

EXHIBIT E TO SUBPART K OF PART 1944—
GUIDE LETTER TO DELINQUENT
FMHA OR ITS SUCCESSOR AGENCY
UNDER PUBLIC LAW 103-354 SINGLE
FAMILY HOUSING LOAN BORROWERS

**Subpart L—Farmers Home Admin-
istration or Its Successor
Agency Under Public Law
103-354 Tenant Grievance
and Appeals Procedure**

Dear _____
(name of borrower):

This is to advise you that (name of TSA grantee) is available to provide independent counseling services to Farmers Home Administration (FmHA) or its successor agency under Public Law 103-354 borrowers in need of financial management assistance. These services may assist you in resolving your present delinquency in your housing loan.

This organization is prepared to provide financial and budget counseling at no charge to you. Their counseling services include advice on debt levels and credit purchases, consumer and cost awareness, debt adjustment procedures, and other financial information and services.

You are urged to take advantage of this program. However, your participation is voluntary and does not relieve you of any of your loan obligations to FmHA or its successor agency under Public Law 103-354 or limit the remedies FmHA or its successor agency under Public Law 103-354 has to bring your loan current or recover the loan in full. Any plan altering your repayment schedule in any way must be approved by this office. However, it is our intention to work with you and the counseling organization in every way we can to resolve your delinquency.

If you want to participate in this program, please sign the attached copy of this letter and return it to this office. At that time we will advise (name of TSA grantee) that you are interested in their services and provide them with the information they need to contact you. Only information available to the general public will be released.

We are sure you agree that it is in your interest to make every effort to bring your account current. We look forward to your return of the attached copy of this letter.

Sincerely,
County Supervisor
Farmers Home Administration or its successor agency under Public Law 103-354

Enclosure
(On attached copy only):
I desire to participate in the counseling program with (name of TSA grantee).

Borrower

Date

SOURCE: 48 FR 56177, Dec. 19, 1983, unless otherwise noted.

EFFECTIVE DATE NOTE: At 69 FR 69105, Nov. 26, 2004, subpart L was removed and reserved, effective Feb. 24, 2005.

§ 1944.551 Purpose.

The purpose of this subpart is to set forth uniform requirements for grievance and appeals procedures in all Rural Rental Housing (RRH), Rural Cooperative Housing (RCH), and Labor Housing (LH) projects financed by the Farmers Home Administration (FmHA) or its successor agency under Public Law 103-354 under sections 514, 515, and 516 of the Housing Act of 1949. The objective of this subpart is to ensure the fair treatment of persons residing in multiple family projects while providing for an equitable manner by which borrowers can operate, maintain, and safeguard housing projects. The right to appeal under this subpart will also extend to persons who seek admission to the projects.

[56 FR 2256, Jan. 22, 1991]

§ 1944.552 Definitions.

(a) *Applicant.* A person who has submitted an application for occupancy in a RRH, RCH, or LH project, and is not a tenant or member. This includes persons who have been denied an application for admission.

(b) *Borrower.* The borrower (landlord) is the owner of the owner's authorized representative of a RRH, RCH, or LH project.

(c) *Consumer cooperative.* A corporation which (1) Is organized under the cooperative laws of a State or Federally recognized Indian tribe; (2) will own and operate the housing on a cooperative basis solely for the benefit of the members; (3) will operate at cost and, for this purpose, any patronage refunds accruing to members in accordance with §1944.215(i) of this subpart will not be considered gains or profits; and (4) will restrict membership in the housing to eligible persons and, to any

extent the cooperative and FmHA or its successor agency under Public Law 103-354 permit, to others in special circumstances.

(d) *Eviction.* Dispossession of the tenant by judicial action pursuant to State or local law from a RRH or LH unit as a result of termination of the tenancy, including a termination before or at the end of the lease term.

(e) *Grievance.* A dispute which a tenant has with the borrower's action, or failure to act, according to the lease and/or FmHA or its successor agency under Public Law 103-354 regulations which results or may result in denial, significant reduction, or termination of benefits (other than eviction by judicial action pursuant to State or local law).

(f) *Hearing.* An informal proceeding at which a tenant's grievance or appeal of a borrower's adverse action or decision, or an applicant's appeal of a rejected application, or denial of an application for admission is heard before an impartial hearing officer or hearing panel.

(g) *Lease.* The written agreement, approved by FmHA or its successor agency under Public Law 103-354, between the borrower and tenant.

(h) *Tenant.* An eligible lessee/occupant of a RRH or LH project who has executed a lease agreement. For the purposes of this subpart, the term *tenant* will also mean *cooperative member*.

(i) *Termination of tenancy.* The termination of the lease, either before or at the end of the lease term, as the result of material noncompliance with the terms of the lease, rules for occupancy, or violation of FmHA or its successor agency under Public Law 103-354 regulations applicable to conditions for occupancy.

[48 FR 56177, Dec. 19, 1983, as amended at 56 FR 2256, Jan. 22, 1991; 58 FR 40954, July 30, 1993]

§ 1944.553 Exceptions.

This subpart does not apply to:

(a) *Rent changes authorized by FmHA or its successor agency under Public Law 103-354.* Rent changes must be authorized by FmHA or its successor agency under Public Law 103-354 in accordance with the requirements of exhibit C to subpart C of part 1930 of this chapter

where tenants are provided an opportunity to provide comments to FmHA or its successor agency under Public Law 103-354 on a borrower's Notice of Proposed Rent Change.

(b) *Discrimination complaints.* Any tenant/member of prospective tenant/member seeking occupancy or use of RRH, RCH, or related facilities who believes he/she has been discriminated against because of age, race, color, religion, sex, marital or familial status, handicap or national origin may file a complaint in person with, or by mail to the Office of Fair Housing and Equal Opportunity, Department of Housing and Urban Development (HUD), Washington, DC 20410, or any HUD office, or to the Secretary of Agriculture, Washington, DC 20250. If a complaint is made to an FmHA or its successor agency under Public Law 103-354 County, District or State Office, it must be directed to the Director of Equal Opportunity Staff, National Office, by the FmHA or its successor agency under Public Law 103-354 employee in charge of that office. When a complaint is sent to FmHA or its successor agency under Public Law 103-354-EOS by a county or district office, the State Director will be made aware of the complaint.

(c) *Projects in which an association of all tenants has been duly formed.* In projects where an association of all tenants has been duly formed and the association and the borrower have agreed to an alternate method of settling grievances, that method will be used.

(d) *Changes in rules required by FmHA or its successor agency under Public Law 103-354.* Changes in rules required by FmHA or its successor agency under Public Law 103-354 in which proper notice and opportunity have been given according to law and the provisions of the lease.

(e) *Notification of termination of tenancy and eviction.* Notification of termination of tenancy and eviction is to be handled in accordance with paragraph XIV C of exhibit B of subpart C of part 1930 of this chapter and according to State or local law.

(f) *Termination of tenancy and eviction by judicial action as prescribed by State or local law.* Termination of tenancy and eviction must be based on material