

§§ 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

the Administrator finds that application of such requirement would adversely affect the interest of the Government, the immediate health or safety of the tenants or the community. The Administrator will exercise the authority only at the request of the State Director. The State Director will submit the request supported by data: demonstrating the adverse impact; identifying the particular requirement involved; showing proper alternative courses of action; and, identifying how the adverse impact will be eliminated.

§§ 1944.184-1944.199 [Reserved]

§ 1944.200 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget and have been assigned OMB control number 0575-0045. Public reporting burden for this collection of information is estimated to vary from 5 minutes to 150 hours per response, with an average of 11 hours per response including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, room 404-W, Washington, DC 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB# 0575-0045), Washington, DC 20503.

[57 FR 59905, Dec. 17, 1992]

EXHIBIT A TO SUBPART D OF PART 1944—  
LABOR HOUSING LOAN AND GRANT  
APPLICATION HANDBOOK

*Introduction*

The section 514 Labor Housing loan and section 516 Labor Housing grant programs are administered by the Rural Development's Rural Housing Service (RHS), herein referred to as the Agency. Interested parties are advised to contact any Rural Development office processing Labor Housing (LH) loans and grants to obtain information on program and application requirements prior to developing an application. Notice of Funds Availability (NOFA) for off-farm fa-

cilities will be announced annually in the Federal Register, along with application requirements and the deadline for applying. Requests received during the application period will be selected competitively, based on the objective selection criteria in the regulation and announced in the NOFA. Applications for on-farm facilities are accepted any time during the year and are funded on a first-come, first-served basis, based on the availability of funds.

Payments for technical assistance incurred by a nonprofit group or public body applicant entity for developing and packaging an application will be reimbursed with loan and grant funds. If the services are performed, the proceeds will be limited and must be documented. The reimbursable costs should be negotiated and approved by the Agency in advance of the applicant entity's process of packaging and developing a preapplication. Based upon what is typical in the area, the Agency will respond in writing approving the packaging plan and a range of costs in advance.

Applicants should also be aware that rental assistance (RA) subsidies are available to eligible projects to reduce rents for very low- and low-income farmworkers. RA may be used in conjunction with LH grants to develop feasible LH projects to meet local farmworker housing needs. When at all possible, applicants should consider the use of RA in lieu of a full 90% grant for LH projects with year-round occupancy.

[45 FR 47655, July 16, 1980, as amended at 51 FR 27670, Aug. 1, 1986; 60 FR 4070, Jan. 20, 1995; 64 FR 24482, May 6, 1999]

EXHIBIT A-1 TO SUBPART D OF PART  
1944—INFORMATION TO BE SUB-  
MITTED BY ORGANIZATIONS AND AS-  
SOCIATIONS OF FARMERS FOR LABOR  
HOUSING LOAN OR GRANT

I. INFORMATION TO BE SUBMITTED WITH SF  
424.2 (FOR PREAPPLICATION SUBMISSION).

A. ELIGIBILITY.

1. Financial Statement—A current, dated, and signed financial statement showing assets and liabilities with information on the repayment schedule and status of all debts. If the applicant is an association of farmers, a current financial statement will also be required from each member who holds an interest in the association in excess of 10 percent. If the applicant is a limited partnership, financial statements are required from each general partner who holds an interest in the organization, and from each limited partner who will have 10 percent or more ownership. The financial statement must reflect sufficient financial capacity to meet the initial operating capital requirements. Loan or grant funds may be used to provide