

**§ 1822.276 Subsequent RHS loans.**

A subsequent RHS loan is an RHS loan to an applicant indebted for an initial RHS loan. Subsequent RHS loans will be made on the same basis as initial RHS loans.

**§ 1822.277 Complaints regarding discrimination in opportunity to buy developed sites.**

Any applicant wishing to purchase a site financed by an RHS loan who believes he or she has been discriminated against because of race, color, national 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]

EFFECTIVE DATE NOTE: At 69 FR 69104, Nov. 26, 2004, § 1822.277 was amended by revising the words “§ 1944.239 of part 1944, subpart E of this chapter” to read “7 CFR 3560.2,” effective February 24, 2005

**§ 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 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.

[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 69104, Nov. 26, 2004, § 1822.278 was amended in paragraph (f) by revising the words “Form FmHA or its successor agency under Public Law 103-354 1944-52” to read “Form RD 3560-52,” effective February 24, 2005

**§ 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]

EFFECTIVE DATE NOTE: At 69 FR 69104, Nov. 26, 2004, §1822.279 was revised, effective February 24, 2005. For the convenience of the user, the revised text is set forth as follows:

§ 1822.279 Loan supervision and servicing.

Loan supervision and loan servicing will be provided according to 7 CFR part 3560.

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 loan to the borrower or to a builder designated by the borrower to construct a home on the property described in this instrument.

Now Therefore, in consideration of the Lender's agreement to make such loan to the borrower, the Government hereby consents to the Borrower obtaining said loan from the lender, and agrees to and hereby subordinates in favor of the Lender and his successors and assigns its liens or security interests created or evidenced by the above-described instrument(s) inasmuch as they cover the following described property:

Except That, The Government shall retain a first lien or security interest in the above-

described property in an amount of \$ \_\_\_\_\_. Such first lien will be released only when satisfactory evidence is provided indicating that the lot with completed home is being sold to a family eligible for assistance under any section of Title V of the Housing Act of 1949 or under any other law which provides financial assistance for housing low- and moderate-income families and that the benefits of the nonprofit development of the site are being passed on to the eligible purchaser and that the amount of that first lien is paid on the Borrower's Rural Housing Site Loan debt to the Government.

This subordination is limited to the amount actually loaned by the Lender to the Borrower for the foregoing purpose, but shall not exceed \$ \_\_\_\_\_.

Only the above described property is affected by this subordination. This subordination shall not otherwise affect or modify the obligations secured by the aforesaid lien instrument(s), and the said obligations shall continue in force and effect until fully paid, satisfied, and discharged.

No member of Congress shall be admitted to any share or part of this agreement or to any benefit that may arise thereupon.

In Witness Whereof, The United States of America has caused these presents to be signed on the \_\_\_\_\_ day of \_\_\_\_\_, 19--, pursuant to delegated authority published in 7 CFR, Part 1800.

Witness: UNITED STATES OF AMERICA  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Farmers Home Administration or its successor agency under Public Law 103-354, U.S. Department of Agriculture.

(42 U.S.C. 1480; delegation of authority by the Secretary of Agriculture, 7 CFR 2.23; delegation of authority by the Assistant Secretary for Rural Development, 7 CFR 2.70)

[41 FR 47460, Oct. 29, 1976]

PART 1823 [RESERVED]

SUBCHAPTERS C-D [RESERVED]  
SUBCHAPTER E—ACCOUNT SERVICING

PARTS 1863-1866 [RESERVED]