

corporation, is legally precluded from distributing any gains or profits to its members, and is authorized to undertake housing development activities; or

(4) A consortium of units of government and/or private nonprofit organizations which is otherwise eligible to receive and administer HPG funds and which meets the following conditions:

(i) Be comprised of units of government and/or private nonprofit corporations that are close together, located in the same state, and serve areas eligible for FmHA or its successor agency under Public Law 103-354 housing assistance; and

(ii) Have executed an agreement among its members designating one participating unit of government or private nonprofit corporation as the applicant or designating a legal entity (such as a Council of Governments) to be the applicant.

Overcrowding. The guidelines in the table in this definition are designed to assist grantees in implementing occupancy standards. Part 1930, subpart C, exhibit B, paragraph VID2, of this chapter (available in any Rural Development State or District Office) gives further guidance. The table follows:

Number of bedrooms	Ideal number of persons
0	2
1	2
2	4
3	6
4	8
5	10

Rental properties. Rental properties are defined as single-unit or multi-unit dwellings used for occupancy by tenants, owners, or members of an owner's immediate family.

Replacement housing. The replacement of existing, individual owner occupied housing where repair and rehabilitation assistance is not economically feasible or practical. The term replacement housing does not apply to housing preservation. The overall condition of the unit or dwelling must meet RHS Thermal Standards for new or existing structures and applicable development standards for new or existing housing recognized by RHS in part 1924, subpart A, of this chapter or

standards contained in any of the voluntary national model codes acceptable upon review by RHS. Properties included on or eligible for inclusion on the National Register of Historic Places are subject to the standards and conditions of §1944.673 prior to replacement.

RHS. RHS means the Rural Housing Service, or a successor agency.

Rural area. The definition in 7 CFR part 3550 applies.

Tenant. Any person who resides in a single- or multi-unit rental property.

Very low-income. An adjusted annual income that does not exceed the very low-income limit according to size of household as established by HUD for the county of MSA where the property is located. Maximum very low-income limits are set forth in 7 CFR part 3550.

[58 FR 21894, Apr. 26, 1996, as amended at 61 FR 39851, July 31, 1996; 62 FR 26209, May 13, 1997; 67 FR 78329, Dec. 24, 2002]

EFFECTIVE DATE NOTE: At 69 FR 69105, Nov. 26, 2004, §1944.656 was amended by revising the definition of "Overcrowding", effective Feb. 24, 2005. For the convenience of the user, the revised text is set forth as follows.

§ 1944.656 Definitions.

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Overcrowding. Guidance is provided at 7 CFR 3560.155(e). These guidelines should result in an ideal range of persons per housing unit.

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§ 1944.657 Restrictions on lobbying.

All applicants must comply with FmHA Instruction 1940-Q (available in any FmHA or its successor agency under Public Law 103-354 office) which prohibits applicants of Federal grants from using appropriated funds for lobbying the Federal Government in connection with a specific grant.

§ 1944.658 Applicant eligibility.

(a) To be eligible to receive a grant, the applicant must:

(1) Be an organization as defined in §1944.656 of this subpart;

(2) Have the necessary background and experience on the part of its staff or governing body with proven ability to perform responsibility in the field of