

date of the notice, provided that an eligible successor for the Homebuyer unit has been selected by the Authority. The notice shall also state that if the Homebuyer should refuse to move under such circumstances, the family may be required to vacate the Homebuyer unit, without further notice. The notice shall include a statement (i) that the Homebuyer may respond to the Authority in writing or in person, within a specified reasonable time, regarding the reason for the determination and offer of transfer, (ii) that in such response he may be represented or accompanied by a person of his choice including a representative of the HBA, and (iii) that the Authority has consulted the HBA concerning this determination and offer of transfer.

(4) When a Homebuyers Ownership Opportunity Agreement is terminated pursuant to this paragraph 24c, the amount in the Homebuyer's EHPA shall be paid in accordance with the provisions of paragraph 10k of this Agreement.

25. *Survivorship.* (1) In the event of death, mental incapacity or abandonment of the family by the Homebuyer, the person designated as the successor in part I of this Agreement shall succeed to the rights and responsibilities under the Agreement if that person is an occupant of the Home at the time of the event and is determined by the Authority to meet all of the standards of potential for homeownership as set forth in section 24a. This designation may be changed by the Homebuyer at any time. If there is no such designation or the designee is no longer an occupant of the Home or does not meet the standards of potential for homeownership, the Authority may consider as the Homebuyer any family member who was in occupancy at the time of the event and who meets the standards of potential for homeownership.

(2) If there is no qualified successor in accordance with the above, the Authority shall terminate the Agreement and another family shall be selected, except under the following circumstances: where a minor child or children of the Homebuyer family are in occupancy, then in order to protect their continued occupancy and opportunity for acquisition of ownership of the Home, the Authority may approve as occupants of the unit, an appropriate adult(s) who has been appointed legal guardian of the children with a duty to perform the obligations of the Homebuyers Ownership Opportunity Agreement in their interest and behalf.

26. *Nonassignability and Use of Reserves and Accounts—*a. *Nonassignability.* The Homebuyer shall not assign this Agreement, or assign, mortgage or pledge any right or interest in the Home or in this Agreement including any right or interest in any reserve or account, except with the prior written approval of the Authority and HUD.

b. *Use of Reserves and Accounts.* It is understood and agreed that the Homebuyer shall have no right to receive or use the money in any reserve or account created pursuant to this Agreement except for the limited purposes and under the special circumstances set forth by the terms of this Agreement. It is further understood and agreed that both the Authority and HUD have a financial and a governmental interest in the Earned Home Payments Account and other reserves as security for the financial integrity of the Development, as a means of savings in cost to the Government by minimizing the amount and period over which HUD annual contributions must be paid, and as a means of advancing the public interest and welfare by assisting low-income families to achieve homeownership.

27. *Notices.* Any notice required hereunder or by law shall be sufficient if delivered in writing to the Homebuyer personally or to an adult member of his family residing in the dwelling unit or if sent by certified mail, return receipt requested, properly addressed to the Homebuyer, postage prepaid. Notice to the Authority shall be in writing, and either delivered to any Authority employee at the office of the Authority or sent to the Authority by certified mail, properly addressed, postage prepaid.

28. *Grievance Procedure.* All grievances or appeals arising under this Agreement shall be processed and resolved pursuant to the grievance procedure of the Authority, which procedure shall provide for participation of the HBA in the grievance process. This grievance procedure shall be posted in the Authority's Office.

[39 FR 10966, Mar. 22, 1974. Redesignated at 49 FR 15580, Apr. 7, 1975. Redesignated at 49 FR 6714, Feb. 23, 1984, and amended at 49 FR 21490, May 21, 1984]

#### APPENDIX III TO SUBPART B OF PART 904—CERTIFICATION OF HOMEBUYER STATUS

##### (Subpart B)

State of \_\_\_\_\_

County of \_\_\_\_\_

This is to certify that \_\_\_\_\_  
(Homebuyer)

of the Home located at \_\_\_\_\_:

(1) Has achieved, within the first two years of his occupancy a balance in his Earned Home Payments Account (EHPA) of at least \_\_\_\_\_ dollars (representing 20 times the amount of the monthly EHPA credit applicable to said Home);

(2) Has met and is continuing to meet the requirements of his Homebuyers Ownership Opportunity Agreement; and

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(3) Has rendered and is continuing to render satisfactory performance of his responsibilities to the Homebuyers Association.

Accordingly, said Homebuyer may, upon payment of the purchase price, exercise the option to purchase the Home in accordance with and subject to the provisions of his Homebuyers Ownership Opportunity Agreement.

Housing Authority \_\_\_\_\_  
By \_\_\_\_\_

(Signature and official title)

(Date) \_\_\_\_\_  
Homebuyers Association \_\_\_\_\_

By \_\_\_\_\_  
(Signature and official title)

(Date) \_\_\_\_\_

**APPENDIX IV TO SUBPART B OF PART  
904—PROMISSORY NOTE FOR PAY-  
MENT UPON RESALE BY HOMEBUYER  
AT PROFIT**

(Subpart B)

FOR VALUE RECEIVED, \_\_\_\_\_  
(Homeowner) promises to pay to \_\_\_\_\_  
(Authority) or order, the principal sum of  
\_\_\_\_\_ <sup>1</sup> Dollars (\$ \_\_\_\_\_), with-  
out interest, on the date of resale by the  
Homeowner of the property conveyed by the  
Authority to the Homeowner.

Such principal sum shall be reduced automatically by 20 percent of the initial amount at the end of each year of such residency, as a Homeowner, and this note shall terminate at the end of five years of such residency, as determined by the Authority; Provided, however, that the amount payable under this note shall in no event be more than the net profit on the resale, that is, the amount by which the resale price exceeds the sum of (1) the Homeowner's purchase price, (2) the costs incidental to his acquisition of ownership, (3) the costs of the resale, including commissions and mortgage prepayment penalties, if any, and (4) the increase in value of the Home, determined by appraisal, due to improvements paid for by the Homeowner whether as a Homebuyer (with funds from sources other than his Earned Home Payments Account or his Nonroutine Maintenance Reserve) or as a Homeowner.

If the Homeowner shall pay this note at the time and in the manner set forth above, or if, by its provisions, the amount of this note shall be zero, then the note shall terminate and the Authority shall, within thirty (30) days after written demand therefor by the Homeowner, execute a release and satisfaction of this note. The Homeowner hereby

<sup>1</sup>Amount determined in accordance with section 19 of the Homebuyers Ownership Opportunity Agreement.

waives the benefits of all statutes or laws which require the earlier execution or delivery of such release and satisfaction by the Authority.

Presentment, protest, and notice are hereby waived.

Dated \_\_\_\_\_, 19\_\_\_\_

Local Housing Authority \_\_\_\_\_

By: \_\_\_\_\_ (Homeowner)  
\_\_\_\_\_ (Homeowner's Spouse)

**Subpart C—Homeownership  
Counseling and Training**

**§ 904.201 Purpose.**

The purpose of the counseling and training program shall be to assure that the homebuyers, individually and collectively through their homebuyers association (HBA), will be more capable of dealing with situations with which they may be confronted, making decisions related to these situations, and understanding and accepting the responsibility and consequences that accompany those decisions.

**§ 904.202 Objectives.**

The counseling and training program should seek to achieve the following objectives:

(a) Enable the potential homebuyer to have a full understanding of the responsibilities that accompany his participation in the Homeownership Opportunity Program;

(b) Enable the potential homebuyer to have an understanding of homeownership tasks with specific training given to individuals as the need and readiness for counseling or training indicates;

(c) Assure that the role of the HBA is understood and plans for its organization are initiated at the earliest practical time;

(d) Develop an understanding of the role of the LHA and of the need for a cooperative relationship between the homebuyer and the LHA;

(e) Encourage the development of self-help by the homebuyer through reducing dependency and increasing independent action;

(f) Develop an understanding of mutual assistance and cooperation that will develop a feeling of self-respect, pride and community responsibility;