

**§ 850.153**

approved AFHM Plan. With respect to any residency preference, persons expected to reside in the community as a result of current or planned employment will be treated as residents.

[49 FR 24641, June 14, 1984, as amended at 60 FR 14841, Mar. 20, 1995]

**§ 850.153 Rent control.**

A project constructed or substantially rehabilitated with a housing development grant is not subject to State or local rent control unless the rent control requirements or agreements (a) (1) were entered into under a State law or local ordinance of general applicability that was enacted and in effect in the jurisdiction before November 30, 1983 and (2) apply generally to rental housing projects not assisted under the Housing Development Grant Program, or (b) are imposed under this subpart. State and local rent controls expressly preempted by this section include, but are not limited to, rent laws or ordinances, rent regulating agreements, rent regulations, occupancy agreements, or financial penalties for failure to achieve certain occupancy or rent projections.

**§ 850.155 Securing owner's responsibilities.**

Assistance provided under this part shall constitute a debt of the owner (including its successors in interest) to the grantee, and shall be secured by a mortgage or other security instrument. The debt shall be repayable in the event of a substantive, uncorrected violation by an owner of the obligations contained in paragraphs (b), (c), (d) and (e) of § 850.151. The instruments securing this debt shall provide for repayment to the grantee in an amount equal to the total amount of housing development grant assistance outstanding, plus interest which is determined by the Secretary by adding two percent to the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which assistance was made available. The amount to be repaid shall be reduced by 10 percent for each full year in excess of 10 years that intervened between the beginning of the term of the

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owner-grantee agreement and the violation.

**PART 880—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FOR NEW CONSTRUCTION**

**Subpart A—Summary and Applicability**

- Sec.
- 880.101 General.
- 880.104 Applicability of part 880.
- 880.105 Applicability to proposals and projects under 24 CFR part 811.

**Subpart B—Definitions and Other Requirements**

- 880.201 Definitions.
- 880.205 Limitation on distributions.
- 880.207 Property standards.
- 880.208 Financing.
- 880.211 Audit.

**Subparts C–D [Reserved]**

**Subpart E—Housing Assistance Payments Contract**

- 880.501 The contract.
- 880.502 Term of contract.
- 880.503 Maximum annual commitment and project account.
- 880.504 Leasing to eligible families.
- 880.505 Contract administration and conversions.
- 880.506 Default by owner (private-owner/ HUD and PHA-owner/HUD projects).
- 880.507 Default by PHA and/or owner (private-owner/PHA projects).
- 880.508 Notice upon contract expiration.

**Subpart F—Management**

- 880.601 Responsibilities of owner.
- 880.602 Replacement reserve.
- 880.603 Selection and admission of assisted tenants.
- 880.604 Tenant rent.
- 880.605 Overcrowded and underoccupied units.
- 880.606 Lease requirements.
- 880.607 Termination of tenancy and modification of lease.
- 880.608 Security deposits.
- 880.609 Adjustment of contract rents.
- 880.610 Adjustment of utility allowances.
- 880.611 Conditions for receipt of vacancy payments.
- 880.612 Reviews during management period.
- 880.612a Preference for occupancy by elderly families.

AUTHORITY: 42 U.S.C. 1437a, 1437c, 1437f, 3535(d), 12701, and 13611–13619.