

§§ 1944.179–1944.180 [Reserved]

§ 1944.181 **Loan servicing.**

(a) For general purposes, LH loans and grants will be serviced in accordance with this subpart B of part 1944, subpart C of part 1930, and subpart D of part 1944 of this chapter. Requests for rent increases will be processed in accordance with exhibit C of subpart C of part 1930 of this chapter for nonprofit organizations.

(b) For special servicing of LH loans when the Loan Agreement was waived. There will be many instances where the loan agreement was waived because of a loan agreement waiver provision in this regulation that was in effect for more than 10 years. As a result of regulation change, the State Director shall notify all LH loan farm borrowers within 180 days of the effective date of this regulation, that such labor housing borrowers will be:

- (1) Requested to sign a loan agreement;
- (2) Required to report tenant occupancy, at least annually (reference exhibit K-1 of this subpart); and
- (3) Provided with exhibit K-1 of this subpart.

(i) The above action need not be completed: If there is existing servicing action where a management agreement exists and such agreement is sufficient to satisfy the notification items, or; If there is a pre-existing loan agreement, and paragraphs (b) (2) and (3) of this section are addressed. If the existing loan agreement does not include annual occupancy reporting, then the borrower must be notified in accordance with paragraphs (b) (2) and (3) of this section.

(ii) [Reserved]

(c) All special servicing needs for LH loans to farm borrowers should be incorporated in a management agreement in addition to a loan agreement. Examples of special servicing needs are: When the housing is temporarily not needed for farm laborers; When rent is being charged; When occupied by ineligible, or; When farmers share housing costs with the borrower in exchange for the occupant(s) labor. The use of a management agreement is not limited to the examples cited. Whenever the management agreement is for

a purpose unrelated to agriculture, the farmer should understand that the housing should be returned to the original loan purpose as soon as practical. A final consideration in loan servicing should be to sell the Labor Housing outside of the program when the farmer can no longer use the housing in his farming operation.

[57 FR 59904, Dec. 17, 1992, as amended at 68 FR 61331, Oct. 28, 2003]

§ 1944.182 **Rental assistance.**

Rental assistance may be provided to eligible tenants in LH projects in accordance with exhibit E of subpart C of part 1930 of this chapter. Income will be verified for LH tenants requesting rental assistance from all easily identifiable sources by using Form FmHA or its successor agency under Public Law 103-354 1910-5, "Request for Verification of Employment." Income or portions of income from sources that are not known or not easily contacted will be verified from the best information obtainable. This may include copies of payroll records, tenant's own records, contacts with individuals who may be knowledgeable of the tenant's income, or, if no other verifiable data is available, a notarized affidavit from the tenant attesting to his/her previous year's income. The borrower and tenant will execute Form FmHA or its successor agency under Public Law 103-354 1944-8, "Tenant Certification." The borrower will be expected to certify only that the income is correctly stated based on the best information available. The borrower will be expected to have the tenants that occupy the project year round and do not have easily verifiable income report monthly income to enable accurate income certification at the end of one year of occupancy.

[45 FR 47655, July 16, 1980, as amended at 45 FR 70777, Oct. 27, 1980; 48 FR 6697, Feb. 15, 1983; 50 FR 16056, Apr. 24, 1985; 51 FR 27670, Aug. 1, 1986]

§ 1944.183 **Exception authority.**

The Administrator of the Farmers Home Administration or its successor agency under Public Law 103-354 may, in individual cases, make an exception to any requirements of this subpart not required by the authorizing statute if