

§ 1822.275

7 CFR Ch. XVIII (1–1–05 Edition)

(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 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.

(c) *Promissory note.* Form FmHA or its successor agency under Public Law 103-354 1944-52, “Promissory Note,” will be used. Instructions for preparation will be in accordance with the FMI and the following:

(1) The total amount to be shown in the note will be the amount of the loan shown on Form FMHA or its successor agency under Public Law 103-354 1944-51. The note will be dated the date of the loan closing.

(2) The note will be signed in accordance with subpart B of part 1927 of this chapter and the forms manual insert for Form FmHA or its successor agency under Public Law 103-354 1944-52 (available in any FmHA or its successor agency under Public Law 103-354 office).

(3) Payments shall not be deferred.

(d) *Recorded mortgage.* When the real estate mortgage is returned by the recording official, the county supervisor will retain the original in the borrower’s case folder. If the original is retained by the recording official for the

county records, a conformed copy including the recording data showing the date and place of recordation and book and page number will be prepared and filed in the borrower’s case folder. A copy of the mortgage will be delivered to the borrower but will be conformed only if required by State law or if it is the custom of other lenders in the area.

(e) *Date of loan closing.* An RHS loan is considered closed when the mortgage is filed of record.

[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]

EFFECTIVE DATE NOTE: At 69 FR 69103, Nov. 26, 2004, §1822.274 was amended by revising the words “Form FmHA or its successor agency under Public Law 103-354 1944-52” to read “Form RD 3560-52” in both the introductory text of paragraph (c) and in paragraph (c)(2), and by revising the words “Form FmHA or its successor agency under Public Law 103-354 1944-51” to read “Form RD 3560-51” in paragraph (c)(1), effective February 24, 2005.

§ 1822.275 Actions after sites are developed.

The building sites will be sold on a nonprofit basis to eligible families or organizations as described in §1822.266(c).

(a) An option, Form FmHA or its successor agency under Public Law 103-354 440-34, “Option to Purchase Real Property,” will be executed. The site will be clearly identified by a land survey.

(b) The sale price of each individual site will not be more than a sufficient amount to pay a proportionate part of the RHS loan and any other actual costs of buying, developing, and selling the building site.

(c) The proceeds from sale of the building sites will be applied on the RHS loan and any prior lien or, with the prior approval of the National Office, used in a manner consistent with the purpose of the loan and the security interest of the Government. The sites will be released from the mortgage in accordance with 7 CFR part 3550, subpart D or otherwise in accordance with prior approval of the National Office.

[35 FR 16087, July 1, 1970, as amended at 51 FR 4135, Feb. 3, 1986; 67 FR 78326, Dec. 24, 2002]