

SUBCHAPTER B—LOANS AND GRANTS PRIMARILY FOR REAL ESTATE PURPOSES

PART 1822—RURAL HOUSING LOANS AND GRANTS

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AUTHORITY: 42 U.S.C. 1480; 5 U.S.C. 301; 7 CFR 2.23; 7 CFR 2.70.

Subparts A–F [Reserved]

Subpart G—Rural Housing Site Loan Policies, Procedures, and Authorizations

AUTHORITY: 5 U.S.C. 301; 42 U.S.C. 1480.

SOURCE: 35 FR 16087, July 1, 1970, unless otherwise noted.

§ 1822.261 General.

This subpart sets forth the policies and procedures and delegates authority for making Rural Housing Site (RHS) loans under sections 523 and 524 of the Housing Act of 1949. Any processing or

servicing activity conducted pursuant to this subpart involving authorized assistance to FmHA or its successor agency under Public Law 103-354 employees, members of their families, known close relatives, or business or close personal associates, is subject to the provisions of subpart D of part 1900 of this chapter. Applicants for this assistance are required to identify any known relationship or association with an FmHA or its successor agency under Public Law 103-354 employee. Section 523 loans are direct loans for the purchase and development of building sites for housing to be built by the self-help method; they have additional requirements which are contained in § 1822.278.

[35 FR 16087, July 1, 1970, as amended at 58 FR 224, Jan. 5, 1993]

§ 1822.262 Objective.

The basic objective of RHS loans is to assist public or private nonprofit organizations interested in providing sites for housing, to acquire and develop land in rural areas. This land will be subdivided into adequate building sites and sold on a nonprofit basis to (a) families eligible for low and moderate income section 502 Rural Housing (RH) loans, including self-help housing; (b) cooperative Rural Cooperative Housing (RCH) applicants and broadly based nonprofit Rural Rental Housing (RRH) applicants; and (c) applicants eligible for Housing and Urban Development (HUD) sections 235 and 236 insured mortgages.

§ 1822.263 Definitions.

As used in this subpart:

(a) A *private nonprofit organization* is a corporation which: is owned and controlled by private persons; is organized and operated for purposes other than making gains or profits for the corporation or members; and, is legally precluded from distributing to its members any gains or profits.

(b) A *public nonprofit organization* is a nonprofit corporation other than a private nonprofit corporation, including a