

grantee and FmHA or its successor agency under Public Law 103-354. The grantee will perform self-evaluations by preparing quarterly performance reports in accordance with §1944.683 of this subpart. FmHA or its successor agency under Public Law 103-354 will also review all reports prepared and submitted by the grantee in accordance with the grant agreement and this subpart.

(b) The grant can be suspended or terminated before the grant ending date for the causes specified in the grant agreement. No further grant funds will be advanced when grant suspension or termination procedures have been initiated in accordance with the grant agreement. Grantees may be reimbursed for eligible costs incurred prior to the effective date of the suspension or termination. Grantees are prohibited from incurring additional obligations of funds after notification, pending corrective action by the grantee. FmHA or its successor agency under Public Law 103-354 may allow necessary and proper costs that the grantee could not reasonably avoid during the period of suspension provided they are for eligible HPG purposes. In the event of termination, FmHA or its successor agency under Public Law 103-354 may allow necessary and reasonable costs for an audit.

(c) Grantees will have the opportunity to appeal a suspension or termination under FmHA or its successor agency under Public Law 103-354's appeal procedures under subpart B of part 1900 of this chapter.

(d) The grantee will complete the closeout procedures as specified in the grant agreement.

(e) The grantee will have an audit performed upon termination or completion of the project in accordance with 7 CFR parts 3015 and 3016, as applicable. As part of its final report, the grantee will address and resolve all audit findings.

**§ 1944.689 Long-term monitoring by grantee.**

(a) The grantee is required to perform long-term monitoring on any housing preservation program involving rental properties and co-ops. This

monitoring shall be at least on an annual basis and shall consist of, at a minimum, the following:

(1) All requirements noted in §1944.663 of this subpart;

(2) All requirements of the "ownership agreement" executed between the grantee and the rental property owner or co-op; and

(3) All requirements noted in 7 CFR parts 3015 and 3016 during the effective period of the grant agreement.

(b) The grantee is required to make available to FmHA or its successor agency under Public Law 103-354 any such information as requested by FmHA or its successor agency under Public Law 103-354 concerning the above. The grantee shall submit to the FmHA or its successor agency under Public Law 103-354 servicing office an annual report every year while the ownership agreement is in effect. This report shall be submitted within 15 days after the anniversary date or end of the grant agreement. At a minimum, the report will consist of a statement that the grantee is in compliance with this subpart.

(c) All files pertaining to such rental property owner or co-op shall be kept separate and shall be maintained for a period of 3 years after the termination date of the ownership agreement.

**§ 1944.690 Exception authority.**

The Administrator of FmHA 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, or adversely affect the accomplishment of the purposes of the HPG program, or result in undue hardship by applying the requirement. The Administrator or the Assistant Administrator for Housing may exercise this exception authority at the request of the State Director. The request must be supported by information demonstrating the adverse impact, citing the particular requirement involved, 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.

§§ 1944.691–1944.699 [Reserved]

§ 1944.700 OMB control number.

According to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for the information collection in this subpart is 0575–0115.

[62 FR 26211, May 13, 1997]

EXHIBIT A TO SUBPART N OF PART 1944—  
HOUSING PRESERVATION GRANT  
AGREEMENT

This Agreement dated \_\_\_\_\_ is between \_\_\_\_\_ (name), \_\_\_\_\_ (address), (grantee), or-  
ganized and operating under \_\_\_\_\_ (author-  
izing State statute), and the United States of  
America acting through the Farmers Home  
Administration (FmHA) or its successor  
agency under Public Law 103–354. FmHA or  
its successor agency under Public Law 103–  
354 agrees to grant a sum not to exceed  
\$ \_\_\_\_\_ subject to the terms and conditions of  
this Agreement; provided, however, that the  
grant funds actually advanced and not need-  
ed for grant purposes shall be returned im-  
mediately to FmHA or its successor agency  
under Public Law 103–354. The Housing Pres-  
ervation Grant (HPG) Statement of Activi-  
ties approved by FmHA or its successor  
agency under Public Law 103–354, is at-  
tached, and shall commence within 10 days  
of the date of execution of this agreement by  
FmHA or its successor agency under Public  
Law 103–354 and be completed by \_\_\_\_\_  
(date). FmHA or its successor agency under  
Public Law 103–354 may terminate the grant  
in whole, or in part, at any time before the  
date of completion, whenever it is deter-  
mined that the grantee has failed to comply  
with the conditions of this Grant Agreement  
or FmHA or its successor agency under Pub-  
lic Law 103–354 regulation related hereto.  
The grantee may appeal adverse decisions in  
accordance with the FmHA or its successor  
agency under Public Law 103–354 Appeal Pro-  
cedures contained in subpart B of part 1900 of  
this chapter.

In consideration of said grant by FmHA or  
its successor agency under Public Law 103–  
354 to the Grantee, to be made pursuant to  
section 533 of the Housing Act of 1949, Hous-  
ing Preservation Grant (HPG) program, the  
grantee will provide such a program in ac-  
cordance with the terms of this Agreement

and applicable FmHA or its successor agency  
under Public Law 103–354 regulations.

PART A—DEFINITIONS

1. *Beginning date* means the date this  
agreement is executed by FmHA or its suc-  
cessor agency under Public Law 103–354 and  
costs can be incurred.

2. *Ending date* means the date when all  
work under this agreement is scheduled to be  
completed. It is also the latest date grant  
funds will be provided under this agreement,  
without an approved extension.

3. *Disallowed costs* are those charges to a  
grant which the FmHA or its successor agen-  
cy under Public Law 103–354 determines can-  
not be authorized in accordance with appli-  
cable Federal cost principles contained in  
Treasury Circular 74–4, “Cost Principles Ap-  
plicable to Grants and Contracts with State  
and Local Governments,” OMB Circular A–  
87, “Cost Principles for State and Local Gov-  
ernments,” OMB Circular A–122, “Cost Prin-  
ciples for Nonprofit Organizations,” and  
other conditions contained in this Agree-  
ment and OMB Circular A–102 “Uniform Re-  
quirements for Grants to State and Local  
Governments,” and OMB Circular A–110,  
“Grants and Agreements with Institutions of  
Higher Education, Hospitals and Other Non-  
profit Organizations, Uniform Administra-  
tive Requirements,” as appropriate.

4. “Grant closeout” is the process by which  
the grant operation is concluded at the expi-  
ration of the grant period or following a de-  
cision to terminate the grant.

5. “Termination” of the grant means the  
cancellation of Federal assistance, in whole  
or in part, at any time before the date of  
completion.

PART B—TERMS OF AGREEMENT

FmHA or its successor agency under Pub-  
lic Law 103–354 and grantee agree:

1. All grant activities shall be limited to  
those authorized in subpart N of 7 CFR part  
1944.

2. This Agreement shall be effective when  
executed by both parties.

3. The HPG activities approved by FmHA  
or its successor agency under Public Law  
103–354 shall commence and be completed by  
the date indicated above, unless earlier ter-  
minated under paragraph B 18 below or ex-  
tended.

4. Grantee shall carry out the HPG activi-  
ties and processes as described in the ap-  
proved Statement of Activities which is  
made a part of this Agreement. Grantee will  
be bound by the activities and processes set  
forth in the Statement of Activities and the  
further conditions set forth in this Agree-  
ment. If the Statement of Activities is in-  
consistent with the Agreement, the latter  
will govern. A change of any activities and  
processes must be in writing and must be