

(d) All complaints will be handled in accordance with prescribed procedure.

[56 FR 2241, Jan. 22, 1991, as amended at 58 FR 40954, July 30, 1993; 59 FR 6896, Feb. 14, 1994]

§ 1944.240 Exception authority.

The Administrator may, in individual cases, make an exception to any requirements of this subpart not required by the authorizing statute if he/she finds that application of such requirement would adversely affect the interest of the Government or adversely affect the accomplishment of the purposes of the program or result in undue hardship by applying the requirement. The Administrator may exercise the authority at the request of the State Director. The State Director will submit the request supported by data that demonstrates the adverse impact, citing the particular requirement involved and recommending proper alternative course(s) of action, and outlining how the adverse impact could be mitigated. Exception to any requirement may also be initiated by the Assistant Administrator for Housing.

[56 FR 2241, Jan. 22, 1991]

§§ 1944.241–1944.245 [Reserved]

§ 1944.246 Loan approval.

(a) *Authority.* Loans will be approved in accordance with this subpart and subpart A of part 1901. The State Director may redelegate loan approving authority in writing to State Office employees.

(b) *Loan approval action—(1) Responsibilities of loan approving official.* The loan approving official is responsible for reviewing the docket to determine that the proposed loan complies with established policies and all pertinent regulations. In making this review, the loan approving official will determine that:

- (i) The applicant is eligible and has legal authority to contract for a loan and enter into the required statements.
- (ii) The location of the housing meets the requirements outlined in § 1944.215(p) of this subpart.
- (iii) The funds are requested for authorized purposes.
- (iv) The proposed loan is sound.
- (v) The security is adequate.

(vi) All preapproval requirements have been met, including the applicant's execution of Form FmHA or its successor agency under Public Law 103-354 400-4.

(vii) For projects with four or less units, the State Director has taken the necessary action to comply with § 1944.406 of subpart I of part 1940 of this chapter.

(viii) All other requirements will be met.

(2) *Approval or disapproval of a loan—*

(i) *Approval.* Before the loan approving official executes documents evidencing loan approval, a complete review of the proposed management and rental procedures must be made to assure compliance with title VI of the civil Rights Act of 1964 and the Rehabilitation Act of 1973. If the loan approving official is assured of compliance, he/she may execute the loan approval documents. When a loan is approved, Form FmHA or its successor agency under Public Law 103-354 1944-51 will be completed according to the instructions on the Forms Manual Insert. The approving official will insert a statement in block 48 of Form FmHA or its successor agency under Public Law 103-354 1944-51 advising the applicant that the amount of the loan may decrease if other government assistance as defined in § 1944.205 of this subpart becomes available to the applicant before loan closing.

(ii) *Disapproval.* If a loan is disapproved after the docket has been developed, the reason for the action will be shown on the original Form FmHA or its successor agency under Public Law 103-354 1944-51 and the form will be initialed and dated. The servicing official will notify the applicant of the reasons for disapproval. The disapproved docket will then be handled in accordance with subpart A of part 2033 of this chapter. If disapproval is not at the applicant's request or by mutual agreement, the applicant will be notified that it may request a further review of the decision in accordance with subpart B of part 1900 of this chapter.

(3) *OGC closing instructions.* For a loan to an organization, or an individual in special cases, the approved docket, including any title evidence,