

## § 1965.93

be provided on changes of membership interests that are covered under §1965.63 of this subpart which result in a 100 percent change in the entity membership, such as, beneficial interests, partnership interests and stock transfers. Exhibit A to this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) must be completed for each project affected with particular attention given to supplying the Employer Identification and/or the Social Security numbers of the parties involved. Field Offices should not contact the borrowers or transferees for information that is not otherwise available from the casefiles, except in the case of missing Taxpayer Identification numbers. Exhibit A available in any FmHA or its successor agency under Public Law 103-354 office will be prepared when the servicing action is completed and sent to the National Office within 30 days of the servicing action.

[49 FR 49587, Dec. 21, 1984, as amended at 52 FR 24291, June 30, 1987; 58 FR 38930, July 21, 1993]

## § 1965.93 [Reserved]

## § 1965.94 State supplements.

State supplements will be prepared with the advice of OGC as necessary to comply with State laws and to provide guidance to the District Director in the servicing actions required. All State supplements, unless specifically authorized by particular subsections of this subpart must be submitted for prior National Office approval before implementation. Requests for approval must include complete justification, citations of State law, and appropriate legal opinions from the respective Regional Attorney.

## § 1965.95 [Reserved]

## § 1965.96 Nondiscrimination.

Each instrument of conveyance for any transfer or foreclosure sale of real property subject to Title VI of the Civil Rights Act of 1964 will contain the following covenant:

The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights

## 7 CFR Ch. XVIII (1-1-01 Edition)

Act of 1964 and the Rehabilitation Act of 1973 and the regulations as issued pursuant thereto for so long as the property continues to be used for the same or similar purposes for which the Federal financial assistance was extended or for so long as the purchaser owns it, whichever is later.

## § 1965.97 Exception authority.

The Administrator of the Farmers Home Administration or its successor agency under Public Law 103-354 may, in individual cases, make an exception to any requirement of this Subpart not inconsistent with the authorizing statute if the Administrator finds that application of the requirement would adversely affect the interest of the Government or the immediate health or safety of the tenants or the community. The Administrator will exercise the authority only at the request of the State Director. The State Director will submit the request supported by data which demonstrates the adverse impact, identifies the particular requirement involved, shows proper alternative courses of action, and identifies how the adverse impact will be eliminated.

## §§ 1965.98-1965.99 [Reserved]

## § 1965.100 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget and have been assigned OMB control number 0575-0100. Public reporting burden for this collection of information is estimated to vary from 10 minutes to 4.25 hours per response, with an average of 1.67 hours per response including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, Room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB #0575-0100), Washington, DC 20503.

[56 FR 28039, June 19, 1991, as amended at 58 FR 38930, July 21, 1993]

**Subparts C–D [Reserved]****Subpart E—Prepayment and Displacement Prevention of Multi-Family Housing Loans**

SOURCE: 58 FR 38931, July 21, 1993, unless otherwise noted.

**§ 1965.201 General.**

Requests to pay Multi-Family Housing (MFH) loans in full require that certain actions be taken to ensure the affordability of housing for specified tenants for a guaranteed period of time. The requirement applies to all projects, whether or not they are subject to restrictive-use provisions or prohibitions on prepayment. This subpart provides step-by-step guidance for use by Farmers Home Administration or its successor agency under Public Law 103-354 (FmHA or its successor agency under Public Law 103-354) and MFH borrowers when prepayment requests are made. The steps outlined are mandated by the Rural Rental Housing Displacement Prevention Provisions of the Housing and Community Development Act of 1987. When a MFH project is subject to multiple FmHA or its successor agency under Public Law 103-354 MFH loans, and the borrower offers prepayment or payment in full for one or more but not all of the MFH loans on the project, the borrower will not be allowed to pay off the most restrictive loan without invoking the prepayment provisions of this subpart, unless the borrower agrees to be bound by the more restrictive provisions for the balance of the time period remaining on the more restrictive loan being paid in full.

**§ 1965.202 Definitions.**

*Affordable housing.* Housing with a rent rate which does not create new or increased rent overburden for tenants of prepaying projects.

*Displaced tenant.* A displaced tenant is a tenant who is either forced to move from a project or a tenant who experiences new or increased rent overburden as a result of prepayment of a MFH loan. The new or increased rent overburden may occur at the time of prepayment or at any time in the fu-

ture restrictive-use provisions are in force.

*Income limits.* Very low, low, and moderate income are defined in accordance with exhibit C of subpart A or part 1944 of this chapter (available in any FmHA or its successor agency under Public Law 103-354 office).

*Letter of priority entitlement (LOPE).* A letter issued by FmHA or its successor agency under Public Law 103-354 to a tenant displaced through a prepayment action that will give the tenant priority on waiting lists at any FmHA or its successor agency under Public Law 103-354 project for which they may qualify.

*Local nonprofit corporation or public agency.* A public agency or nonprofit corporation which operates primarily in the local community and its trade area. Local nonprofit corporations must have a broad based board reflecting various interests in the community or trade area. A public agency must be organized in accordance with State and local statutes. Either type of organization must include as one of its primary purposes developing or managing low-income housing or community development projects, which meet the requirements of §1944.211(a)(10)(i) of subpart E of part 1944 of this chapter. County-wide agencies/corporations may meet the definition of local organization if, in the judgment of the District Office, the community's trade area is county-wide. Tenant associations and cooperatives may meet the definition if they are organized as nonprofit organizations.

*Market Area.* The market area is the community in which the project is located and those outlying rural areas which are impacted by the project (excluding all other established communities).

*Minorities.* Individuals such as members of the following groups: African-American, not of Hispanic Origin; Hispanic; American Indian or Alaskan Native; and Asian or Pacific Islander. Refer to FmHA or its successor agency under Public Law 103-354 Instruction 1900-A (available in any FmHA or its successor agency under Public Law 103-354 office) for further clarification and a description of each group.