

Contract including the obligation to enter into the Contract.

(b) *Rights of HUD if Agency defaults under ACC.* The ACC will provide that, if the Agency fails to comply with any of its obligations, HUD may determine that there is a substantial default and require the Agency to assign to HUD all of its rights and interests under the Contract; however, HUD will continue to pay annual contributions in accordance with the terms of the ACC and the Contract. Before determining that an Agency is in substantial default, HUD will give the Agency a reasonable opportunity to take corrective action.

(c) *Rights of Agency and HUD if Owner defaults under Contract.* (1) The Contract will provide that if the Agency determines that the owner is in default under the Contract, the Agency will notify the owner, and lender, if applicable, with a copy to HUD,

(i) Of the actions required to be taken to cure the default,

(ii) Of the remedies to be applied by the Agency including specific performance under the Contract, abatement of housing assistance payments and recovery of overpayments, where appropriate; and

(iii) That, if he/she fails to cure the default, the Agency has the right to terminate the Contract or to take other corrective action, in its discretion.

(2) If the Agency provided the permanent financing, the Contract will also provide that HUD has an independent right to determine whether the owner is in default and to take corrective action and apply appropriate remedies, except that HUD will not have the right to terminate the Contract without proceeding in accordance with paragraph (c) of this section.

**§ 883.608 Notice upon contract expiration.**

The provisions of § 880.508 of this chapter apply, subject to the requirements of § 883.105.

[61 FR 13593, Mar. 27, 1996]

**Subpart G—Management**

**§ 883.701 Cross-reference.**

All of the provisions of part 880, subpart F, of this chapter apply to projects assisted under this part, subject to the requirements of § 883.105. For purposes of this subpart G, all references in part 880, subpart F, of this chapter to “contract administrator” shall be construed to refer to “Agency”.

[61 FR 13593, Mar. 27, 1996]

**PART 884—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM, NEW CONSTRUCTION SET-ASIDE FOR SECTION 515 RURAL RENTAL HOUSING PROJECTS**

**Subpart A—Applicability, Scope and Basic Policies**

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- 884.102 Definitions.
- 884.104 Maximum total annual contract commitment and project account (private-owner or PHA-owner projects).
- 884.105 Maximum total ACC commitment and project account (private-owner/PHA projects).
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- 884.108 Term of housing assistance payments contract.
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- 884.121 Rights of owner if PHA defaults under agreement (private-owner/PHA projects).
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