

**§ 280.60**

**24 CFR Ch. II (4-1-04 Edition)**

shall not be transferred to a subsequent purchaser.

(3) Profit—Any amounts remaining after distribution under paragraphs (c)(1) and (c)(2) of this section shall be paid to the family. Funds paid to the family under paragraphs (c)(1), (2) and (3) of this section may be used by the family to repay any other remaining debt on the property (*i.e.*, third or subsequent mortgages).

(4) One copy of the acknowledged Notice of Homeowner Incentive is to be provided to HUD for any home sold with a loan under this part where a sales contract has been executed and/or the sale has closed prior to the issuance of these regulations. For sales where the HUD-approved sales contract has not yet been executed with a prospective purchaser and/or the sale has not yet closed, a copy of the Notice of Homebuyer Incentive must be executed by the homebuyer and the grantee and appended to the HUD-approved sales contract, HUD Second Mortgage or Deed of Trust, and the HUD Note.

(d) *Notice of Election.* In order for a nonprofit organization to make the Homeowner Incentive available to families purchasing a home with a Nehemiah loan, the nonprofit organization must provide HUD with a written Notice of Election of Homeowner Incentive. This Notice must:

(1) State whether or not the Homeowner Incentive will be made available to all homebuyers in the project who have purchased a home under the project with a loan made under this part after July 1, 1990; or

(2) In cases where the Homeowner Incentive will not be made available to

all homebuyers who have purchased a home under the project with a loan made under this part after July 1, 1990 specifically identify those homebuyers to which the Homeowner Incentive will not apply.

(Approved by the Office of Management and Budget under control number 2502-0385)

[54 FR 22258, May 22, 1989, as amended at 58 FR 58282, Nov. 1, 1993; 61 FR 36267, July 9, 1996. Redesignated at 61 FR 42954, Aug. 19, 1996]

**§ 280.60 Funding amendments and deobligation of funds.**

(a) *Increases.* After the initial obligation of funds, HUD will not make any upward revisions to the amount obligated.

(b) *Deobligation.* (1) HUD may deobligate amounts:

(i) If the amount of the loans provided under the program are less than the amount of the loans anticipated in the application; or

(ii) If the recipient fails to carry out activities under the program within a reasonable time after selection;

(2) If as a result of an audit, HUD determines that the recipient has expended funds for uses that are ineligible under this part, HUD may adjust or deobligate funding amounts, as appropriate, to recover the ineligible costs.

(3) The grant agreement may set forth in detail other circumstances under which funds may be deobligated, and other sanctions may be imposed.

[54 FR 22258, May 22, 1989. Redesignated at 61 FR 42954, Aug. 19, 1996]

**SUBCHAPTERS F-H [RESERVED]**