

the project, and provide sound and economical project operation.

Member. A person who has executed documents pertaining to a cooperative housing type of living arrangement and has made a commitment to upholding the cooperative concept.

Occupancy agreement. A contract setting forth the rights and obligations of the cooperative member and the cooperative, including the amount of the monthly occupancy charge and the other terms under which the member will occupy the housing.

Office of the General Counsel (OGC). OGC means the Regional Attorney, Associate Regional Attorney, or Assistant Regional Attorney in the field office of the Office of the General Counsel of the United States Department of Agriculture (USDA).

Office of Inspector General (OIG). OIG means the Office of Inspector General of the USDA.

Patronage capital refund. Amounts received by the cooperative in excess of operating costs and expenses which have been assigned to members' patronage capital accounts each year of membership in the cooperative.

Project. A project is the total number of rental housing units that are operated under one management plan with one loan agreement/resolution. (The rental units may have been developed originally with separate initial loans and separate loan agreements/resolutions, now consolidated into one operational project under §1965.68 of subpart B of part 1965 of this chapter.)

Servicing Office. The FmHA or its successor agency under Public Law 103-354 office designated by the State Director to service MFH accounts.

Servicing Official. The individual who by job description or other qualification is designated by the State Director with delegated responsibility to service MFH accounts.

State Director. For the purpose of this subpart, State Director also includes the Rural Housing Chief, Multiple Family Housing Coordinator, Rural Housing Specialist, and other qualified State staff when delegated responsibilities under this subpart according to §1930.143 and the provisions of FmHA or its successor agency under Public Law 103-354 Instruction 2006-F, (available in

any FmHA or its successor agency under Public Law 103-354 office).

Supervision. Supervision includes the broad scope of FmHA or its successor agency under Public Law 103-354 guidance available to assist borrowers to carry out the objectives of the loan and comply with FmHA or its successor agency under Public Law 103-354 regulations.

§ 1930.103 Nondiscrimination assurance.

All management and supervision actions described in this subpart will be conducted without regard to race, color, religion, sex, familial status, national origin, age, or handicap. Borrowers, tenants and cooperative members must possess the legal capacity to enter into a legal contract. The provisions of subpart E of part 1901 of this chapter enforcing title VI of the Civil Rights Act of 1964, as amended, along with other similarly worded statutes will be complied with.

§ 1930.104 Reasonable accommodations.

(a) It shall be unlawful for any person to refuse to make reasonable accommodations in rules, policies, practices, or services when such accommodations would afford an individual with a handicap equal opportunity to use or continue to use and enjoy a dwelling unit, including public and common use areas.

(b) It shall be unlawful for any person to refuse to permit, at the expense of an individual with a handicap, reasonable modifications of an existing unit, occupied or to be occupied by an individual with a handicap, if the proposed modifications may be necessary to afford the individual with a handicap full enjoyment of the dwelling unit.

§ 1930.105 Objective of management and supervision.

(a) The primary objective of management and supervision is to provide effective supervision to each borrower to accomplish the objectives of the loan or grant.

(b) To provide effective supervision, FmHA or its successor agency under Public Law 103-354 will assure that the

§ 1930.106

borrower's management plan accomplishes the following:

- (1) Provide proper and efficient management policies as prescribed in exhibit B of this subpart.
- (2) Comply with loan and grant agreements.
- (3) Repay loans on schedule.
- (4) Maintain security property.
- (5) Protect the interests of FmHA or its successor agency under Public Law 103-354.
- (6) Operate facilities according to State and local laws and regulations.
- (7) Maintain accounts and records.
- (8) Submit reports and audits.
- (9) Process rent and occupancy charge changes according to exhibit C of this subpart.
- (10) Operate the facilities according to applicable Civil Rights laws, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Section 504 of the Rehabilitation Act of 1973, Executive Order 11246, the Americans with Disabilities Act of 1990, and the Age Discrimination Act of 1975.
- (11) Maintain facilities and premises that are free of illegal controlled substances.
- (12) Collect and remit any occupancy surcharges as applicable.

[58 FR 40868, July 30, 1993, as amended at 62 FR 25065, May 7, 1997]

§ 1930.106 Project operations.

Project operations shall be conducted to meet the actual needs and necessary expenses of the property or for any other purpose authorized under Agency regulations. Whoever willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property for unauthorized purposes is subject to penalty. This includes an owner, agent, or manager, or person who is otherwise in custody, control, or possession of property that is security for a multi-family housing loan. Those violating these provisions are subject to penalties set out under Agency regulations and the law. Under law (42 U.S.C. 1484 and 1485) federal penalties consisting of fines of not more than \$250,000 or imprisonment of not more than five years, or both, may be imposed for operating a project in a manner incon-

7 CFR Ch. XVIII (1-1-05 Edition)

sistent with the provisions of this section.

[62 FR 25065, May 7, 1997]

§ 1930.107 [Reserved]

§ 1930.108 Extent of borrower management.

According to exhibit B of this subpart, the borrower and/or the borrower's agent will develop a management plan for each project that describes the scope of property management needed to maintain program objectives. When the management is from other than the borrower, a management agreement will be used to define the responsibilities of the management agent. Initial, modified and/or replacement management agreements will be approved by authorized FmHA or its successor agency under Public Law 103-354 officials. A sample management agreement is provided in exhibit B-3 of this subpart.

§ 1930.109 Extent of FmHA or its successor agency under Public Law 103-354 supervision.

The objective of FmHA or its successor agency under Public Law 103-354 supervision is to guide and advise borrowers and their designated representatives in their quest to meet MFH program objectives, goals, and obligations, not to direct the borrower's activity. Supervision does not relieve borrowers of their own responsibilities and obligations. Supervision starts with the first contact by the applicant and continues as long as any loan balance remains outstanding. In the case of a grant, supervision continues until the requirements of the grant agreement have been fulfilled. Supervision of borrowers is a primary responsibility of the Servicing Official; however, additional supervision and guidance will be given by the State Director and/or other appropriate members of the State Office staff. Security servicing actions will be handled according to subpart B of part 1965 of this chapter.

§ 1930.110 Methods of supervision.

Supervisory methods used by FmHA or its successor agency under Public Law 103-354 employees include organizational and development planning;