

**§§ 1924.254–1924.257**

**7 CFR Ch. XVIII (1–1–05 Edition)**

(3) Serious defects in or improper installation of heating systems or central air conditioning.

(4) Defects in or improper installation of safety and security devices, such as windows, external doors, locks, smoke detectors, railings, etc., as well as failure to provide or properly install devices to aid occupancy of dwellings by handicapped individuals, where required.

(5) Defects in or improper installation of protective materials, such as insulation, siding, roofing material, exterior paint, etc.

[56 FR 40241, Aug. 14, 1991, as amended at 67 FR 78327, Dec. 24, 2002]

**§§ 1924.254–1924.257 [Reserved]**

**§ 1924.258 Notification of borrowers.**

FmHA or its successor agency under Public Law 103–354 will notify by letter all borrowers who receive Section 502 RH financial assistance for a newly constructed dwelling or unit of the provisions of this subpart. Subsequent owners of eligible dwellings will also be notified in accordance with this section. Borrowers will be notified within 30 days after the loan is closed, or within 30 days after final inspection, whichever is later. This notification will contain information concerning time frames for filing claims under this subpart. FmHA or its successor agency under Public Law 103–354 will also notify and advise borrowers of the construction defects procedure at any time construction defects are apparent within the statutory time frame and favorable results cannot be obtained from the contractor. This notification will be documented in the borrower’s case file.

**§ 1924.259 Handling dwelling construction complaints.**

This section describes the procedure for handling construction defect complaints.

(a) Each borrower who complains about construction defects will be requested to make a written complaint using a format specified by FmHA or its successor agency under Public Law 103–354 (available in any FmHA or its successor agency under Public Law 103–354 office). All known defects will be

listed. An oral complaint may be accepted if making a written complaint will impose a hardship on the borrower. If an oral complaint is made, FmHA or its successor agency under Public Law 103–354 will notify the contractor on behalf of the borrower.

(b) The borrower will be informed that if, after 30 calendar days, the defects have not been corrected or other satisfactory arrangements made by the contractor, the borrower should notify FmHA or its successor agency under Public Law 103–354 using a format specified by FmHA or its successor agency under Public Law 103–354 (available in any FmHA or its successor agency under Public Law 103–354 office).

(c) FmHA or its successor agency under Public Law 103–354 will advise the contractor in writing of the borrower’s complaint, the time and date of planned inspection by FmHA or its successor agency under Public Law 103–354 personnel, and request that the contractor accompany the inspector and borrower on a joint inspection of the property in an attempt to resolve the complaint.

(d) If, prior to the planned inspection, the contractor informs FmHA or its successor agency under Public Law 103–354 that the alleged defect(s) has been or will be corrected within 30 calendar days, FmHA or its successor agency under Public Law 103–354 will notify the borrower.

(e) If the case is not resolved as outlined in paragraph (d) of this section, FmHA or its successor agency under Public Law 103–354 will:

(1) [Reserved]

(2) Notify the borrower, contractor and manufacturer, if applicable, in writing of FmHA or its successor agency under Public Law 103–354’s findings and who has been determined responsible for correcting the defect(s).

(i) If the defects are determined to be covered under the contractor’s warranty, FmHA or its successor agency under Public Law 103–354 will advise the contractor that the repairs must be completed within 30 calendar days or other time period agreed to by the borrower, the contractor, and FmHA or its successor agency under Public Law 103–354.