

SUBCHAPTER E—GRANT PROGRAMS

PART 280—NEHEMIAH HOUSING OPPORTUNITY GRANTS PROGRAM

Sec.

280.1 Applicability and scope.

280.5 Definitions.

280.10 NHOP Assistance.

280.15 Assistance under other HUD programs.

280.20 Home quality.

280.25 Other Federal requirements.

Subparts A–D [Reserved]

Subpart E—Program Operation

280.30 Grant agreement.

280.35 Minimum participation.

280.40 Eligible purchasers.

280.45 Sales contract and downpayment requirements.

280.50 Loan requirements.

280.55 Loan and profit.

280.60 Funding amendments and deobligation of funds.

AUTHORITY: 12 U.S.C. 1715^l note; 42 U.S.C. 3535(d).

§ 280.1 Applicability and scope.

(a) This part sets forth the requirements for existing grants under the Nehemiah Housing Opportunity Grants Program (NHOP). NHOP was established by title VI of the Housing and Community Development Act of 1987 (12 U.S.C. 1715^l). Under NHOP, HUD made grants to nonprofit organizations to be used to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with a HUD approved program. NHOP was repealed by Section 289(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12839). Accordingly, no new grants are being awarded under the program.

(b) *Purpose.* The purposes of NHOP are:

(1) To encourage homeownership by families who are not otherwise able to afford homeownership;

(2) To undertake a concentrated effort to rebuild the depressed areas of cities and to create sound and attractive neighborhoods; and

(3) To increase the employment of residents of these neighborhoods.

[54 FR 22258, May 22, 1989, as amended at 61 FR 42953, Aug. 19, 1996]

§ 280.5 Definitions.

As used in this part:

Assistance means grants to recipients for the purpose of providing loans to families purchasing homes constructed or substantially rehabilitated in accordance with an approved program.

Date of purchase means the date that a family executes a sales contract for the purchase of a home under this part.

Home means a one- to four-family dwelling. The term includes dwelling units in a condominium project that consists of not more than four dwelling units, dwelling units in a cooperative project that consists of not more than four dwelling units, townhouses, and manufactured homes.

Metropolitan statistical area means a metropolitan statistical area or a primary metropolitan statistical area established by the Office of Management and Budget.

Neighborhood means an area that is distinguishable from other areas on the basis of one or more significant features such as:

(a) Natural or man-made boundaries;

(b) A locally recognized name, formal or informal;

(c) An identity as a residential subdivision;

(d) An identity as an elementary school district; or

(e) Distinctive population, social, or housing characteristics.

Nonprofit organization means a private nonprofit corporation or other private nonprofit legal entity. No part of the net earnings of the organization may inure to the benefit of any member, founder, contributor, or individual. The organization (a) may not be controlled by, or be under the direction of, persons or firms seeking to derive profit or gain from the organization; (b) must have a voluntary board; and (c) must have a tax exemption ruling from the Internal Revenue Service under section 501(c) of the Internal Revenue

Office of Assistant Secretary for Housing, HUD

§ 280.25

Code of 1986. Nonprofit organization does not include a public body or the instrumentality of any public body.

Program means the undertaking by a recipient with HUD assistance under this part for the construction or substantial rehabilitation of homes in accordance with the requirements of this part.

Recipient means an applicant that HUD approves as to financial responsibility and that executes a grant agreement with HUD to carry out a program under this part.

Rehabilitation means labor, materials, tools and other costs of improving buildings, including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing buildings; installation of security devices; and improvement through alterations or incidental additions to, or enhancement of, existing buildings, including improvements to increase the efficient use of energy in buildings.

State means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

Substantial rehabilitation means: (a) Rehabilitation involving costs in excess of 60 percent of the maximum sales price of a home assisted under this part after rehabilitation; or (b) the rehabilitation of a vacant, uninhabitable structure.

Unit of general local government means a borough, city, county, parish, town, township, village, or other general purpose political subdivision of a State.

[54 FR 22258, May 22, 1989, as amended at 61 FR 5208, Feb. 9, 1996; 61 FR 42953, Aug. 19, 1996]

§ 280.10 NHOP assistance.

Recipients may only use assistance under this part to provide loans to families purchasing homes constructed or substantially rehabilitated in accordance with an approved program.

[61 FR 42953, Aug. 19, 1996]

§ 280.15 Assistance under other HUD programs.

Except for assistance made available under the Community Development Block Grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*), a recipient's program is not eligible for assistance under other HUD assistance programs. Dwellings purchased under the program are eligible for mortgage insurance under section 203(b) (one- to four-family home mortgages), section 203(k) (rehabilitation of one- to four-family homes), section 221(d)(2) (low- and moderate-income families), section 234(c) (condominium mortgages), section 245(a) (graduated payment mortgages), and section 251 (adjustable rate mortgages) of the National Housing Act.

[54 FR 22258, May 22, 1989. Redesignated at 61 FR 42953, Aug. 19, 1996]

§ 280.20 Home quality.

(a) *Generally*. Except for manufactured homes, homes constructed or substantially rehabilitated under a program must comply with applicable local building code standards. (If no local building code standards are applicable, the homes must comply with a nationally recognized model building code (such as the CABO One- and Two-Family Dwelling Code) mutually agreed upon by the recipient and HUD). All such homes must also comply with the energy performance requirements contained in the minimum property standards under 24 CFR part 200, subpart S.

(b) *Manufactured homes*. Manufactured homes under a program must comply with the Manufactured Home Construction and Safety Standards in 24 CFR part 3280; the installation, structural, and site requirements described in 24 CFR 203.43f; and the energy performance requirements of 24 CFR 200.926d(e).

[54 FR 22258, May 22, 1989. Redesignated at 61 FR 42953, Aug. 19, 1996]

§ 280.25 Other Federal requirements.

In addition to the requirements set forth in 24 CFR part 5, the following additional Federal requirements apply to this program: