

## § 3550.252

an offer from a program-eligible applicant will receive priority, regardless of a nonprofit's interest in purchasing the REO property for use as transitional housing.

(3) NP properties may be leased to a nonprofit organization or public body to provide transitional housing for the homeless at an annual cost of one dollar. When an REO property is to be leased as transitional housing, RHS will make repairs needed to put the property in decent, safe, and sanitary condition. The lessee is responsible for all future repairs and maintenance.

(4) REO property may be sold under special provisions to nonprofit organizations or public bodies for the purpose of providing affordable housing to very low- and low-income families.

[61 FR 59779, Nov. 22, 1996, as amended at 67 FR 78332, Dec. 24, 2002]

## § 3550.252 Debt settlement policies.

(a) *Applicability.* Debt settlement procedures may be initiated to collect any amounts due to RHS including:

(1) Balances remaining on loan accounts after all liquidation proceeds or credits have been applied;

(2) Subsidy recapture or grant amounts due; and

(3) Unauthorized assistance due.

(b) *Judgment.* RHS may seek a judgment whenever a judgment might enable RHS to collect all or a significant portion of an amount owed.

(c) *Multiple loans.* RHS does not settle debts for one loan while other RHS loans on the same security property remain active.

(d) *Cosigners and claims against estates.* RHS may use any and all remedies available under law to collect from any cosigner and from a deceased borrower's estate.

(e) *Reporting.* RHS will report to the Internal Revenue Service and credit reporting agencies any debt settled through cancellation, compromise, or adjustment.

(f) *Settlement during legal or investigative action.* Cases that are under investigation for fiscal irregularity or have been referred to the Office of the Inspector General, the Office of the General Counsel, or the U.S. Attorney will not be considered for debt settlement

## 7 CFR Ch. XXXV (1–1–10 Edition)

until final action by the investigating or prosecuting entity has been taken.

(g) *Offsets.* RHS may request offsets as described in § 3550.210 to collect amounts owed.

(h) *Escrow funds.* At liquidation all funds held in escrow or unapplied funds will be applied against the debt.

## § 3550.253 Settlement of a debt by compromise or adjustment.

Compromise or adjustment offers may be initiated by the debtor or by RHS. RHS will approve only those compromises and adjustments that are in the best interest of the Government.

(a) *Compromise.* A compromise is an agreement by RHS to release a debtor from liability upon receipt of a specified lump sum that is less than the total amount due.

(b) *Adjustments.* An adjustment is an agreement by RHS to release a debtor from liability generally upon receipt of an initial lump sum representing the maximum amount the debtor can afford to pay and periodic additional payments over a period of up to 5 years.

(c) *Timing of offers.* (1) For a settlement offer to be considered, secured debts must be fully matured under the terms of the debt instrument or must have been accelerated by RHS.

(2) Unsecured debts owed after the sale of the security property may be proposed for compromise or adjustment at any time. Debts that were never secured may be proposed for compromise or adjustment when they are due and payable.

(d) *Retention of security property.* The debtor may retain the security property if the compromise payment is at least equal to the net recovery value, and it is in the best interest of the Government to allow the debtor to retain the security property.

## §§ 3550.254–3550.299 [Reserved]

## § 3550.300 OMB control number.

The information collection requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 0575–0172. Public reporting burden for this collection of information is estimated to vary from 5 minutes to 3

## Rural Housing Service, USDA

## Pt. 3560

hours per response, with an average of 1½ hours per response, including time for review instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

[61 FR 59779, Nov. 22, 1996, as amended at 67 FR 78332, Dec. 24, 2002]

### PART 3560—DIRECT MULTI-FAMILY HOUSING LOANS AND GRANTS

#### Subpart A—General Provisions and Definitions

Sec.

- 3560.1 Applicability and purpose.
- 3560.2 Civil rights.
- 3560.3 Environmental requirements.
- 3560.4 Compliance with other Federal requirements.
- 3560.5 State, local or tribal laws.
- 3560.6 Borrower responsibility and requirements.
- 3560.7 Delegation of responsibility.
- 3560.8 Administrator's exception authority.
- 3560.9 Reviews and appeals.
- 3560.10 Conflict of interest.
- 3560.11 Definitions.
- 3560.12–3560.49 [Reserved]
- 3560.50 OMB control number.

#### Subpart B—Direct Loan and Grant Origination

- 3560.51 General.
- 3560.52 Program objectives.
- 3560.53 Eligible use of funds.
- 3560.54 Restrictions on the use of funds.
- 3560.55 Applicant eligibility requirements.
- 3560.56 Processing section 515 housing proposals.
- 3560.57 Designated places for section 515 housing.
- 3560.58 Site requirements.
- 3560.59 Environmental requirements.
- 3560.60 Design requirements.
- 3560.61 Loan security.
- 3560.62 Technical, legal, insurance, and other services.
- 3560.63 Loan limits.
- 3560.64 Initial operating capital contribution.
- 3560.65 Reserve account.
- 3560.66 Participation with other funding or financing sources.
- 3560.67 Rates and terms for section 515 loans.
- 3560.68 Permitted return on investment (ROI).
- 3560.69 Supplemental requirements for congregate housing and group homes.
- 3560.70 Supplemental requirements for manufactured housing.

- 3560.71 Construction financing.
- 3560.72 Loan closing.
- 3560.73 Subsequent loans.
- 3560.74 Loan for final payments.
- 3560.75–3560.99 [Reserved]
- 3560.100 OMB control number.

#### Subpart C—Borrower Management and Operations Responsibilities

- 3560.101 General.
- 3560.102 Housing project management.
- 3560.103 Maintaining housing projects.
- 3560.104 Fair housing.
- 3560.105 Insurance and taxes.
- 3560.106–3560.149 [Reserved]
- 3560.150 OMB control number.

#### Subpart D—Multi-Family Housing Occupancy

- 3560.151 General.
- 3560.152 Tenant eligibility.
- 3560.153 Calculation of household income and assets.
- 3560.154 Tenant selection.
- 3560.155 Assignment of rental units and occupancy policies.
- 3560.156 Lease requirements.
- 3560.157 Occupancy rules.
- 3560.158 Changes in tenant eligibility.
- 3560.159 Termination of occupancy.
- 3560.160 Tenant grievances.
- 3560.161–3560.199 [Reserved]
- 3560.200 OMB control number.

#### Subpart E—Rents

- 3560.201 General.
- 3560.202 Establishing rents and utility allowances.
- 3560.203 Tenant contributions.
- 3560.204 Security deposits and membership fees.
- 3560.205 Rent and utility allowance changes.
- 3560.206 Conversion to Plan II (Interest Credit).
- 3560.207 Annual adjustment factors for Section 8 units.
- 3560.208 Rents during eviction or failure to recertify.
- 3560.209 Rent collection.
- 3560.210 Special note rents (SNRs).
- 3560.211–3560.249 [Reserved]
- 3560.250 OMB control number.

#### Subpart F—Rental Subsidies

- 3560.251 General.
- 3560.252 Authorized rental subsidies.
- 3560.253 [Reserved]
- 3560.254 Eligibility for rental assistance.
- 3560.255 Requesting rental assistance.
- 3560.256 Rental assistance payments.
- 3560.257 Assigning rental assistance.
- 3560.258 Terms of agreement.
- 3560.259 Transferring rental assistance.