

(g) *Loan approval authority and State Office action.* The State Director is authorized to approve loans in accordance with this subpart and subpart A of part 1901 of this chapter. As soon as it is evident that a loan will be approved, the State Director will complete exhibit A to subpart C of part 2015 of this chapter and submit to the FmHA or its successor agency under Public Law 103-354 Finance Office through field office terminals that information contained in Form FmHA or its successor agency under Public Law 103-354 1944-50, "Multiple Family Housing Borrower/Project Characteristics." The State Director may redelegate approval authority to qualified State Office employees. When a docket or preliminary application is received in the State Office, the State Director will:

- (1) Utilize the services of technicians on his staff and from other agencies in evaluating the application.
- (2) Review the applicant's articles of incorporation and bylaws. If they conform to approved forms for the State as provided in §1822.264(a)(1)(ii), the State director need not obtain a preliminary opinion from the OGC. In all other cases the State director will, and in any case may, submit the docket with any comments or questions to the OGC for a preliminary opinion as to whether the applicant and the proposed loan meet or can meet the requirements of State law and this subpart.
- (3) If additional information is needed to adequately evaluate the application, return the loan docket to the District Director with any comments and recommendations for further processing.
- (4) If the docket is sufficiently complete to enable the State Director to determine that the applicant is eligible and the loan would be sound and proper, issue a proposed memorandum of approval listing any specific conditions that must be met before loan closing.
- (5) If the applicant is not eligible or the loan would not be sound and proper and the deficiencies cannot be cor-

rected, inform the District Director accordingly.

(42 U.S.C. 1480; delegation of authority by the Sec. of Agr., 7 CFR 2.23; delegation of authority by the Asst. Sec. for Rural Development, 7 CFR 2.70)

[35 FR 16087, July 1, 1970, as amended at 41 FR 7487, Feb. 19, 1976; 41 FR 20392, May 18, 1976; 43 FR 24264, June 5, 1978; 44 FR 4435, Jan. 22, 1979; 50 FR 8583, Mar. 4, 1985; 52 FR 19283, May 22, 1987; 54 FR 29330, July 12, 1989]

§ 1822.272 Approval or disapproval of a loan.

The provisions of part 1944, subpart E of this chapter will be followed.

[56 FR 2202, Jan. 22, 1991]

§ 1822.273 Actions subsequent to loan approval.

After the loan is approved, actions to be taken will be in accordance with §1944.235.

[35 FR 16087, July 1, 1970, as amended at 45 FR 70777, Oct. 27, 1980]

§ 1822.274 Loan closing.

(a) *Applicable instructions.* The complete loan docket will be sent to the OGC for loan closing instructions. RHS loans will be closed in accordance with applicable provisions of subpart B of part 1927 of this chapter, and State Instructions which supplement this Instruction, and closing instructions of the OGC, and with the assistance of the approved attorney, representatives of the title insurance company, or local attorney, whichever is appropriate.

(b) *Mortgage.* Unless the OGC determines the Form to be inappropriate, real estate mortgage Form FmHA or its successor agency under Public Law 103-354 1927-1 (state), "Real Estate Mortgage for _____," will be used for all RHS section 524 loans modified as prescribed by or with the advice of the OGC with respect to the name, address, and other identification of the borrower, the style of execution, and the acknowledgement. Additional paragraphs will be included in the mortgage to read as follows:

The borrower agrees not to discriminate in the sale of the dwelling financed under this