

origin, religion, sex, handicap, or age, may file a complaint with the County Supervisor or State Director. Any such complaint will be handled in accordance with §1944.239 of part 1944, subpart E of this chapter.

[56 FR 67472, Dec. 31, 1991]

**§1822.278 Special requirements for RHS section 523 loans (loans to organizations providing sites for self-help housing).**

Loans to organizations which will provide sites for self-help housing (RHS sec. 523 loans) will be made under the provisions of this subpart with the following exceptions:

(a) *Eligibility.* The applicant must be a nonprofit organization engaged in assisting self-help projects.

(b) *Interest.* The interest rate will be 3 percent per annum on the unpaid principal balance.

(c) *Source of funds.* These will be direct loans made from the self-help fund.

(d) *Evidence of need.* Loans to newly formed organizations will be made on the basis of the applicant's providing firm information as to the number of sites to be developed and the names of eligible bona fide prospective purchasers who are assured of available home financing. Loans to organizations currently involved in mutual self-help housing projects may be made without submitting a list of the names of prospective site purchasers. There must, however, be definite evidence that enough families are available who are eligible and who will buy the sites when they are developed.

(e) *Multiple advances.* These loans may be disbursed over a period not to exceed 18 months from the date of the first advance.

(f) *Note forms.* Form FmHA or its successor agency under Public Law 103-354 1944-52, "Multiple Family Housing Promissory Note," will be used. See §1822.274 (c).

(g) *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 \_\_\_\_\_ for \_\_\_\_\_ (Direct Loan)," will be used modified as prescribed by or with the advice of the OGC with re-

spect 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 mortgage due to a prospective purchaser's race, color, national origin, sex, religion, age, marital status, or handicap. The borrower further agrees to comply with all Federal, State, or local laws and ordinances prohibiting discrimination in the sale of housing. The borrower's failure or refusal to comply with this agreement will be a basis for the FmHA or its successor agency under Public Law 103-354 to deny future requests for participation in its rural housing programs and activities.

This instrument also secures the obligations and covenants of borrower set forth in Borrower's Loan Resolution of \_\_\_\_\_ (date), which is hereby incorporated herein by reference.

[35 FR 16087, July 1, 1970, as amended at 42 FR 4408, Jan. 25, 1977; 50 FR 8584, Mar. 4, 1985; 56 FR 67472, Dec. 31, 1991]

**§1822.279 Loan supervision and servicing.**

Loan supervision will be provided according to subpart C of part 1930 of this chapter. Loan servicing will be provided according to subpart B of part 1965 of this chapter.

[48 FR 56139, Dec. 19, 1983]

EXHIBITS A-B TO SUBPART G TO PART 1822 [RESERVED]

EXHIBIT C TO SUBPART G OF PART 1822—  
SUBORDINATION BY THE GOVERNMENT FOR USE WITH RURAL HOUSING SITE LOANS

Whereas, The United States of America acting through the Farmers Home Administration or its successor agency under Public Law 103-354 (hereinafter called the "Government") is the holder of the following-described instrument(s) executed by

of \_\_\_\_\_  
County, State of \_\_\_\_\_  
(hereinafter called the "Borrower")

Title of instrument	Date of instrument	Date filed	Office filed	Book No.	Page No.

And whereas, \_\_\_\_\_ (hereinafter called the "Lender") has agreed to provide a