

for a participant that has received tenant-based or project-based rental assistance in the Housing Choice Voucher Program.

(2) The downpayment assistance grant must be applied toward the downpayment required in connection with the purchase of the home and/or reasonable and customary closing costs in connection with the purchase of the home.

(3) If the PHA permits the downpayment grant to be applied to closing costs, the PHA must define what fees and charges constitute reasonable and customary closing costs. However, if the purchase of a home is financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements, including any requirements concerning closing costs (see §982.632(b) of this part regarding the applicability of FHA requirements to voucher homeownership assistance and §203.27 of this title regarding allowable fees, charges and discounts for FHA-insured mortgages).

(b) *Maximum downpayment grant.* A downpayment assistance grant may not exceed twelve times the difference between the payment standard and the total tenant payment.

(c) *Payment of downpayment grant.* The downpayment assistance grant shall be paid at the closing of the family's purchase of the home.

(d) *Administrative fee.* For each downpayment assistance grant made by the PHA, HUD will pay the PHA a one-time administrative fee in accordance with §982.152(a)(1)(iii).

(e) *Return to tenant-based assistance.* A family that has received a downpayment assistance grant may apply for and receive tenant-based rental assistance, in accordance with program requirements and PHA policies. However, the PHA may not commence tenant-based rental assistance for occupancy of the new unit so long as any member of the family owns any title or other interest in the home purchased with homeownership assistance. Further, eighteen months must have passed since the family's receipt of the downpayment assistance grant.

(f) *Implementation of downpayment assistance grants.* A PHA may not offer downpayment assistance under this

paragraph until HUD publishes a notice in the FEDERAL REGISTER.

[67 FR 64494, Oct. 18, 2002]

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AUTHORITY: 42 U.S.C. 1437f and 3535(d).

SOURCE: 60 FR 34717, July 3, 1995, unless otherwise noted.

Subpart A—General Information

§ 983.1 Purpose and applicability.

(a) This part 983 applies to the Section 8 Project-based Certificate (PBC) program.

(b)(1) Except as otherwise expressly modified or excluded by this part 983, provisions of 24 CFR part 982 apply to the PBC program.

(2) The following provisions of 24 CFR part 982 do not apply to the PBC program:

- (i) Provisions on tenant-based assistance, on issuance or use of a voucher or certificate; and on portability;
- (ii) Provisions on voucher tenancy or over-FMR tenancy;

(iii) In subpart D, § 982.158(e) (retention of lease, HAP contract and family application);

(iv) In subpart E, § 982.202(b)(3) (where family will live); § 982.204(d) (family size); § 982.205(a) (waiting lists);

(v) Subpart G, except that the following provisions of subpart G are applicable to the PBC Program: § 982.308 (lease); § 982.311(a), (b), (c) and (d)(1) (when assistance is paid); § 982.312 (absence from unit); and § 982.313 (security deposit);

(vi) Subpart H (where family can live and move);

(vii) In subpart I of this part, § 982.401(j) (lead-based paint requirements); § 982.402(a)(3), § 982.402(c) and (d) (Subsidy standards); and § 982.403 (Terminating HAP contract when unit is too small);

(viii) In subpart J, § 982.451(a), § 982.451(b)(2) (term of HAP contract same as lease); § 982.454 (termination of HAP contract because of insufficient funding); § 982.455 (termination of HAP contract; termination notice);

(ix) Subpart K, except that the following provisions of Subpart K are applicable to the PBC Program: § 982.504 (for determination of the FMR/exception rent limit); § 982.516 (family income and composition; regular and interim examinations), § 982.517 (utility allowance schedule);

(x) In subpart M, all provisions authorizing assistance for shared housing (including § 982.615 through § 982.618); or assistance for a family occupying a manufactured home (including § 982.620 through § 982.624).

(3) This part does not apply to the voucher program, or to an over-FMR tenancy under the certificate program. Every tenancy assisted in the PBC program is a regular tenancy under the certificate program.

[63 FR 23870, Apr. 30, 1998, as amended at 64 FR 50230, Sept. 15, 1999; 65 FR 16819, 16823, Mar. 30, 2000]

§ 983.2 Additional definitions.

The following definitions apply to assistance subject to this part 983, in addition to the definitions in 24 CFR 982.4:

Agreement to enter into housing assistance payments contract ("Agreement"). A written agreement between the owner