35, title III, §§ 351(d), 352, Aug. 13, 1981, 95 Stat. 421; Pub. L. 98–181, title V, §§ 516, 517(a)–(c), (e), Nov. 30, 1983, 97 Stat. 1247–1249; Pub. L. 98–479, title I, § 105(h), Oct. 17, 1984, 98 Stat. 2227; Pub. L. 100–242, title III, §§ 309, 316(d), Feb. 5, 1988, 101 Stat. 1896, 1898; Pub. L. 101–625, title VII, § 716, Nov. 28, 1990, 104 Stat. 4296; Pub. L. 102–550, title VII, § 702(b), Oct. 28, 1992, 106 Stat. 3834; Pub. L. 105–276, title V, § 599C(e)(1), (e)(2)(D)–(F), Oct. 21, 1998, 112 Stat. 2661, 2663; Pub. L. 106–569, title VII, § 706, Dec. 27, 2000, 114 Stat. 3015.)

REFERENCES IN TEXT

Section 1487(a) of this title, referred to in subsecs. (a)(1)(A) and (b), was amended by Pub. L. 98–181, title V, § 514(a)(1), Nov. 30, 1983, 98 Stat. 1247, and, as so amended, does not contain a par. (1).

The National Housing Act, referred to in subsec. (a)(1)(C) and (F), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended, which is classified principally to chapter 13 (§ 1701 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see section 1701 of Title 12 and Tables.

The United States Housing Act of 1937, referred to in subsec. (a)(1)(C) and (F), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93–383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653, and amended, which is classified generally to chapter 8 (§ 1437 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of this title and Tables.

The effective date of this paragraph, referred to in subsec. (a)(3)(A) and (B), is six months after Nov. 30, 1983, or upon the earlier promulgation of implementing regulations by the Secretary. See section 517(f) of Pub. L. 98–181, set out as an Effective Date of 1983 Amendment note below.

AMENDMENTS

2000—Subsec. (a)(5)(A). Pub. L. 106–569 substituted ''Any tenant or unit assisted'' for ''Any project assisted'' in last sentence.

1998—Subsec. (a)(2)(B). Pub. L. 105–276, § 599C(e)(2)(D), inserted ''or paragraph (5)'' after ''this paragraph'' and substituted ''. The budget (and the income, in the case of a project assisted under this paragraph) shall be used to determine the amount of the assistance for each project.'' for ''which shall be used to determine the amount of assistance for each project.''

Subsec. (a)(5). Pub. L. 105–276, § 599C(e)(1), added par. (5).

Subsec. (c)(2). Pub. L. 105–276, § 599C(e)(2)(E), substituted ''subsections (a)(2) and (a)(5)'' for ''subsection (a)(2)''.

Subsec. (e). Pub. L. 105–276, § 599C(e)(2)(F), inserted ''or any tenant in a project assisted under subsection (a)(5) of this section'' after ''recipient''.

1992—Subsec. (a)(1)(D). Pub. L. 102–550 designated existing provisions as cl. (i) and added cl. (ii).

1990—Subsec. (a)(2)(C). Pub. L. 101–625 inserted at end ''Notwithstanding the preceding sentence, excess funds received from tenants in projects financed under section 1485 of this title during a fiscal year shall be available during the next succeeding fiscal year, together with funds provided under subparagraph (D), to the extent approved in appropriations Acts, to make assistance payments to reduce rent overburden on behalf of tenants of any such project whose rents exceed the levels referred to in subparagraph (A). In providing assistance to relieve rent overburden, the Secretary shall provide assistance with respect to very low-income and low-income families to reduce housing rentals to the levels specified in subparagraph (A).''

1988—Subsec. (a)(1)(A). Pub. L. 100–242, § 316(d)(1), struck out before period at end '', except that such loans to provide housing and related facilities for persons or families of moderate income shall bear interest at the rate established by the Secretary of Housing and Urban Development under section 1709–1 of title 12 with respect to maximum interest rates established for mortgages insured under section 1709(b) of title 12 if the Secretary determines that the borrower can afford such higher interest charges.''

Subsec. (a)(1)(B). Pub. L. 100–242, § 309, inserted at end ''In the case of assistance provided under this subparagraph with respect to a loan under section 1472 of this title, the Secretary may not reduce, cancel, or refuse to renew the assistance due to an increase in the adjusted income of the borrower if the reduction, cancellation, or nonrenewal will cause the borrower to be unable to reasonably afford the resulting payments required under the loan.''

Subsec. (a)(2)(A). Pub. L. 100–242, § 316(d)(2), substituted comma for semicolon at end of cl. (ii).

1984—Subsec. (d)(1). Pub. L. 98–479 in amending par. (1) generally, inserted provisions preceding subpar. (A), in subpar. (A) substituted provisions authorizing Secretary to make assistance available in existing projects for former provisions which required Secretary to first assure that expiring contracts are extended for those units occupied by persons or families of low income and that additional assistance is used when necessary to provide the full amount authorized pursuant to existing contracts, in subpar. (B) substituted ''any such authority remaining after carrying out subparagraph (A)'' for ''Remaining funds'' and inserted provisions relating to persons who are not very low-income families or persons, and in subpar. (C) substituted provisions that remaining authority may be used to provide assistance under sections 1484 to 1486 of this title for former provisions which authorized the Secretary to use remaining funds for existing projects for very low-income families except that 5 per centum of the units assisted may be occupied by families and persons of low income.

1983—Subsec. (a)(2)(A). Pub. L. 98–181, § 517(c), substituted provisions setting forth factors applicable to determination of maximum amount, for provisions setting forth maximum amount as 25 per centum of income, and inserted provisions relating to limitations on increases of any rent or contribution of recipient.

Pub. L. 98–181, § 517(a), struck out provisions requiring assistance payments to be made on a unit basis and maximum amount of such payments, and provisions respecting priority for approval of projects under this paragraph.

Subsec. (a)(2)(E). Pub. L. 98–181, § 516, added subpar. (E).

Subsec. (a)(3), (4). Pub. L. 98–181, § 517(b), added pars. (3) and (4).

Subsecs. (d), (e). Pub. L. 98–181, § 517(e), added subsecs. (d) and (e).

1981—Subsec. (a)(1)(B). Pub. L. 97–35, § 352, substituted ''may provide'' for ''shall provide''.

Subsec. (a)(2)(D). Pub. L. 97–35, § 351(d), substituted ''$398,000,000'' for ''$493,000,000'', and substituted provisions relating to fiscal year ending Sept. 30, 1982, for provisions relating to fiscal year ending Sept. 30, 1981.

1980—Subsec. (a)(1)(B). Pub. L. 96–399, § 505, substituted ''the Secretary shall provide'' for ''the Secretary may provide''.

Subsec. (a)(1)(C). Pub. L. 96–399, § 501(f), substituted provisions limiting the amount of additional assistance which may be approved to $100,000,000, for provisions

limiting such amounts to $985,000,000 for contracts entered into with respect to fiscal year 1979 and $500,000,000 for contracts entered into through Oct. 15, 1980, and substituted ''with respect to any fiscal year beginning on or after October 1, 1981'' for ''after October 15, 1980''.

Pub. L. 96–372 substituted ''through October 15, 1980'' for ''with respect to fiscal year 1980'' and in last sentence ''after October 15, 1980'' for ''with respect to any fiscal year after fiscal year 1980''.

Subsec. (a)(2)(D). Pub. L. 96–399, § 501(e), added subpar. (D).

1979—Subsec. (a)(1)(A). Pub. L. 96–153, § 502(a), inserted exception that loans to provide housing and related facilities for persons or families of moderate income shall bear interest at the rate established by the Secretary under certain provisions of title 12.

Subsec. (a)(1)(C). Pub. L. 96–153, § 501(c)(1), inserted provisions that the amount of such additional assistance which may be approved in appropriation acts may not exceed an aggregate amount of $985,000,000 for contracts entered into with respect to fiscal year 1979 and an aggregate amount of $500,000,000 for contracts entered into with respect to fiscal year 1980 and that such additional assistance may not be so approved with respect to any fiscal year after fiscal year 1980.

Subsec. (a)(1)(H). Pub. L. 96–153, § 501(c)(3), repealed subpar. (H) which provided that the aggregate principal amount of loans made to borrowers receiving assistance pursuant to subpar. (C) shall not exceed $440,000,000.

Subsec. (a)(2)(A). Pub. L. 96–153, § 504, substituted ''assistance payments to the owners of'' for ''assistance payments to public and private nonprofit owners of'', ''70 per centum'' for ''20 per centum'' in two places, ''by a loan under section 1484 of this title to a public or private nonprofit owner'' for ''by a loan under section 1484 of this title'', the first time section 1484 of this title appeared in cl. (i), and inserted provisions that in approving projects for assistance under this paragraph, the Secretary shall give priority to projects in which assistance is provided to 40 per centum or fewer of the units contained in the project.

Subsec. (c). Pub. L. 96–153, § 501(c)(2), inserted authorization of appropriation to Rural Housing Insurance Fund of such sums as may be necessary to reimburse fund for amount of assistance payments under subsec. (a)(1)(C) of this section.

1978—Subsec. (a)(1)(A) to (H). Pub. L. 95–557, § 506(a), designated existing provisions as par. (1)(A), and in par. (1)(A) as so designated, struck out ''less not to exceed the difference between the adjusted rate determined by the Secretary of the Treasury and 1 per cent per annum: *Provided*, That such a loan may be made only when the Secretary determines that the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under section 1715z or 1715z–1 of title 12: *Provided further*, That interest on loans under section 1472 or 1487(a) of this title to victims of natural disaster shall not exceed the rate which would be applicable to such loans under section 1472 of this title without regard to this section'', after ''one-eighth of 1 per centum,'' and added pars. (B) to (H).

Subsec. (a)(2)(A). Pub. L. 95–557, § 507, substituted ''public and private nonprofit owners'' for ''the owners'', inserted ''congregate, or cooperative'' after ''rental'' and inserted ''by a loan under section 1484 of this title'' after ''section 1485 of this title for elderly or handicapped housing''.

1977—Subsec. (a)(1). Pub. L. 95–128, §§ 502(d), 507(a)(4), provided that any loan guaranteed under this subchapter shall bear interest at the rate as may be agreed upon by the borrower and the lender and provided loans for housing of handicapped persons or families.

Subsec. (a)(2)(A). Pub. L. 95–128, §§ 507(a)(5), 511, included handicapped housing in cl. (i) and substituted ''shall'' for ''may'' wherever appearing, except in cl. (i).

1976—Subsec. (a)(1). Pub. L. 94–375 substituted ''rate determined by the Secretary of the Treasury upon the request of the Secretary'' for ''rate determined annually by the Secretary of the Treasury''.

1974—Subsec. (a)(1). Pub. L. 93–383, §§ 514(a), 516(c)(1), redesignated existing subsec. (a) as (a)(1) and, as so redesignated, substituted ''loans under section 1485 of this title'' for ''and loans under section 1485 of this title'' and inserted provisions relating to loans under section 1490f of this title to provide condominium housing for persons and families of low or moderate income.

Subsec. (a)(2). Pub. L. 93–383, § 514(a), added par. (2).

Subsec. (b). Pub. L. 93–383, § 516(c)(2), inserted references to sections 1490f(a) and 1490f(c) of this title.

Subsec. (c). Pub. L. 93–383, §§ 514(b), 516(c)(3), reorganized structure of subsec. (c) by designating existing provisions as cl. (1) and, as so designated, substituted reference to subsec. (a)(1) of this section for reference to subsec. (a) of this section, added cl. (2), and made former second clause into second sentence, and, as so amended, inserted reference to section 1490f of this title and struck out ''excess'' after ''unreimbursed''.

EFFECTIVE DATE OF 1983 AMENDMENT

Section 517(f) of Pub. L. 98–181 provided that: ''The amendments made by this section [amending this section and section 1490j of this title] shall take effect six months after the date of enactment of this Act [Nov. 30, 1983], or upon the earlier promulgation of regulations implementing this section by the Secretary.''

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

§ 1490b. Housing for rural trainees

(a) Authorization; financial and technical assistance; selection of training sites and location of housing

Upon the application of any State or political subdivision thereof, or any public or private nonprofit organization, the Secretary is authorized, after consultation with the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, and the Director of the Office of Economic Opportunity, and after the Secretary determines that the housing and related facilities cannot reasonably be provided in any other way, to provide financial and technical assistance for the establishment, in rural areas, of housing and related facilities for trainees and their families who are residents of a rural area and have a rural background, while such trainees are enrolled and participating in training courses designed to improve their employment capability. The selection of training sites and location of housing shall be made with due regard to the economic viability of the area, and only after consideration of a labor area survey and full coordination among all Government agencies having primary responsibility for administering related programs.

(b) Quality of housing and related facilities; design and location

Housing and related facilities assisted under this section shall be safe and sanitary, constructed in the most economical manner, and of modest design, giving due consideration to the purposes to be served and the needs of the occupants, and may, in the discretion of the Secretary, include mobile family quarters. Design and location shall be such as to facilitate, as feasible, the use of such housing and related fa-

cilities for other purposes when no longer needed for the primary purpose.

(c) Contribution of land by applicant

The applicant shall contribute the necessary land, or funds to acquire such land, from its own resources, including land acquired by donation or from funds repayable under subsection (e) of this section or borrowed from other sources.

(d) Conditions precedent to grant of financial assistance

No financial assistance shall be made available under this section unless, to the extent and for the periods required by the Secretary, the applicant agrees that—

(1) such housing will be maintained at all times in a safe and sanitary condition in accordance with standards prescribed by State or local law, or, in the absence of such standards, with requirements prescribed by the Secretary;

(2) priority shall be given at all times, in granting occupancy of such housing and facilities, to the trainees and their families described in subsection (a) of this section; and

(3) rentals charged them shall not exceed amounts approved by the Secretary after considering the portion of the actual total family income which the family can afford to pay for rent while meeting its other immediate needs during occupancy.

(e) Advances; repayment; limitation on amount

The Secretary may make advances pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. Such advances for the purchase of land shall be repayable with interest and within a period not to exceed thirty-three years and may be made upon such security, if any, as the Secretary requires. Advances for other purposes may be made repayable with or without interest or nonrepayable, as determined by the Secretary on the basis of the anticipated income, and cost of operation of the housing and related facilities and the ability of each applicant to finance such facilities. Any advances shall be limited to cover the capital costs of constructing such facilities, plus interest on borrowings to cover such costs.

(f) Sale of housing and related facilities to ineligible transferee or diversion to use other than primary purpose; repayment of advances; return of property to original condition

Should housing and related facilities assisted pursuant to a contract under this section be sold to an ineligible transferee or diverted to a use other than its primary purpose within a period specified in the contract, all advances made under such contract shall be repaid to the Secretary, up to the amount of the sales price or the fair value of the property as determined by the Secretary, whichever is higher, with interest from the date of the sale or diversion. If no suitable alternate use of the property is available, as determined by the Secretary, after the purpose of this section can no longer be served, the property shall be returned to its original condition by the recipient of the assistance.

(g) Interest on advances

Interest charged on advances made under this section shall be at a rate, prescribed by the Secretary, which shall be not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less not to exceed the difference between the adjusted rate determined by the Secretary of the Treasury and 1 per centum per annum, as determined by the Secretary.

(h) Regulations

The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

(i) "Related facilities" and "trainee" defined

As used in this section (1) the term ''related facilities'' shall include any necessary community rooms or buildings, infirmaries, utilities, access roads, water and sewer services, and the minimum fixed or movable equipment determined by the Secretary to be necessary to make the housing reasonably habitable by trainees and their families; and (2) the term ''trainee'' means any person receiving training under any federally assisted training program.

(j) Authorization of appropriations

There are authorized to be appropriated such sums as may be necessary to carry out this section.

(July 15, 1949, ch. 338, title V, § 522, as added Pub. L. 90–448, title X, § 1002, Aug. 1, 1968, 82 Stat. 551; amended Pub. L. 98–479, title II, § 201(c), Oct. 17, 1984, 98 Stat. 2228; Pub. L. 100–242, title III, § 316(e), Feb. 5, 1988, 101 Stat. 1898.)

AMENDMENTS

1988—Subsec. (a). Pub. L. 100–242 substituted ''Secretary of Health and Human Services'' for ''Secretary of Health, and Human Services''.

1984—Subsec. (a). Pub. L. 98–479 substituted ''Health, and Human Services'' for ''Health, Education, and Welfare''.

OFFICE OF ECONOMIC OPPORTUNITY

Pub. L. 93–644, § 9(a), Jan. 4, 1975, 88 Stat. 2310 [42 U.S.C. 2941], amended the Economic Opportunity Act of 1964 [42 U.S.C. 2701 et seq.] to create the Community Services Administration, an independent agency in the executive branch, as the successor authority to the Office of Economic Opportunity, and provided that references to the Office of Economic Opportunity or to its Director were deemed to refer to the Community Services Administration or to its Director. The Community Services Administration was terminated when the Economic Opportunity Act of 1964, except for titles VIII and X, was repealed, effective Oct. 1, 1981, by section 683(a) of Pub. L. 97–35, title VI, Aug. 13, 1981, 95 Stat. 519 (42 U.S.C. 9912(a)). An Office of Community Services, headed by a Director, was established in the Department of Health and Human Services by section 676 of Pub. L. 97–35 (42 U.S.C. 9905).

§ 1490c. Mutual and self-help housing

(a) Purpose

The purposes of this section are (1) to make financial assistance available on reasonable terms

and conditions in rural areas and small towns to needy low-income individuals and their families who, with the benefit of technical assistance and overall guidance and supervision, participate in approved programs of mutual or self-help housing by acquiring and developing necessary land, acquiring building materials, providing their own labor, and working cooperatively with others for the provision of decent, safe, and sanitary dwellings for themselves, their families, and others in the area or town involved, and (2) to facilitate the efforts of both public and private nonprofit organizations providing assistance to such individuals to contribute their technical and supervisory skills toward more effective and comprehensive programs of mutual or self-help housing in rural areas and small towns wherever necessary.

(b) Contract authority; establishment of Self-Help Housing Land Development Fund; authorization to make loans; conditions of loan

In order to carry out the purposes of this section, the Secretary of Agriculture (in this section referred to as the ''Secretary'') is authorized—

(1)(A) to make grants to, or contract with, public or private nonprofit corporations, agencies, institutions, organizations, Indian tribes, and other associations approved by him, to pay part or all of the costs of developing, conducting, administering, or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and their families in carrying out mutual or self-help housing efforts, including the repair of units financed under section 1472 of this title that are being held in inventory; and

(B) to establish the Self-Help Housing Land Development Fund, referred to herein as the Self-Help Fund, to be used by the Secretary as a revolving fund for making loans, on such terms and conditions and in such amounts as he deems necessary, to public or private nonprofit organizations and to Indian tribes for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, and cooperatives eligible for assistance under section 1715z or 1715z–1 of title 12 or section 1490a of this title. Such a loan, with interest at a rate not to exceed 3 percent per annum, shall be repaid within a period not to exceed two years from the making of the loan, or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes hereof: *Provided*, That the Secretary may advance funds under this paragraph to organizations receiving assistance under clause (A) to enable them to establish revolving accounts for the purchase of land options and any such advances may bear interest at a rate determined by the Secretary and shall be repaid to the Secretary at the expiration of the period for which the grant to the organization involved was made;

(2) to make grants to, or contract with, national or regional private nonprofit corporations to provide training and technical assistance to public or private nonprofit corporations, agencies, institutions, organizations, and other associations, including Indian tribes, eligible to receive assistance under this section in order to expand the use of authorities contained in this section and to improve performance; and

(3) to make loans, on such terms and conditions and in such amounts as he deems necessary, to needy low-income individuals participating in programs of mutual or self-help housing approved by him, for the acquisition and development of land and for the purchase of such other building materials as may be necessary in order to enable them, by providing substantially all of their own labor, and by cooperating with others participating in such programs, to carry out to completion the construction of decent, safe, and sanitary dwellings for such individuals and their families, subject to the following limitations:

(A) there is reasonable assurance of repayment of the loan;

(B) the amount of the loan, together with other funds which may be available, is adequate to achieve the purpose for which the loan is made;

(C) the credit assistance is not otherwise available on like terms or conditions from private sources or through other Federal, State, or local programs;

(D) the loan bears interest at a rate not to exceed 3 per centum per annum on the unpaid balance of principal, plus such additional charge, if any, toward covering other costs of the loan program as the Secretary may determine to be consistent with its purposes; and

(E) the loan is repayable within not more than thirty-three years.

(c) Considerations for financial assistance

In determining whether to extend financial assistance under paragraph (1) or (2) of subsection (b) of this section, the Secretary shall take into consideration, among other factors, the suitability of the area within which construction will be carried out to the type of dwelling which can be provided under mutual or self-help housing programs, the extent to which the assistance will facilitate the provision of more decent, safe, and sanitary housing conditions than presently exist in the area, the extent to which the assistance will be utilized efficiently and expeditiously, the extent to which the assistance will effect an increase in the standard of living of low-income individuals participating in the mutual or self-help housing program, and whether the assistance will fulfill a need in the area which is not otherwise being met through other programs, including those carried out by other Federal, State, or local agencies.

(d) "Construction" defined

As used in this section, the term ''construction'' includes the erection of new dwellings, and the rehabilitation, alteration, conversion, or improvement of existing structures.

(e) Establishment of appropriate criteria and procedures for determining eligibility of applicants

The Secretary is authorized to establish appropriate criteria and procedures in order to de-

termine the eligibility of applicants for the financial assistance provided under this section, including criteria and procedures with respect to the periodic review of any construction carried out with such financial assistance.

(f) Repealed. Pub. L. 102–550, title VII, § 710(2), Oct. 28, 1992, 106 Stat. 3840

(g) Deposit in Self-Help Fund; availability of amounts; assets

Amounts appropriated under this subsection, together with principal collections from loans made under appropriations in any previous fiscal years, shall be deposited in the Self-Help Housing Land Development Fund, which shall be available, to the extent approved in appropriation Acts, as a revolving fund for making loans under subsection (b)(1)(B) of this section; except that not more than $5,000,000 may be made available during fiscal year 1985. Instruments and property acquired by the Secretary in or as a result of making such loans shall be assets of the Self-Help Housing Land Development Fund.

(h) Rules and regulations

The Secretary shall issue rules and regulations for the orderly processing and review of applications under this section and rules and regulations protecting the rights of grantees under this section in the event he determines to end grant assistance prior to the termination date of any grant agreement.

(July 15, 1949, ch. 338, title V, § 523, as added Pub. L. 90–448, title X, § 1005, Aug. 1, 1968, 82 Stat. 553; amended Pub. L. 93–117, § 13(d), Oct. 2, 1973, 87 Stat. 423; Pub. L. 93–383, title V, § 512, Aug. 22, 1974, 88 Stat. 695; Pub. L. 95–60, § 4(d), June 30, 1977, 91 Stat. 258; Pub. L. 95–80, § 4(d), July 31, 1977, 91 Stat. 340; Pub. L. 95–128, title V, § 501(d), Oct. 12, 1977, 91 Stat. 1139; Pub. L. 95–406, § 7(d), Sept. 30, 1978, 92 Stat. 881; Pub. L. 95–557, title V, § 501(g), (h), Oct. 31, 1978, 92 Stat. 2111; Pub. L. 96–71, § 5(d), Sept. 28, 1979, 93 Stat. 502; Pub. L. 96–105, § 5(d), Nov. 8, 1979, 93 Stat. 795; Pub. L. 96–153, title V, §§ 501(d), (e), 505, Dec. 21, 1979, 93 Stat. 1133, 1135; Pub. L. 96–372, § 6(e), Oct. 3, 1980, 94 Stat. 1365; Pub. L. 96–399, title V, §§ 501(d), 507(e), Oct. 8, 1980, 94 Stat. 1668, 1670; Pub. L. 97–35, title III, § 351(e), Aug. 13, 1981, 95 Stat. 421; Pub. L. 97–289, § 3(c), Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98–35, § 3(c), May 26, 1983, 97 Stat. 198; Pub. L. 98–109, § 4(c), Oct. 1, 1983, 97 Stat. 746; Pub. L. 98–181, title V, § 511(d), (e), Nov. 30, 1983, 97 Stat. 1244; Pub. L. 98–479, title II, § 204(c)(2), Oct. 17, 1984, 98 Stat. 2233; Pub. L. 99–120, § 3(c), Oct. 8, 1985, 99 Stat. 503; Pub. L. 99–156, § 3(c), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99–219, § 3(c), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99–267, § 3(c), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99–272, title III, § 3009(c), Apr. 7, 1986, 100 Stat. 106; Pub. L. 99–289, § 1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99–345, § 1, June 24, 1986, 100 Stat. 673; Pub. L. 99–430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100–122, § 1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100–154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100–170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100–179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100–200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100–242, title III, § 301(f), Feb. 5, 1988, 101 Stat. 1893; Pub. L. 101–137, § 7(c), Nov. 3, 1989, 103 Stat. 826; Pub. L. 101–625, title VII, § 701(f), Nov. 28, 1990, 104 Stat. 4282; Pub. L. 102–142, title VII, § 743(b), Oct. 28, 1991, 105 Stat. 915; Pub. L. 102–550, title VII, § 710, Oct. 28, 1992, 106 Stat. 3840.)

AMENDMENTS

1992—Subsec. (b)(1)(A). Pub. L. 102–550, § 710(1), inserted ", including the repair of units financed under section 1472 of this title that are being held in inventory" after "efforts".

Subsec. (f). Pub. L. 102–550, § 710(2), struck out subsec. (f) which read as follows: "No grant or loan may be made or contract entered into under the authority of this section after September 30, 1992, except pursuant to a commitment or other obligation entered into pursuant to this section before that date."

1991—Subsec. (f). Pub. L. 102–142 substituted "1992" for "1991".

1990—Subsec. (f). Pub. L. 101–625 substituted "1991" for "1990".

1989—Subsec. (f). Pub. L. 101–137 substituted "1990" for "1989".

1988—Subsec. (f). Pub. L. 100–242 substituted "September 30, 1989" for "March 15, 1988".

1987—Subsec. (f). Pub. L. 100–200 substituted "March 15, 1988" for "December 16, 1987".

Pub. L. 100–179 substituted "December 16, 1987" for "December 2, 1987".

Pub. L. 100–170 substituted "December 2, 1987" for "November 15, 1987".

Pub. L. 100–154 substituted "November 15, 1987" for "October 31, 1987".

Pub. L. 100–122 substituted "October 31, 1987" for "September 30, 1987".

1986—Subsec. (f). Pub. L. 99–430 substituted "1987" for "1986".

Pub. L. 99–345 substituted "September 30, 1986" for "June 6, 1986".

Pub. L. 99–289 substituted "June 6, 1986" for "April 30, 1986".

Pub. L. 99–272 directed amendment identical to Pub. L. 99–219, substituting "March 17, 1986" for "December 15, 1985".

Pub. L. 99–267 substituted "April 30, 1986" for "March 17, 1986".

1985—Subsec. (f). Pub. L. 99–219 substituted "March 17, 1986" for "December 15, 1985".

Pub. L. 99–156 substituted "December 15, 1985" for "November 14, 1985".

Pub. L. 99–120 substituted "November 14, 1985" for "September 30, 1985".

1984—Subsec. (g). Pub. L. 98–479 inserted "Housing" before "Land" after "Self-Help" in last sentence.

1983—Subsec. (f). Pub. L. 98–181, § 511(d), substituted "September 30, 1985" for "November 30, 1983", and struck out first sentence which authorized not to exceed $5,000,000 to carry out this section for fiscal year 1983.

Pub. L. 98–109 substituted "November 30, 1983" for "September 30, 1983" the second time it appeared.

Pub. L. 98–35 substituted "September 30, 1983" for "May 20, 1983" in two places.

Subsec. (g). Pub. L. 98–181, § 511(e), substituted "1985" for "1982" and struck out first sentence which authorized not to exceed $3,000,000 to carry out subsec. (b)(1)(B) for fiscal year 1982.

1982—Subsec. (f). Pub. L. 97–289 substituted "May 20, 1983" for "September 30, 1982" wherever appearing.

1981—Subsec. (f). Pub. L. 97–35, § 351(e)(1), substituted "1982" for "1981" in two places.

Subsec. (g). Pub. L. 97–35, § 351(e)(2)–(4), inserted provisions relating to availability in appropriation Acts, and substituted provisions relating to authorization of appropriations for fiscal year ending Sept. 30, 1982, for provisions authorizing appropriations for fiscal year ending Sept. 30, 1981.

1980—Subsec. (b). Pub. L. 96–399, § 507(e), inserted reference to Indian tribes in subpars. (1)(A) and (B), and in par. (2).

Subsec. (f). Pub. L. 96–399, § 501(d)(1), substituted ''September 30, 1981'' for ''October 15, 1980'' wherever appearing.

Pub. L. 96–372 substituted ''October 15, 1980'' for ''September 30, 1980'' wherever appearing.

Subsec. (g). Pub. L. 96–399, § 501(d)(2), substituted provisions authorizing appropriations not to exceed $2,500,000 for fiscal 1981, such amount together with principal collections from loans under appropriations in prior years to be deposited in the Self-Help Housing Land Development Fund, to be available as a revolving fund for loans under subsec. (b)(1)(B) of this section for provisions authorizing appropriations not to exceed $1,000,000, $2,000,000, $3,000,000 and $1,000,000 for fiscal years ending June 30, 1969, June 30, 1970, Sept. 30, 1979, and Sept. 30, 1980, respectively, provisions allowing appropriation of authorized funds in succeeding years, to be deposited in the Self-Help Fund to be available without fiscal year limitation, and provision for deposit in such Fund of sums received from repayment of such loans.

1979—Subsec. (b). Pub. L. 96–153, § 505, redesignated existing par. (2) as (3) and added par. (2).

Subsec. (f). Pub. L. 96–153, § 501(d), substituted authorization of appropriation of $5,000,000 for fiscal year ending Sept. 30, 1980, for provisions containing authorization of appropriation for fiscal years commencing June 30, 1968 to Oct. 1, 1978, and substituted ''September 30, 1980'' for ''November 30, 1979''.

Pub. L. 96–105 substituted ''December 1, 1979'' and ''November 30, 1979'' for ''November 1, 1979'' and ''October 31, 1979'', respectively.

Pub. L. 96–71 substituted ''November 1, 1979'' and ''October 31, 1979'' for ''October 1, 1979'' and ''September 30, 1979'', respectively.

Subsec. (g). Pub. L. 96–153, § 501(e), inserted authorization of appropriation of $1,000,000 for fiscal year ending September 30, 1980.

1978—Subsec. (f). Pub. L. 95–557, § 501(g), substituted ''October 1, 1979'' for ''November 1, 1978'', ''September 30, 1979'' for ''October 31, 1978'', and ''$16,500,000'' for ''$10,000,000''.

Pub. L. 95–406 substituted ''November 1, 1978'' for ''October 1, 1978'' and ''October 31, 1978'' for ''September 30, 1978''.

Subsec. (g). Pub. L. 95–557, § 501(h), inserted ''and not to exceed $3,000,000 for the fiscal year ending September 30, 1979'', after ''June 30, 1970''.

1977—Subsec. (f). Pub. L. 95–128 substituted ''1978'' for ''1977'' wherever appearing.

Pub. L. 95–80 substituted ''October 1, 1977'' for ''August 1, 1977'' and ''September 30, 1977'' for ''July 31, 1977''.

Pub. L. 95–60 substituted ''August 1, 1977'' for ''July 1, 1977'' and ''July 31, 1977'' for ''June 30, 1977''.

1974—Subsec. (b)(1). Pub. L. 93–383, § 512(a), inserted proviso relating to advance of funds by Secretary at end of cl. (B).

Subsec. (f). Pub. L. 93–383, § 512(b), substituted ''1977'' for ''1974'' wherever appearing and ''$10,000,000'' for ''$5,000,000''.

Subsec. (h). Pub. L. 93–383, § 512(c), added subsec. (h).

1973—Subsec. (f). Pub. L. 93–117 substituted ''1974'' for ''1973'' wherever appearing.

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97–35 effective Oct. 1, 1981, see section 371 of Pub. L. 97–35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

§ 1490d. Loans to nonprofit organizations to provide building sites for eligible families, nonprofit organizations, public agencies, and cooperatives; interest rates; factors determinative in making loan

(a)(1) IN GENERAL.—The Secretary may make loans, on such terms and conditions and in such amounts he deems necessary, to public or private nonprofit organizations and to Indian tribes for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this subchapter or under any other law which provides financial assistance for housing low- and moderate-income families. Such a loan shall bear interest at a rate prescribed by the Secretary taking into consideration a rate determined annually by the Secretary of the Treasury as the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, and shall be repaid within a period not to exceed two years from the making of the loan or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes of this section.

(2) REVOLVING FUNDS.—The Secretary may make grants to nonprofit housing agencies to establish revolving loan funds for the acquisition and preparation of building sites for low-income housing. Any proceeds and repayments from such loans shall be returned to the revolving loan fund to be used for purposes related to this section. Loan funds and interest payments shall be used solely for the acquisition of land; the preparation of land for building sites; the payment of reimbursable legal and technical costs; and technical assistance and administrative costs, not to exceed 10 percent of the fund.

(b) In determining whether to extend financial assistance under this section, the Secretary shall take into consideration, among other factors, (1) the suitability of the area to the types of dwellings which can feasibly be provided, and (2) the extent to which the assistance will (i) facilitate providing needed decent, safe, and sanitary housing, (ii) be utilized efficiently and expeditiously, and (iii) fulfill a need in the area which is not otherwise being met through other programs, including those being carried out by other Federal, State, or local agencies.

(July 15, 1949, ch. 338, title V, § 524, as added Pub. L. 91–152, title IV, § 413(f)(1), Dec. 24, 1969, 83 Stat. 399; amended Pub. L. 93–383, title V, § 513, Aug. 22, 1974, 88 Stat. 696; Pub. L. 96–399, title V, § 507(f), Oct. 8, 1980, 94 Stat. 1670; Pub. L. 102–550, title VII, § 715, Oct. 28, 1992, 106 Stat. 3842.)

AMENDMENTS

1992—Subsec. (a). Pub. L. 102–550 designated existing provisions as par. (1), inserted par. heading, and added par. (2).

1980—Subsec. (a). Pub. L. 96–399 inserted reference to Indian tribes.

1974—Subsec. (a). Pub. L. 93–383 provided for applicability to public agencies and substituted ''any section of this subchapter or under any other law which provides financial assistance for housing low- and moderate-income families'' for ''section 1715z or 1715z–1 of title 12 or section 1490a of this title''.

§ 1490e. Programs of technical and supervisory assistance for low-income individuals and families in rural areas

(a) Grants or contracts with public or private nonprofit corporations, etc., for assistance; preferential treatment of applications sponsored by governmental entity or public body

The Secretary may make grants to or enter into contracts with public or private nonprofit corporations, agencies, institutions, organizations, Indian tribes, and other associations approved by him, to pay part or all of the cost of developing, conducting, administering or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and families in benefiting from Federal, State, and local housing programs in rural areas. In processing applications for such grants or contracts made by private nonprofit corporations, agencies, institutions, organizations, and other associations, the Secretary shall give preference to those which are sponsored (including assistance to the applicant in processing the application, implementing the technical assistance program, and carrying out the obligations of the grant or contract) by a State, county, municipality, or other governmental entity or public body.

(b) Loans to public or private nonprofit corporations, etc., for necessary planning and financing expenses; interest rates; factors determinative of amount; terms and conditions of repayment

The Secretary is authorized to make loans to public or private nonprofit corporations, agencies, institutions, organizations, Indian tribes, and other associations approved by him for the necessary expenses, prior to construction, of planning, and obtaining financing for, the rehabilitation or construction of housing for low-income individuals or families under any Federal, State, or local housing program which is or could be used in rural areas. Such loans shall be made without interest and shall be for the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing prior to the availability of financing, including but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, and construction loan fees and discounts. The Secretary shall require repayment of loans made under this subsection, under such terms and conditions as he may require, upon completion of the housing or sooner.

(c) Repealed. Pub. L. 98–181, title V, § 518(b), Nov. 30, 1983, 97 Stat. 1249

(d) Deposit of appropriated funds into low-income sponsor fund; availability; administration of fund as revolving fund; deposit of repayments

All funds appropriated for the purpose of subsection (b) of this section shall be deposited in a fund which shall be known as the low-income sponsor fund, and which shall be available without fiscal year limitation and be administered by the Secretary as a revolving fund for carrying out the purposes of that subsection. Sums received in repayment of loans made under subsection (b) of this section shall be deposited in such fund.

(July 15, 1949, ch. 338, title V, § 525, as added Pub. L. 93–383, title V, § 515, Aug. 22, 1974, 88 Stat. 697; amended Pub. L. 95–557, title V, § 501(i), Oct. 31, 1978, 92 Stat. 2111; Pub. L. 96–399, title V, § 507(g), Oct. 8, 1980, 94 Stat. 1670; Pub. L. 98–181, title V, § 518, Nov. 30, 1983, 97 Stat. 1249.)

AMENDMENTS

1983—Subsec. (b). Pub. L. 98–181, § 518(a), struck out provisions setting forth conditions under which any part or all of the loan is subject to cancellation.

Subsec. (c). Pub. L. 98–181, § 518(b), struck out subsec. (c), which related to authorization of appropriations for fiscal years ending June 30, 1975, June 30, 1976, and Sept. 30, 1979, and availability of amounts.

1980—Subsecs. (a), (b). Pub. L. 96–399 inserted references to Indian tribes.

1978—Subsec. (c). Pub. L. 95–557 inserted ''There are also authorized to be appropriated for the fiscal year ending September 30, 1979, not to exceed $5,000,000 for the purposes of subsection (a) of this section and not to exceed $5,000,000 for the purposes of subsection (b) of this section.''

§ 1490f. Loans and insurance of loans for condominium housing in rural areas

(a) Individual loans and insurance of loans to low or moderate income persons or families for purchase of units; terms and conditions

The Secretary is authorized, upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 1472 of this title) as he may prescribe, to make loans to persons and families of low or moderate income, and to insure and make commitments to insure loans made to persons and families of low or moderate income, to assist them in purchasing dwelling units in condominiums located in rural areas.

(b) Scope of individual loans and insurance of loans; condominium requirements

Any loan made or insured under subsection (a) of this section shall cover a one-family dwelling unit in a condominium, and shall be subject to such provisions as the Secretary determines to be necessary for the maintenance of the common areas and facilities of the condominium project and to such additional requirements as the Secretary deems appropriate for the protection of the consumer.

(c) Blanket loans and insurance of loans; terms and conditions; certification by borrower of future ownership of multifamily project; maximum amount of principal obligation

In addition to individual loans made or insured under subsection (a) of this section the Secretary is authorized, upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 1485 of this title) as he may prescribe, to make or insure blanket loans to a borrower who shall certify to the Secretary, as a condition of obtaining such loan or insurance, that upon completion of the multifamily project the ownership of the project will be committed to a plan of family unit ownership under which (1) each family unit will be eligible for a loan or insurance

under subsection (a) of this section, and (2) the individual dwelling units in the project will be sold only on a condominium basis and only to purchasers eligible for a loan or insurance under subsection (a) of this section. The principal obligation of any blanket loan made or insured under this subsection shall in no case exceed the sum of the individual amounts of the loans which could be made or insured with respect to the individual dwelling units in the project under subsection (a) of this section.

(d) "Condominium" defined

As used in this section, the term ''condominium'' means a multi-unit housing project which is subject to a plan of family unit ownership acceptable to the Secretary under which each dwelling unit is individually owned and each such owner holds an undivided interest in the common areas and facilities which serve the project.

(July 15, 1949, ch. 338, title V, § 526, as added Pub. L. 93–383, title V, § 516(a), Aug. 22, 1974, 88 Stat. 698; amended Pub. L. 98–181, title V, § 519(a), Nov. 30, 1983, 97 Stat. 1249; Pub. L. 100–242, title III, § 316(f), Feb. 5, 1988, 101 Stat. 1898.)

AMENDMENTS

1988—Subsecs. (a), (c). Pub. L. 100–242 struck out ''and'' after ''is authorized,''.

1983—Subsecs. (a), (c). Pub. L. 98–181 struck out ''in his discretion'' after ''Secretary is authorized,''.

§ 1490g. Repealed. Pub. L. 98–181, title V, § 503(c), Nov. 30, 1983, 97 Stat. 1241

Section, act July 15, 1949, ch. 338, title V, § 527, as added Aug. 22, 1974, Pub. L. 93–383, title V, § 518, 88 Stat. 699, defined ''housing'' as including mobile homes and mobile home sites, and authorized the Secretary to prescribe property standards for mobile homes financed under this subchapter.

§ 1490h. Taxation of property held by Secretary

All property subject to a lien held by the United States or the title to which is acquired or held by the Secretary under this subchapter other than property used for administrative purposes shall be subject to taxation by a State, Commonwealth, territory, possession, district, and local political subdivisions in the same manner and to the same extent as other property is taxed: *Provided*, That no tax shall be imposed or collected on or with respect to any instrument if the tax is based on—

(1) the value of any notes or mortgages or other lien instruments held by or transferred to the Secretary;

(2) any notes or lien instruments administered under this subchapter which are made, assigned, or held by a person otherwise liable for such tax; or

(3) the value of any property conveyed or transferred to the Secretary, whether as a tax on the instrument, the privilege of conveying or transferring, or the recordation thereof; nor shall the failure to pay or collect any such tax be a ground for refusal to record or file such instruments, or for failure to impart notice, or prevent the enforcement of its provisions in any State or Federal court.

(July 15, 1949, ch. 338, title V, § 528, as added Pub. L. 95–128, title V, § 512(a), Oct. 12, 1977, 91 Stat. 1142; amended Pub. L. 98–479, title II, § 204(c)(3), Oct. 17, 1984, 98 Stat. 2233.)

AMENDMENTS

1984—Pub. L. 98–479 substituted ''property held by Secretary'' for ''Farmers Home Administration-held property'' in section catchline.

EFFECTIVE DATE

Section 512(c) of Pub. L. 95–128 provided that: ''The amendment made by subsection (a) [enacting this section] shall become effective as of January 1, 1977.''

REFUND OF TAX PAYMENTS PRIOR TO OCTOBER 12, 1977, BARRED; FEDERAL OFFICERS OR EMPLOYEES NOT LIABLE FOR SUCH PAYMENTS

Section 512(b) of Pub. L. 95–128 provided that: ''Notwithstanding any other provision of law, no State, Commonwealth, territory, possession, district, or local political subdivision which has received, prior to the date of enactment of this Act [Oct. 12, 1977], tax payments from the Department of Agriculture based on property held by the Farmers Home Administration shall be liable for, or be obligated to refund, the amount of any such payment, which, if it had been made after the date of enactment of this Act, would have been authorized by the provisions of section 528 of the Housing Act of 1949 [this section], and no officer or employee of the United States shall incur or be under any liability by reason of having made or authorized any such payments.''

§ 1490i. Repealed. Pub. L. 98–181, title V, § 506(b), Nov. 30, 1983, 97 Stat. 1242

Section, act July 15, 1949, ch. 338, title V, § 529, as added Nov. 9, 1978, Pub. L. 95–619, title II, § 252(b), 92 Stat. 3236, required the Secretary of Agriculture to promote the use of energy saving techniques through the establishment of minimum property standards for newly constructed residential housing.

§ 1490j. Conditions on rent increases in projects receiving assistance under other provisions of law

The Secretary may not approve any increase in rental payments, with respect to units in which the tenants are paying rentals in excess of 30 per centum of their incomes, in any project which is assisted under section 1484, 1485, or 1487 of this title and under section 1490a(a)(1)(B) of this title unless the project owner is receiving, or has applied for (within the most recent period of 180 days prior to the effective date of such increase), assistance payments with respect to such project under section 1490a(a)(2)(A) or 1490a(a)(5) of this title or section 1437f of this title.

(July 15, 1949, ch. 338, title V, § 530, as added Pub. L. 96–399, title V, § 509, Oct. 8, 1980, 94 Stat. 1670; amended Pub. L. 98–181, title V, § 517(d), Nov. 30, 1983, 97 Stat. 1248; Pub. L. 105–276, title V, § 599C(e)(2)(G), Oct. 21, 1998, 112 Stat. 2663.)

AMENDMENTS

1998—Pub. L. 105–276 substituted ''assistance payments with respect to such project under section 1490a(a)(2)(A) or 1490a(a)(5) of this title'' for ''rental assistance payments with respect to such project under section 1490a(a)(2)(A) of this title''.

1983—Pub. L. 98–181 substituted ''30 per centum'' for ''25 per centum''.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98–181 effective six months after Nov. 30, 1983, or upon the earlier promulgation of

implementing regulations, see section 517(f) of Pub. L. 98–181, set out as a note under section 1490a of this title.

§ 1490k. FHA insurance

The Secretary is authorized to act as an agent of the Secretary of Housing and Urban Development to recommend insurance of any mortgage meeting the requirements of section 1709 of title 12.

(July 15, 1949, ch. 338, title V, § 531, as added Pub. L. 98–181, title V, § 520, Nov. 30, 1983, 97 Stat. 1249.)

§ 1490*l*. Processing of applications

(a) Priority

Except as otherwise provided in subsection (c) of this section, the Secretary shall, in making assistance available under this subchapter, give a priority to applications submitted by—

(1) persons and families that have the greatest housing assistance needs because of their low income and their residing in inadequate dwellings;

(2) applicants applying for assistance for projects that will serve such persons and families; and

(3) applicants residing in areas which are the most rural in character.

(b) Preliminary reservation of assistance at time of initial approval of project

In making available the assistance authorized by section 1483 of this title and section 1490a(a) of this title with respect to projects involving insured and guaranteed loans and interest credits and rental assistance payments, the Secretary shall process and approve requests for such assistance in a manner that provides for a preliminary reservation of assistance at the time of initial approval of the project.

(c) Prioritization of section 1485 housing assistance

(1) In general

The Secretary shall make assistance under section 1485 of this title available pursuant to an objective procedure established by the Secretary, under which the Secretary shall identify counties and communities having the greatest need for such assistance and designate such counties and communities to receive such assistance.

(2) Objective measures

The Secretary shall use the following objective measures to determine the need for rental housing assistance under paragraph (1):

(A) The incidence of poverty.

(B) The lack of affordable housing and the existence of substandard housing.

(C) The lack of mortgage credit.

(D) The rural characteristics of the location.

(E) Other factors as determined by the Secretary, demonstrating the need for affordable housing.

(3) Information

In administering this subsection, the Secretary shall use information from the most recent decennial census of the United States, relevant comprehensive affordable housing strategies under section 12705 of this title, and other reliable sources obtained by the Secretary which demonstrate the need for affordable housing in rural areas.

(4) Designation

A designation under this subsection shall not be effective for a period of more than 3 years, but may be renewed by the Secretary in accordance with the procedure set forth in this subsection. The Secretary shall take such other reasonable actions as the Secretary considers to be appropriate to notify the public of such designations.

(July 15, 1949, ch. 338, title V, § 532, as added Pub. L. 98–181, title V, § 521, Nov. 30, 1983, 97 Stat. 1250; amended Pub. L. 104–180, title VII, § 734(f), Aug. 6, 1996, 110 Stat. 1604.)

AMENDMENTS

1996—Subsec. (a). Pub. L. 104–180, § 734(f)(1), substituted ''Except as otherwise provided in subsection (c) of this section, the Secretary'' for ''The Secretary'' in introductory provisions.

Subsec. (c). Pub. L. 104–180, § 734(f)(2), added subsec. (c).

§ 1490m. Housing preservation grants

(a) Statement of purposes

The purpose of this section is to authorize the Secretary to make grants to eligible grantees including private nonprofit organizations, Indian tribes, general units of local government, counties, States, and consortia of other eligible grantees, in order to—

(1) rehabilitate or replace single family housing in rural areas which is owned by low- and very low-income persons and families, and

(2) rehabilitate or replace rental properties or cooperative housing which has a membership resale structure that enables the cooperative to maintain affordability for persons of low income in rural areas serving low- and very low-income occupants.

The Secretary may also provide tenant-based assistance as provided under section 1437f of this title or section 1490r of this title upon the request of grantees in order to minimize the displacement of very low-income tenants residing in units rehabilitated or replaced with assistance under this section.

(b) Mandatory program requirements

Preservation programs assisted under this section shall—

(1) be used to provide loans or grants to owners of single family housing in order to cover the cost of repairs and improvements;

(2) be used to provide loans or grants, not to exceed $15,000 per unit, to owners of single family housing to replace existing housing if repair or rehabilitation of the housing is determined by the Secretary not to be practicable and the owner of the housing is unable to afford a loan under section 1472 of this title for replacement housing;

(3) be used to provide interest reduction payment;

(4) be used to provide loans or grants to owners of rental housing, except that rental reha-

bilitation or replacement assistance provided under this subsection for any structure shall not exceed 75 per centum of the total costs associated with the rehabilitation or replacement of that structure;

(5) be used to provide other comparable assistance that the Secretary deems appropriate to carry out the purpose of this section, designed to reduce the costs of such repair, rehabilitation, and replacement in order to make such housing affordable by persons of low income and, to the extent feasible, by persons and families whose incomes do not exceed 50 per centum of the area median income;

(6) benefit low- and very low-income persons and families in rural areas, without causing the displacement of current residents; and

(7) raise health and safety conditions to meet those specified in section 1479(a) of this title.

(c) Allocation formula; transfer of funds; maximum amounts

(1) The Secretary shall allocate grant funds under this section for use in each State on the basis of a formula contained in a regulation prescribed by the Secretary using the average of the ratios between—

(A) the population of the rural areas in that State and the population of the rural areas of all States;

(B) the extent of poverty in the rural areas in that State and the extent of poverty in the rural areas of all States; and

(C) the extent of substandard housing in the rural areas of that State and the extent of substandard housing in the rural areas of all States.

Any funds which are allocated to a State but uncommitted to grantees will be transferred to the State office of the Farmers Home Administration in a timely manner and be used for authorized rehabilitation activities under section 1474 of this title. Funds obligated, but subsequently unspent and deobligated, may remain available, to the extent provided in appropriations Acts, for use as housing preservation grants in ensuing fiscal years.

(2) Unless there is only one eligible grantee in a State, a single grantee may not receive more than 50 per centum of a State's allocation.

(d) Statement of activity by grantee; submission; contents; availability; consultations; evaluation by Secretary; criteria applicable; maximum amounts

(1) Eligible grantees may submit a statement of activity to the Secretary at the time specified by the program administrator, containing a description of its proposed preservation program. The statement shall consist of the activities each entity proposes to undertake for the fiscal year, and the projected progress in carrying out those activities. The statement of activities shall be made available to the public for comment.

(2) In preparing such statement, the grantee shall consult with and consider the views of appropriate local officials.

(3) The Secretary shall evaluate the merits of each statement on the basis of such criteria as the Secretary shall prescribe, including the extent—

(A) to which the repair, rehabilitation, and replacement activities will assist persons of low income who lack adequate shelter, with priority given to applications assisting the maximum number of persons and families whose incomes do not exceed 50 per centum of the area median income;

(B) to which the repair, rehabilitation, and replacement activities include the participation of other public or private organizations in providing assistance, in addition to the assistance provided under this section, in order to lower the costs of such activities or provide for the leveraging of available funds to supplement the rural housing preservation grant program;

(C) to which such activities will be undertaken in rural areas having populations below 10,000 or in remote parts of other rural areas;

(D) to which the repair, rehabilitation, and replacement activities may be expected to result in achieving the greatest degree of repair or improvement for the least cost per unit or dwelling;

(E) to which the program would minimize displacement;

(F) to which the program would alleviate overcrowding in rural residences inhabited by low- and very low-income persons and families;

(G) to which the program would minimize the use of grant funds for administrative purposes; and

(H) to which the owner agrees to meet the requirement of subsection (e)(1)(B)(iv) of this section for a period longer than 5 years;

and shall assess the demonstrated capacity of the grantee to carry out the program as well as the financial feasibility of the program.

(4) The amount of assistance provided under this section with respect to any housing shall be the least amount that the Secretary determines is necessary to provide, through the repair and rehabilitation, or replacement, of such housing, decent housing of modest design that is affordable for persons of low income.

(5) A grantee may use housing preservation grant funds under this section for replacement housing only after providing documentation to the Secretary that—

(A) the existing housing is in such poor condition that rehabilitation is not economically feasible;

(B) the owner of the housing lacks the income or repayment ability necessary to qualify for a loan under section 1472 of this title; and

(C) the grantee will extend assistance to the owner of the housing under terms that the owner can afford.

(e) Limitations on assistance; failure to implement required agreement

(1) Assistance under this section may be provided with respect to rental or cooperative housing only if—

(A) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of

this section, to assure the financial feasibility of such housing, and to carry out the other provisions of this section;

(B) the owner agrees—

(i) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this section;

(ii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

(iii) not to refuse to rent a dwelling unit in the structure to a family solely because the family is receiving or is eligible to receive assistance under any Federal, State, or local housing assistance program; and

(iv) that the units repaired and rehabilitated with such assistance will be occupied, or available for occupancy, by persons of low income;

during the 5-year period beginning on the date on which the units in the housing are available for occupancy;

(C) the unit of general local government or nonprofit organization that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88–352 [42 U.S.C. 2000a et seq.] and Public Law 90–284;

(D) the owner agrees to enter into and abide by written leases with the tenants, which leases shall provide that tenants may be evicted only for good cause; and

(E) the unit of general local government or nonprofit organization will agree to supervise repairs and rehabilitation and will agree to have a disinterested party inspect such repairs and rehabilitation.

(2) Assistance under this section provided with respect to any housing other than rental or cooperative housing may be provided only if the owner complies with the requirements set forth in subparagraph (E) of paragraph (1) and any other requirements established by the Secretary to carry out the purpose of this section.

(3)(A) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in subparagraphs (A) and (B) of paragraph (1) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary of an amount that equals the total amount of assistance provided under this section with respect to such housing, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

(B) Notwithstanding any other provision of law, any assistance provided under this section shall constitute a debt, which is payable in the case of any failure to carry out the agreements described in subparagraphs (A), (B), and (C) of paragraph (1), and shall be secured by the security instruments provided by the owner to the Secretary.

(f) Advance payments of assistance

The Secretary shall provide for such advance payments of assistance under this section as the Secretary determines is necessary to effectively carry out the provisions of this section.

(g) Annual review and audit by Secretary of activities; adjustment, etc., of resources; reallocation of amounts

The Secretary shall, at least on an annual basis, make such review and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner and in accordance with the requirements of this section, the degree to which the activities assisted benefitted low income families or persons and very low-income families or persons who lacked adequate housing, and whether the grantee has a continuing capacity to carry out the activities in a timely manner. The Secretary may adjust, reduce, or withdraw resources made available to grantees receiving assistance under this section, or take other action as appropriate in accordance with the findings of these reviews and audits. Any amounts which become available as a result of actions under this subsection shall be reallocated as housing preservation grants to such grantee or grantees as the Secretary may determine.

(h) Rules and regulations; delegation of authority

(1) The Secretary is authorized to prescribe such rules and regulations and make such delegations of authority as he deems necessary to carry out this section within 90 days after November 30, 1983.

(2) The Secretary shall, not later than the expiration of the 30-day period following February 5, 1988, issue regulations to carry out the program of grants under subsection (a)(2) of this section.

(i) National historic preservation objectives affected by rehabilitation activities; establishment of procedures for determining consonant purposes and measures

The Secretary shall establish procedures which support national historic preservation objectives and which assure that, if any rehabilitation proposed to be assisted under this section would affect property that is included or is eligible for inclusion on the National Register of Historic Places, such activity shall not be undertaken unless (1) it will reasonably meet the standards for rehabilitation issued by the Secretary of the Interior and the appropriate State historic preservation officer is afforded the opportunity to comment on the specific rehabilitation plan, or (2) the Advisory Council on Historic Preservation is afforded an opportunity to comment on cases for which the recipient of assistance, in consultation with the State historic preservation officer, determines that the proposed rehabilitation activity cannot reasonably meet such standards or would adversely affect historic property as defined therein.

(July 15, 1949, ch. 338, title V, § 533, as added Pub. L. 98–181, title V, § 522, Nov. 30, 1983, 97 Stat. 1250; amended Pub. L. 100–242, title III, §§ 310, 316(g),

Feb. 5, 1988, 101 Stat. 1896, 1898; Pub. L. 101–625, title VII, § 717, Nov. 28, 1990, 104 Stat. 4296; Pub. L. 102–550, title VII, §§ 706(1), 711, Oct. 28, 1992, 106 Stat. 3835, 3840; Pub. L. 105–276, title V, § 550(e), Oct. 21, 1998, 112 Stat. 2610; Pub. L. 105–362, title I, § 101(h), Nov. 10, 1998, 112 Stat. 3281.)

REFERENCES IN TEXT

Public Law 88–352, referred to in subsec. (e)(1)(C), is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, as amended, known as the Civil Rights Act of 1964, which is classified principally to subchapters II to IX (§ 2000a et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

Public Law 90–284, referred to in subsec. (e)(1)(C), is Pub. L. 90–284, Apr. 11, 1968, 82 Stat. 73, as amended, known as the Civil Rights Act of 1968. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

AMENDMENTS

1998—Subsec. (a). Pub. L. 105–276 substituted ''tenant-based assistance as provided under section 1437f of this title'' for ''assistance payments as provided by section 1437f(*o*) of this title'' in concluding provisions.

Subsec. (j). Pub. L. 105–362 struck out subsec. (j) which read as follows: ''Not later than 180 days after the close of each fiscal year in which assistance under this section is furnished, the Secretary shall submit to the Congress a report which shall contain—

''(1) a description of the progress made in accomplishing the objectives of this section; and

''(2) a summary of the use of such funds during the preceding year.

The Secretary shall require grantees under this section to submit to him such reports, and other information as may be necessary in order for the Secretary to make the report required by this subsection.''

1992—Subsec. (a). Pub. L. 102–550, §§ 706(1), 711(1)(B), in concluding provisions, inserted reference to section 1490r of this title and ''or replaced'' after ''rehabilitated''.

Subsec. (a)(1), (2). Pub. L. 102–550, § 711(1)(A), inserted ''or replace'' after ''rehabilitate''.

Subsec. (b). Pub. L. 102–550, § 711(2)(A), substituted ''Preservation programs'' for ''Rehabilitation programs'' in introductory provisions.

Subsec. (b)(2). Pub. L. 102–550, § 711(2)(E), added par. (2). Former par. (2) redesignated (3).

Subsec. (b)(3). Pub. L. 102–550, § 711(2)(D), redesignated par. (2) as (3). Former par. (3) redesignated (4).

Pub. L. 102–550, § 711(2)(B), inserted ''or replacement'' after ''rehabilitation'' in two places.

Subsec. (b)(4). Pub. L. 102–550, § 711(2)(D), redesignated par. (3) as (4). Former par. (4) redesignated (5).

Pub. L. 102–550, § 711(2)(C), substituted ''repair, rehabilitation, and replacement'' for ''repair and rehabilitation''.

Subsec. (b)(5) to (7). Pub. L. 102–550, § 711(2)(D), redesignated pars. (4) to (6) as (5) to (7), respectively.

Subsec. (c)(1). Pub. L. 102–550, § 711(3), substituted ''grant funds under this section'' for ''rehabilitation grant funds'' in introductory provisions.

Subsec. (d)(1). Pub. L. 102–550, § 711(4)(A), substituted ''preservation program'' for ''rehabilitation program''.

Subsec. (d)(3)(A), (B), (D). Pub. L. 102–550, § 711(4)(B), substituted ''repair, rehabilitation, and replacement'' for ''repair and rehabilitation''.

Subsec. (d)(4). Pub. L. 102–550, § 711(4)(C), inserted '', or replacement,'' after ''rehabilitation''.

Subsec. (d)(5). Pub. L. 102–550, § 711(4)(D), added par. (5).

1990—Subsec. (c)(1). Pub. L. 101–625, § 717(a), inserted at end ''Funds obligated, but subsequently unspent and deobligated, may remain available, to the extent provided in appropriations Acts, for use as housing preservation grants in ensuing fiscal years.''

Subsec. (g). Pub. L. 101–625, § 717(b), substituted last sentence for ''Any amounts which became available as a result of actions under this subsection shall be reallocated in the year in which they become available to such grantee or grantees as the Secretary may determine.''

1988—Subsec. (e)(1)(B)(iii). Pub. L. 100–242, § 316(g)(1), inserted ''to'' before ''refuse''.

Subsec. (g). Pub. L. 100–242, § 316(g)(2), substituted ''low income families or persons and very low-income families or persons'' for ''persons of low income and very low-income''.

Subsec. (h). Pub. L. 100–242, § 310, designated existing provisions as par. (1) and added par. (2).

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by title V of Pub. L. 105–276 effective and applicable beginning upon Oct. 1, 1999, except as otherwise provided, with provision that Secretary may implement amendment before such date, except to extent that such amendment provides otherwise, and with savings provision, see section 503 of Pub. L. 105–276, set out as a note under section 1437 of this title.

RURAL RENTAL REHABILITATION DEMONSTRATION

Pub. L. 100–242, title III, § 311, Feb. 5, 1988, 101 Stat. 1896, as amended by Pub. L. 100–628, title X, § 1044, Nov. 7, 1988, 102 Stat. 3273; Pub. L. 101–137, § 7(d), Nov. 3, 1989, 103 Stat. 826; Pub. L. 101–144, title II, Nov. 9, 1989, 103 Stat. 846; Pub. L. 105–362, title VII, § 701(f), Nov. 10, 1998, 112 Stat. 3287, directed Secretary of Housing and Urban Development to carry out a rural rental rehabilitation demonstration program, provided funding for program, and terminated authority for such program after Sept. 30, 1991.

§ 1490n. Review of rules and regulations

(a) Publication for public comment in Federal Register

Notwithstanding any other provision of law, no rule or regulation pursuant to this subchapter may become effective unless it has first been published for public comment in the Federal Register for at least 60 days, and published in final form for at least 30 days.

(b) Transmittal to Congressional committee members prior to publication in Federal Register

The Secretary shall transmit to the chairman and ranking Member of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House, all rules and regulations at least 15 days before they are sent to the Federal Register for purposes of subsection (a) of this section.

(c) Rules and regulations issued on emergency basis

The provisions of this section shall not apply to a rule or regulation which the Secretary certifies is issued on an emergency basis.

(d) Regulatory authority

The Secretary shall include with each rule or regulation required to be transmitted to the Committees under this section a detailed summary of all changes required by the Office of Management and Budget that prohibit, modify, postpone, or disapprove such rule or regulation in whole or part.

(July 15, 1949, ch. 338, title V, § 534, as added Pub. L. 98–181, title V, § 523, Nov. 30, 1983, 97 Stat. 1254; amended Pub. L. 100–242, title V, § 563(b), Feb. 5, 1988, 101 Stat. 1944.)

AMENDMENTS

1988—Subsec. (d). Pub. L. 100–242 added subsec. (d).

CHANGE OF NAME

Committee on Banking, Finance and Urban Affairs of House of Representatives treated as referring to Committee on Banking and Financial Services of House of Representatives by section 1(a) of Pub. L. 104–14, set out as a note preceding section 21 of Title 2, The Congress. Committee on Banking and Financial Services of House of Representatives abolished and replaced by Committee on Financial Services of House of Representatives, and jurisdiction over matters relating to securities and exchanges and insurance generally transferred from Committee on Energy and Commerce of House of Representatives by House Resolution No. 5, One Hundred Seventh Congress, Jan. 3, 2001.

§ 1490*o*. Reciprocity in approval of housing subdivisions among Federal agencies

(a) Administrative approval of housing subdivisions

The Secretary of Agriculture, the Secretary of Housing and Urban Development, and the Secretary of Veterans Affairs shall each accept an administrative approval of any housing subdivision made by any of the others so that not later than January 1, 1984, there is total reciprocity for housing subdivision approvals among the agencies which they head.

(b) Certificates of reasonable value for one or more properties as constituting administrative approval of subdivision

For purposes of complying with subsection (a) of this section, the Secretary of Housing and Urban Development shall consider the issuance by the Secretary of Veterans Affairs of a certificate of reasonable value for 1 or more properties in a subdivision to be an administrative approval for the entire subdivision. This subsection shall not apply after September 30, 1994.

(c) Report to Congress

Before the expiration of the period referred to in subsection (b) of this section, the Secretary of Housing and Urban Development shall report to the Congress on housing subdivision approval policies and practices, if any, of the Departments of Housing and Urban Development and Agriculture and the Department of Veterans Affairs. The report shall focus on the administration of environmental laws in connection with any such policies and practices, and shall recommend any statutory, regulatory, and administrative changes needed to achieve total reciprocity for such housing subdivision approvals. The Secretary of Housing and Urban Development shall consult with the foregoing agencies, and such other agencies as the Secretary selects, in preparing the report.

(d) Approval by local, county, or State agencies

For loans made under this subchapter, the Secretary may accept subdivisions that have been approved by local, county, or State agencies.

(July 15, 1949, ch. 338, title V, § 535, as added Pub. L. 98–181, title V, § 523, Nov. 30, 1983, 97 Stat. 1254; amended Pub. L. 100–628, title X, § 1067, Nov. 7, 1988, 102 Stat. 3276; Pub. L. 101–235, title III, § 303, Dec. 15, 1989, 103 Stat. 2044; Pub. L. 101–625, title VII, § 718(a), Nov. 28, 1990, 104 Stat. 4297; Pub. L. 102–54, § 13(q)(5), June 13, 1991, 105 Stat. 280; Pub. L. 102–550, title VII, § 716(a), (c), Oct. 28, 1992, 106 Stat. 3842; Pub. L. 103–120, § 8(a), Oct. 27, 1993, 107 Stat. 1151.)

AMENDMENTS

1993—Subsec. (b). Pub. L. 103–120 substituted ''September 30, 1994'' for ''June 15, 1993''.

1992—Subsec. (b). Pub. L. 102–550, § 716(a), inserted last sentence and struck out former last sentence which read as follows: ''This subsection shall not apply after the expiration of the 18-month period beginning on December 15, 1989.''

Subsec. (d). Pub. L. 102–550, § 716(c), added subsec. (d).

1991—Subsecs. (a), (b). Pub. L. 102–54, § 13(q)(5)(A), substituted ''Secretary of Veterans Affairs'' for ''Administrator of Veterans' Affairs''.

Subsec. (c). Pub. L. 102–54, § 13(q)(5)(B), substituted ''Department of Veterans Affairs'' for ''Veterans' Administration''.

1990—Subsec. (b). Pub. L. 101–625 substituted ''18-month period'' for ''6-month period''.

1989—Subsec. (b). Pub. L. 101–235 substituted ''6-month period beginning on December 15, 1989'' for ''1-year period beginning on November 7, 1988''.

1988—Pub. L. 100–628 designated existing provisions as subsec. (a) and added subsecs. (b) and (c).

RETROACTIVITY OF APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES

Section 8(b) of Pub. L. 103–120 provided that: ''An administrative approval of a housing subdivision made after June 15, 1993, and before the date of the enactment of this Act [Oct. 27, 1993] is approved and shall be considered to have been lawfully made, but only if otherwise made in accordance with the provisions of section 535(b) of the Housing Act of 1949 [42 U.S.C. 1490*o*(b)].''

Section 716(b) of Pub. L. 102–550 provided that: ''Any administrative approval of any housing subdivision made after the expiration of the 18-month period beginning on the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989 [Dec. 15, 1989] and before the date of the enactment of this Act [Oct. 28, 1992] is approved and shall be considered to have been lawfully made, but only if otherwise made in accordance with the provisions of section 535(b) of the Housing Act of 1949 [42 U.S.C. 1490*o*(b)].''

Section 718(b) of Pub. L. 101–625 provided that: ''Any administrative approval of any housing subdivision made after the expiration of the 6-month period beginning on the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989 [Dec. 15, 1989] and before the date of the enactment of this Act [Nov. 28, 1990] is hereby approved and shall be considered to have been lawfully made, but only if otherwise made in accordance with the provisions of section 535(b) of the Housing Act of 1949 [42 U.S.C. 1490*o*(b)].''

§ 1490p. Accountability

(a) Notice regarding assistance

(1) Publication of notice of availability

The Secretary shall publish in the Federal Register notice of the availability of any assistance under any program or discretionary fund administered by the Secretary under this subchapter.

(2) Publication of application procedures

The Secretary shall publish in the Federal Register a description of the form and procedures by which application for the assistance may be made, and any deadlines relating to the award or allocation of the assistance. Such

description shall be sufficient to enable any eligible applicant to apply for such assistance.

(3) Publication of selection criteria

Not less than 30 days before any deadline by which applications or requests for assistance under any program or discretionary fund administered by the Secretary must be submitted, the Secretary shall publish in the Federal Register the criteria by which selection for the assistance will be made. Such criteria shall include any objective measures of housing need, project merit, or efficient use of resources that the Secretary determines are appropriate and consistent with the statute under which the assistance is made available.

(4) Documentation of decisions

(A) The Secretary shall award or allocate assistance only in response to a written application in a form approved in advance by the Secretary, except where other award or allocation procedures are specified in statute.

(B) The Secretary shall ensure that documentation and other information regarding each application for assistance is sufficient to indicate the basis on which any award or allocation was made or denied. The preceding sentence shall apply to—

(i) any application for an award or allocation of assistance made by the Secretary to a State, unit of general local government, or other recipient of assistance, and

(ii) any application for a subsequent award or allocation of such assistance by such State, unit of general local government or other recipient.

(C) The Secretary shall ensure that each application and all related documentation and other information referred to in subparagraph (B) is readily available for public inspection for a period of not less than 10 years, beginning not less than 30 days following the date on which the award or allocation is made.

(5) Emergency exception

The Secretary may waive the requirements of paragraphs (1), (2), and (3) if the Secretary determines that the waiver is required for adequate response to an emergency. Not less than 30 days after providing a waiver under the preceding sentence, the Secretary shall publish in the Federal Register the Secretary's reasons for so doing.

(b) Disclosures by applicants

The Secretary shall require the disclosure of information with respect to any application for assistance under this subchapter submitted by any applicant who has received or, in the determination of the Secretary, can reasonably be expected to receive assistance under this subchapter in excess of $200,000 in the aggregate during any fiscal year. Such information shall include the following:

(1) Other government assistance

Information regarding any related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is expected to be made available with respect to the project or activities for which the applicant is seeking assistance under this subchapter. Such related assistance shall include but not be limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

(2) Interested parties

The name and pecuniary interest of any person who has a pecuniary interest in the project or activities for which the applicant is seeking assistance. Persons with a pecuniary interest in the project or activity shall include but not be limited to any developers, contractors, and consultants involved in the application for assistance under this subchapter or the planning, development, or implementation of the project or activity. For purposes of this paragraph, residency of an individual in housing for which assistance is being sought shall not, by itself, be considered a pecuniary interest.

(3) Expected sources and uses

A report satisfactory to the Secretary of the expected sources and uses of funds that are to be made available for the project or activity.

(c) Updating of disclosure

During the period when an application is pending or assistance is being provided, the applicant shall update the disclosure required under the previous subsection within 30 days of any substantial change.

(d) Repealed. Pub. L. 104–65, § 11(b)(2), Dec. 19, 1995, 109 Stat. 701

(e) Remedies and penalties

(1) Administrative remedies

If the Secretary receives or obtains information providing a reasonable basis to believe that a violation of subsection (b), (c), or (d) this[1] section has occurred, the Secretary shall—

(A) in the case of a selection that has not been made, determine whether to terminate the selection process or take other appropriate actions; and

(B) in the case of a selection that has been made, determine whether to—

(i) void or rescind the selection, subject to review and determination on the record after opportunity for a hearing;

(ii) impose sanctions upon the violator, including debarment, subject to review and determination on the record after opportunity for a hearing;

(iii) recapture any funds that have been disbursed;

(iv) permit the violating applicant selected to continue to participate in the program; or

(v) take any other actions that the Secretary considers appropriate.

The Secretary shall publish in the Federal Register a descriptive statement of each determination made and action taken under this paragraph.

[1] So in original. Probably should be "of this".

(2) Civil penalties

Whoever violates any section[2] of this section shall be subject to the imposition of a civil penalty in a civil action brought by the United States in an appropriate district court of the United States. A civil penalty under this paragraph may not exceed—

(A) $100,000 in the case of an individual; or

(B) $1,000,000 in the case of an applicant other than an individual.

(3) Deposit of penalties in insurance funds

Notwithstanding any other provision of law, all civil money penalties collected under this section shall be deposited in the Rural Housing Insurance Fund.

(4) Nonexclusiveness of remedies

This subsection may not be construed to limit the applicability of any requirements, sanctions, penalties, or remedies established under any other law. The Secretary shall not be relieved of any obligation to carry out the requirements of this section because such other requirements, sanctions, penalties, or remedies apply.

(f) Limitation of assistance

The Secretary shall certify that assistance provided by the Secretary to any housing project shall not be more than is necessary to provide affordable housing after taking account of assistance from all Federal, State, and local sources. The Secretary shall adjust the amount of assistance provided to an applicant to compensate for any changes reported under subsection (c) of this section.

(g) Regulations

Not less than 180 days following December 15, 1989, the Secretary shall promulgate regulations to implement this section.

(h) "Assistance" defined

For purposes of this section, the term ''assistance'' means any housing grant, loan, guarantee, insurance, rebate, subsidy, tax credit benefit, or other form of direct or indirect assistance, for the original construction or development of the project.

(i) Report by Secretary

The Secretary shall submit to the Congress, not later than 180 days following December 15, 1989, a report describing actions taken to carry out this section, including actions to inform and educate officers and employees of the Department of Agriculture regarding the provisions of this section.

(July 15, 1949, ch. 338, title V, § 536, as added Pub. L. 101–235, title IV, § 401(a), Dec. 15, 1989, 103 Stat. 2045; amended Pub. L. 101–625, title VII, § 719(a), Nov. 28, 1990, 104 Stat. 4297; Pub. L. 104–65, § 11(b)(2), Dec. 19, 1995, 109 Stat. 701.)

CODIFICATION

December 15, 1989, referred to in subsec. (g), was in the original ''the date of enactment of this Act'', which was translated as meaning the date of enactment of Pub. L. 101–235, which enacted this section, to reflect the probable intent of Congress.

[2] So in original. Probably should be ''subsection''.

AMENDMENTS

1995—Subsec. (d). Pub. L. 104–65 struck out subsec. (d) which related to regulation of lobbyists and consultants.

1990—Subsec. (h). Pub. L. 101–625 inserted before period at end '', for the original construction or development of the project''.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 104–65 effective Jan. 1, 1996, except as otherwise provided, see section 24 of Pub. L. 104–65, set out as an Effective Date note under section 1601 of Title 2, The Congress.

EFFECTIVE DATE

Section 401(b) of Pub. L. 101–235 provided that: ''Section 536 of the Housing Act of 1949 [this section], as added by subsection (a), shall take effect on the effective date of regulations implementing such section.''

§ 1490p–1. Office of Rural Housing Preservation

(a) Establishment

There is established within the Farmers Home Administration an Office of Rental Housing Preservation (hereafter in this section referred to as the ''Office''). The Office shall be headed by a Director designated by the Secretary of Agriculture.

(b) Purposes

The purposes of the Office are:

(1) to review and process applications under section 1472(c) of this title and section 1485(t) of this title related to the preservation of rural rental housing;

(2) to provide technical or financial assistance to any other projects needing such assistance;

(3) to coordinate and direct all other activities related to the preservation of rural housing; and

(4) to monitor compliance of projects prepaid or receiving incentives under the Housing Act of 1949.

(July 15, 1949, ch. 338, title V, § 537, as added Pub. L. 102–550, title VII, § 712(c), Oct. 28, 1992, 106 Stat. 3841.)

REFERENCES IN TEXT

The Housing Act of 1949, referred to in subsec. (b)(4), is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

§ 1490p–2. Loan guarantees for multifamily rental housing in rural areas

(a) Authority

The Secretary may make commitments to guarantee eligible loans for the development costs of eligible housing and related facilities, and may guarantee such eligible loans, in accordance with this section.

(b) Extent of guarantee

A guarantee made under this section shall guarantee repayment of an amount not exceeding the total of the amount of the unpaid principal and interest of the loan for which the guarantee is made. The liability of the United States under any guarantee under this section shall de-

crease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

(c) Eligible borrowers

A loan guaranteed under this section may be made to a nonprofit organization, an agency or body of any State government or political subdivision thereof, an Indian tribe, or a private entity.

(d) Eligible housing

A loan may be guaranteed under this section only if the loan is used for the development costs of housing and related facilities (as such terms are defined in section 1485(e) of this title) that—

(1) consists of 5 or more adequate dwellings;

(2) is available for occupancy only by low or moderate income[1] families or persons, whose incomes at the time of initial occupancy do not exceed 115 percent of the median income of the area, as determined by the Secretary;

(3) will remain available as provided in paragraph (2), according to such binding commitments as the Secretary may require, for the period of the original term of the loan guaranteed, unless the housing is acquired by foreclosure (or instrument in lieu of foreclosure) or the Secretary waives the applicability of such requirement for the loan only after determining, based on objective information, that—

(A) there is no longer a need for low- and moderate-income housing in the market area in which the housing is located;

(B) housing opportunities for low-income households and minorities will not be reduced as a result of the waiver; and

(C) additional Federal assistance will not be necessary as a result of the waiver; and

(4) is located in a rural area.

(e) Eligible lenders

(1) Requirement

A loan may be guaranteed under this section only if the loan is made by a lender that the Secretary determines—

(A) meets the qualifications, and has been approved by the Secretary of Housing and Urban Development, to make loans for multifamily housing that are to be insured under the National Housing Act [12 U.S.C. 1701 et seq.];

(B) meets the qualifications, and has been approved by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, to make loans for multifamily housing that are to be sold to such corporations; or

(C) meets any qualifications that the Secretary may, by regulation, establish for participation of lenders in the loan guarantee program under this section.

(2) Eligibility list and annual audit

The Secretary shall establish a list of eligible lenders and shall annually conduct an audit of each lender included in the list for purposes of determining whether such lender continues to be an eligible lender.

[1] So in original. Probably should be ''low- or moderate-income''.

(f) Loan terms

Each loan guaranteed pursuant to this section shall—

(1) be made for a period of not less than 25 nor greater than 40 years from the date the loan was made and may provide for amortization of the loan over a period of not to exceed 40 years with a final payment of the balance due at the end of the loan term;

(2) involve a rate of interest agreed upon by the borrower and the lender that does not exceed the maximum allowable rate established by the Secretary for purposes of this section and is fixed over the term of the loan;

(3) involve a principal obligation (including initial service charges, appraisal, inspection, and other fees as the Secretary may approve) not to exceed—

(A) in the case of a borrower that is a nonprofit organization or an agency or body of any State or local government, 97 percent of the development costs of the housing and related facilities or the value of the housing and facilities, whichever is less;

(B) in the case of a borrower that is a for-profit entity not referred to in subparagraph (A), 90 percent of the development costs of the housing and related facilities or the value of the housing and facilities, whichever is less; and

(C) in the case of any borrower, for such part of the property as may be attributable to dwelling use, the applicable maximum per unit dollar amount limitations under section 207(c) of the National Housing Act [12 U.S.C. 1713(c)];

(4) be secured by a first mortgage on the housing and related facilities for which the loan is made, or otherwise, as the Secretary may determine necessary to ensure repayment of the obligation; and

(5) for at least 20 percent of the loans made under this section, the Secretary shall provide the borrower with assistance in the form of credits pursuant to section 1490a(a)(1)(B) of this title to the extent necessary to reduce the rate of interest under paragraph (2) to the applicable Federal rate, as such term is used in section 42(i)(2)(D) of title 26.

(g) Guarantee fee

At the time of issuance of a loan guaranteed under this section, the Secretary may collect from the lender a fee equal to not more than 1 percent of the principal obligation of the loan.

(h) Authority for lenders to issue certificates of guarantee

The Secretary may authorize certain eligible lenders to determine whether a loan meets the requirements for guarantee under this section and, subject to the availability of authority to enter into guarantees under this section, execute a firm commitment for a guarantee binding upon the Secretary and issue a certificate of guarantee evidencing a guarantee, without review and approval by the Secretary of the specific loan. The Secretary may establish standards for approving eligible lenders for a delegation of authority under this subsection.

(i) Payment under guarantee

(1) Notice of default

In the event of default by the borrower on a loan guaranteed under this section, the holder of the guarantee certificate for the loan shall provide written notice of the default to the Secretary.

(2) Foreclosure

After receiving notice under paragraph (1) and providing written notice of action under this paragraph to the Secretary, the holder of the guarantee certificate for the loan may initiate foreclosure proceedings for the loan in a court of competent jurisdiction, in accordance with regulations issued by the Secretary, to obtain possession of the security property. After the court issues a final order authorizing foreclosure on the property, the holder of the certificate shall be entitled to payment by the Secretary under the guarantee (in the amount provided under subsection (b) of this section) upon (A) submission to the Secretary of a claim for payment under the guarantee, and (B) assignment to the Secretary of all the claims of the holder of the guarantee against the borrower or others arising out of the loan transaction or foreclosure proceedings, except claims released with the consent of the Secretary.

(3) Assignment by Secretary

After receiving notice under paragraph (1), the Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Assignment of a loan under this paragraph shall include conveyance to the Secretary of title to the security property, assignment to the Secretary of all rights and interests arising under the loan, and assignment to the Secretary of all claims against the borrower or others arising out of the loan transaction. Upon assignment of a loan under this paragraph, the holder of a guarantee certificate for the loan shall be entitled to payment by the Secretary under the guarantee (in the amount provided under subsection (b) of this section).

(4) Requirements

Before any payment under a guarantee is made under paragraph (2) or (3), the holder of the guarantee certificate shall exhaust all reasonable possibilities of collection on the loan guaranteed. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines appropriate.

(j) Violation of guarantee requirements by lenders issuing guarantees

(1) Indemnification

If the Secretary determines that a loan guaranteed by an eligible lender pursuant to delegation of authority under subsection (h) of this section was not originated in accordance with the requirements under this section and the Secretary pays a claim under the guarantee for the loan, the Secretary may require the eligible lender authorized under subsection (h) of this section to issue the guarantee certificate for the loan—

(A) to indemnify the Secretary for the loss, if the payment under the guarantee was made within a reasonable period specified by the Secretary; or

(B) to indemnify the Secretary for the loss regardless of when payment under the guarantee was made, if the Secretary determines that fraud or misrepresentation was involved in connection with the origination of the loan.

(2) Termination of authority to issue guarantees

The Secretary may cancel a delegation of authority under subsection (h) of this section to an eligible lender if the Secretary determines that the lender has violated the requirements and procedures for guaranteed loans under this section or for other good cause. Any such cancellation shall be made by giving notice to the eligible lender and shall take effect upon receipt of the notice by the mortgagee or at a later date, as the Secretary may provide. A decision by the Secretary to cancel a delegation shall be final and conclusive and shall not be subject to judicial review.

(k) Refinancing

Any loan guaranteed under this section may be refinanced and extended in accordance with terms and conditions that the Secretary shall prescribe, but in no event for an additional amount or term that exceeds the limitations under subsection (f) of this section.

(*l*) Geographical targeting

(1) Study

The Secretary shall provide for an independent entity to conduct a study to determine the extent to which borrowers in the United States will utilize loan guarantees under this section, the rural areas in the United States in which borrowers can best utilize and most need loans guaranteed under this section, and the rural areas in the United States in which housing of the type eligible for a loan guarantee under this section is most needed by low- and moderate-income families. The Secretary shall require the independent entity conducting the study to submit a report to the Secretary and to the Congress describing the results of the study not later than the expiration of the 90-day period beginning on March 28, 1996.

(2) Targeting

In providing loan guarantees under this section, the Secretary shall establish standards to target and give priority to rural areas in which borrowers can best utilize and most need loans guaranteed under this section, as determined by the Secretary based on the results of the study under paragraph (1) and any other information the Secretary considers appropriate.

(m) Inapplicability of credit-elsewhere test

Section 1471(c) of this title shall not apply to guarantees, or loans guaranteed, under this section.

(n) Tenant protections

The Secretary shall establish standards for the treatment of tenants of housing developed using amounts from a loan guaranteed under this section, which shall incorporate, to the extent applicable, existing standards applicable to tenants of housing developed with loans made under section 1485 of this title. Such standards shall include standards for fair housing and equal opportunity, lease and grievance procedures, and tenant appeals of adverse actions.

(*o*) Housing standards

The standards established under section 1485(m) of this title for housing and related facilities assisted under section 1485 of this title shall apply to housing and related facilities the development costs of which are financed in whole or in part with a loan guaranteed under this section.

(p) Limitation on commitments to guarantee loans

(1) Requirement of appropriations for cost subsidy

The authority of the Secretary to enter into commitments to guarantee loans under this section, and to guarantee loans, shall be effective for each fiscal year only to the extent that appropriations of budget authority to cover the costs (as such term is defined in section 661a of title 2) of the guarantees are made in advance for such fiscal year.

(2) Annual limitation on amount of loan guarantee

In each fiscal year, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amount as may be provided in appropriation Acts for such fiscal year.

(q) Report

(1) In general

The Secretary shall submit a report to the Congress, not later than the expiration of the 2-year period beginning on March 28, 1996, describing the program under this section for guaranteeing loans.

(2) Contents

The report shall—

(A) describe the types of borrowers providing housing with loans guaranteed under this section, the areas served by the housing provided and the geographical distribution of the housing, the levels of income of the residents of the housing, the number of dwelling units provided, the extent to which borrowers under such loans have obtained other financial assistance for development costs of housing provided with the loans, and the extent to which borrowers under such loans have used low-income housing tax credits provided under section 42 of title 26 in connection with the housing provided with the loans;

(B) analyze the financial viability of the housing provided with loans guaranteed under this section and the need for project-based rental assistance for such housing;

(C) include any recommendations of the Secretary for expanding or improving the program under this section for guaranteeing loans; and

(D) include any other information regarding the program for guaranteeing loans under this section that the Secretary considers appropriate.

(r) Definitions

For purposes of this section, the following definitions shall apply:

(1) The term ''development cost'' has the meaning given the term in section 1485(e) of this title.

(2) The term ''eligible lender'' means a lender determined by the Secretary to meet the requirements of subparagraph (A), (B), (C), or (D) of subsection (e)(1) of this section.

(3) The terms ''housing'' and ''related facilities'' have the meanings given such terms in section 1485(e) of this title.

(4) INDIAN TRIBE.—The term ''Indian tribe'' means—

(A) any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation, as defined by or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450 et seq.); or

(B) any entity established by the governing body of an Indian tribe described in subparagraph (A) for the purpose of financing economic development.

(s) Authorization of appropriations

There are authorized to be appropriated for each fiscal year for costs (as such term is defined in section 661a of title 2) of loan guarantees made under this section such sums as may be necessary for such fiscal year to provide guarantees under this section for eligible loans having an aggregate principal amount of $500,000,000.

(t) Tax-exempt financing

The Secretary may not deny a guarantee under this section on the basis that the interest on the loan or on an obligation supporting the loan for which a guarantee is sought is exempt from inclusion in gross income for purposes of chapter I[2] of title 26.

(u) Fee authority

Any amounts collected by the Secretary pursuant to the fees charged to lenders for loan guarantees issued under this section shall be used to offset costs (as defined by section 661a of

[2] So in original. Probably should be chapter ''1''.

title 2) of loan guarantees made under this section.

(v) Defaults of loans secured by reservation lands

In the event of a default involving a loan to an Indian tribe or tribal corporation made under this section which is secured by an interest in land within such tribe's reservation (as determined by the Secretary of the Interior), including a community in Alaska incorporated by the Secretary of the Interior pursuant to the Indian Reorganization Act (25 U.S.C. 461 et seq.), the lender shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe. If the lender subsequently proceeds to liquidate the account, the lender shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.

(July 15, 1949, ch. 338, title V, § 538, as added and amended Pub. L. 104–120, § 5, Mar. 28, 1996, 110 Stat. 835; Pub. L. 105–86, title VII, § 735(c), Nov. 18, 1997, 111 Stat. 2111; Pub. L. 105–276, title V, § 599C(c), Oct. 21, 1998, 112 Stat. 2661; Pub. L. 106–569, title VII, § 707, Dec. 27, 2000, 114 Stat. 3015.)

REFERENCES IN TEXT

The National Housing Act, referred to in subsec. (e)(1)(A), is act June 27, 1934, ch. 847, 48 Stat. 1246, as amended, which is classified principally to chapter 13 (§ 1701 et seq.) of Title 12, Banks and Banking. For complete classification of this Act to the Code, see section 1701 of Title 12 and Tables.

The Alaska Native Claims Settlement Act, referred to in subsec. (r)(4)(A), is Pub. L. 92–203, Dec. 18, 1971, 85 Stat. 688, as amended, which is classified generally to chapter 33 (§ 1601 et seq.) of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 43 and Tables.

The Indian Self-Determination and Education Assistance Act of 1975, referred to in subsec. (r)(4)(A), probably means the Indian Self-Determination and Education Assistance Act, Pub. L. 93–638, Jan. 4, 1975, 88 Stat. 2203, as amended, which is classified principally to subchapter II (§ 450 et seq.) of chapter 14 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 450 of Title 25 and Tables.

The Indian Reorganization Act, referred to in subsec. (v), is act June 18, 1934, ch. 576, 48 Stat. 984, as amended, which is classified generally to subchapter V (§ 461 et seq.) of chapter 14 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 461 of Title 25 and Tables.

CODIFICATION

Section is based on section 5(a) of H.R. 1691, One Hundred Fourth Congress, as passed by the House of Representatives on Oct. 30, 1995, which was enacted into law by Pub. L. 104–120.

AMENDMENTS

2000—Subsec. (c). Pub. L. 106–569, § 707(1), inserted "an Indian tribe," after "political subdivision thereof,".

Subsec. (f)(1). Pub. L. 106–569, § 707(2), added par. (1) and struck out former par. (1) which read as follows: "provide for complete amortization by periodic payments to be made for a term not to exceed 40 years;".

Subsec. (i)(2). Pub. L. 106–569, § 707(3), substituted "(A) submission to the Secretary of a claim for payment under the guarantee, and (B) assignment" for "(A) conveyance to the Secretary of title to the security property, (B) submission to the Secretary of a claim for payment under the guarantee, and (C) assignment".

Subsec. (*l*). Pub. L. 106–569, § 707(6), (7), redesignated subsec. (m) as (*l*) and struck out heading and text of former subsec. (*l*). Text read as follows: "The borrower under a loan that is guaranteed under this section and under which any portion of the principal obligation or interest remains outstanding may not be relieved of liability with respect to the loan, notwithstanding the transfer of property for which the loan was made."

Subsecs. (m) to (r). Pub. L. 106–569, § 707(7), redesignated subsecs. (n) to (s) as (m) to (r), respectively. Former subsec. (m) redesignated (*l*).

Subsec. (s). Pub. L. 106–569, § 707(7), redesignated subsec. (t) as (s). Former subsec. (s) redesignated (r).

Subsec. (s)(4). Pub. L. 106–569, § 707(4), added par. (4).

Subsec. (t). Pub. L. 106–569, § 707(7), redesignated subsec. (u) as (t). Former subsec. (t) redesignated (s).

Pub. L. 106–569, § 707(5), inserted before period at end "to provide guarantees under this section for eligible loans having an aggregate principal amount of $500,000,000".

Subsec. (u). Pub. L. 106–569, § 707(8), added subsec. (u). Former subsec. (u) redesignated (t).

Subsec. (v). Pub. L. 106–569, § 707(8), added subsec. (v).

1998—Subsec. (t). Pub. L. 105–276, § 599C(c)(1), substituted "each fiscal year" for "fiscal year 1998".

Subsec. (u). Pub. L. 105–276, § 599C(c)(2), added subsec. (u) and struck out heading and text of former subsec. (u). Text read as follows: "A loan may not be guaranteed under this section after September 30, 1998."

1997—Subsec. (q)(2). Pub. L. 105–86, § 735(c)(1), added par. (2) and struck out heading and text of former par. (2). Text read as follows: "In fiscal year 1996, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed $1,000,000."

Subsec. (t). Pub. L. 105–86, § 735(c)(2), added subsec. (t) and struck out text of former subsec. (t). Text read as follows: "There is authorized to be appropriated for fiscal year 1996 $1,000,000 for costs (as such term is defined in section 661a of title 2) of loan guarantees made under this section."

Subsec. (u). Pub. L. 105–86, § 735(c)(3), substituted "1998" for "1996".

1996—Subsecs. (m)(1), (r)(1). Pub. L. 104–120, § 5(b), made technical amendment to reference in original act which appears in text as reference to March 28, 1996.

EFFECTIVE DATE

Section to be construed to have become effective Oct. 1, 1995, see section 13(a) of Pub. L. 104–120, set out as an Effective and Termination Dates of 1996 Amendments note under section 1437d of this title.

§ 1490q. Disaster assistance

(a) Authority

(1) In general

Notwithstanding any other provision of this subchapter, in the event of a natural disaster, so declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. 5121 et seq.], the Secretary shall allocate, for assistance under this section to the States affected for use in the counties designated as disaster areas and the counties contiguous to such counties, amounts made available to the Secretary by an appropriations Act for such purpose. Allocations under this section may be made for each of the fiscal years ending during the 3-year period beginning on the declaration of the disaster by the President.

(2) Amount

Subject to the availability of amounts pursuant to appropriations Acts, assistance under

paragraph (1) shall be made in an amount equal to the product of—

(A) the sum of the official State estimate of the number of dwelling units in the counties described in paragraph (1) within the eligible service area of the Farmers Home Administration (or otherwise if the Secretary provides for a waiver under subsection (d) of this section) that are destroyed or seriously damaged; and

(B) 20 percent of the average cost of all dwelling units assisted by the Secretary in the State during the previous 3 years.

(b) Use

The assistance made available under this section may be used for the housing purposes authorized under this subchapter, and the Secretary shall issue such regulations as may be necessary to carry out this section to assure the prompt and expeditious use of such funds for the restoration of decent, safe, and sanitary housing within the areas described in subsection (a)(1) of this section. In implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

(c) Eligibility

Notwithstanding any other provision of this subchapter, assistance allocated under this section shall be available to units of general local government and their agencies and to local nonprofit organizations, agencies, and corporations for the construction or rehabilitation of housing for agricultural employees and their families.

(d) Waiver of rural area requirements

The Secretary may waive the application of the provisions of section 1490 of this title with respect to assistance under this section, as the Secretary considers appropriate.

(e) Rural Housing Insurance Fund

The Secretary is authorized to advance from the Rural Housing Insurance Fund such sums as may be necessary to meet the requirements of subsection (a)(1) of this section, subject to limits previously approved in appropriations Acts.

(July 15, 1949, ch. 338, title V, § 541, as added Pub. L. 101–625, title IX, § 934, Nov. 28, 1990, 104 Stat. 4404; amended Pub. L. 102–550, title VII, § 713, Oct. 28, 1992, 106 Stat. 3842.)

REFERENCES IN TEXT

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (a)(1), is Pub. L. 93–288, May 22, 1974, 88 Stat. 143, as amended, which is classified principally to chapter 68 (§ 5121 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of this title and Tables.

AMENDMENTS

1992—Subsec. (a)(1). Pub. L. 102–550 substituted ''amounts made available to the Secretary by an appropriations Act for such purpose'' for ''amounts available under this subchapter''.

§ 1490r. Rural housing voucher program

(a) In general

To such extent or in such amounts as are approved in appropriation Acts, the Secretary shall carry out a rural housing voucher program to assist very low-income families and persons to reside in rental housing in rural areas. For such purposes, the Secretary may provide assistance using a payment standard based on the fair market rental rate established by the Secretary for the area. The monthly assistance payment for any family shall be the amount by which the payment standard for the area exceeds 30 per centum of the family's monthly adjusted income, except that such monthly assistance payment shall not exceed the amount which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 per centum of the family's monthly gross income.

(b) Coordination and limitation

In carrying out the rural housing voucher program under this section, the Secretary shall—

(1) coordinate activities under this section with activities assisted under sections 1485 and 1490m of this title; and

(2) enter into contracts for assistance for not more than 5000 units in any fiscal year.

(July 15, 1949, ch. 338, title V, § 542, as added Pub. L. 102–550, title VII, § 706(2), Oct. 28, 1992, 106 Stat. 3835.)

§ 1490s. Enforcement provisions

(a) Equity skimming

(1) Criminal penalty

Whoever, as an owner, agent, employee, or manager, or is otherwise in custody, control, or possession of property that is security for a loan made or guaranteed under this subchapter, willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this subchapter or the regulations adopted pursuant to this subchapter, shall be fined under title 18 or imprisoned not more than 5 years, or both.

(2) Civil sanctions

An entity or individual who as an owner, operator, employee, or manager, or who acts as an agent for a property that is security for a loan made or guaranteed under this subchapter where any part of the rents, assets, proceeds, income, or other funds derived from such property are used for any purpose other than to meet actual, reasonable, and necessary expenses of the property, or for any other purpose not authorized by this subchapter or the regulations adopted pursuant to this subchapter, shall be subject to a fine of not more than $25,000 per violation. The sanctions provided in this paragraph may be imposed in addition to any other civil sanctions or civil monetary penalties authorized by law.

(b) Civil monetary penalties

(1) In general

The Secretary may, after notice and opportunity for a hearing, impose a civil monetary penalty in accordance with this subsection

against any individual or entity, including its owners, officers, directors, general partners, limited partners, or employees, who knowingly and materially violate, or participate in the violation of, the provisions of this subchapter, the regulations issued by the Secretary pursuant to this subchapter, or agreements made in accordance with this subchapter, by—

(A) submitting information to the Secretary that is false;

(B) providing the Secretary with false certifications;

(C) failing to submit information requested by the Secretary in a timely manner;

(D) failing to maintain the property subject to loans made or guaranteed under this subchapter in good repair and condition, as determined by the Secretary;

(E) failing to provide management for a project which received a loan made or guaranteed under this subchapter that is acceptable to the Secretary; or

(F) failing to comply with the provisions of applicable civil rights statutes and regulations.

(2) Conditions for renewal or extension

The Secretary may require that expiring loan or assistance agreements entered into under this subchapter shall not be renewed or extended unless the owner executes an agreement to comply with additional conditions prescribed by the Secretary, or executes a new loan or assistance agreement in the form prescribed by the Secretary.

(3) Amount

(A) In general

The amount of a civil monetary penalty imposed under this subsection shall not exceed the greater of—

(i) twice the damages the Department of Agriculture, the guaranteed lender, or the project that is secured for a loan under this section suffered or would have suffered as a result of the violation; or

(ii) $50,000 per violation.

(B) Determination

In determining the amount of a civil monetary penalty under this subsection, the Secretary shall take into consideration—

(i) the gravity of the offense;

(ii) any history of prior offenses by the violator (including offenses occurring prior to the enactment of this section);

(iii) the ability of the violator to pay the penalty;

(iv) any injury to tenants;

(v) any injury to the public;

(vi) any benefits received by the violator as a result of the violation;

(vii) deterrence of future violations; and

(viii) such other factors as the Secretary may establish by regulation.

(4) Payment of penalties

No payment of a penalty assessed under this section may be made from funds provided under this subchapter or from funds of a project which serve as security for a loan made or guaranteed under this subchapter.

(5) Remedies for noncompliance

(A) Judicial intervention

If a person or entity fails to comply with a final determination by the Secretary imposing a civil monetary penalty under this subsection, the Secretary may request the Attorney General of the United States to bring an action in an appropriate United States district court to obtain a monetary judgment against such individual or entity and such other relief as may be available. The monetary judgment may, in the court's discretion, include the attorney's fees and other expenses incurred by the United States in connection with the action.

(B) Reviewability of determination

In an action under this paragraph, the validity and appropriateness of a determination by the Secretary imposing the penalty shall not be subject to review.

(July 15, 1949, ch. 338, title V, § 543, as added Pub. L. 106–569, title VII, § 708(a), Dec. 27, 2000, 114 Stat. 3016.)

REFERENCES IN TEXT

Enactment of this section, referred to in subsec. (b)(3)(B)(ii), means enactment of Pub. L. 106–569, which enacted this section and was approved Dec. 27, 2000.

§ 1490t. Indian tribes

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.) shall not apply to actions by federally recognized Indian tribes (including instrumentalities of such Indian tribes) under this Act.

(July 15, 1949, ch. 338, title V, § 544, as added Pub. L. 109–136, § 4, Dec. 22, 2005, 119 Stat. 2644.)

REFERENCES IN TEXT

The Civil Rights Act of 1964, referred to in text, is Pub. L. 88–352, July 2, 1964, 78 Stat. 241, as amended. Title VI of the Act is classified generally to subchapter V (§ 2000d et seq.) of chapter 21 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

The Civil Rights Act of 1968, referred to in text, is Pub. L. 90–284, Apr. 11, 1968, 82 Stat. 73, as amended. Title VIII of the Act, known as the Fair Housing Act, is classified principally to subchapter I (§ 3601 et seq.) of chapter 45 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 3601 of this title and Tables.

This Act, referred to in text, is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, known as the Housing Act of 1949, which is classified principally to this chapter (§ 1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

CHAPTER 8B—PUBLIC WORKS OR FACILITIES

§§ 1491 to 1497. Omitted

CODIFICATION

Sections were omitted pursuant to section 5316 of this title which terminated the authority to make grants or loans under this chapter after Jan. 1, 1975.