RA should be requested by the State Director using a format similar to Attachment 2 of this exhibit (available in any FmHA or its successor agency under Public Law 103–354 State Office). Funds are available as follows:

A. SSASA: The SSASA is available to any SSASA State on a first-come-first-served basis until pooling. See Attachment 3 of this exhibit (available in any FmHA or its successor agency under Public Law 103–354 State Office) for information regarding pooling.

B. LSASA: LSASA states may request LSASA funds up to the amount the state contributed to LSASA until pooling. See Attachment 3 of this exhibit (available in any FmHA or its successor agency under Public Law 103–354 State Office) for information regarding pooling.

VII. General Information on priority/processing of Preapplications

A. Preapplications/applications for assistance from eligible nonprofit entities under this subpart must continue to meet all loan making requirements of 7 CFR part 3560, subpart B.

B. A separate processing list will be maintained for NPSA loan requests.

C. The State Director may issue Form AD–622, “Notice of Preapplication Review Action”, requesting a formal application to the highest ranking preapplication(s) from eligible nonprofit entities defined in paragraph III of this exhibit as follows:

1. LSASA. In LSASA States, AD–622s may not exceed 150 percent of the amount the State contributed to LSASA. No single Form AD–622 may exceed the amount of funds the State contributed to LSASA.

2. SSASA. In SSASA States, AD–622s should not exceed the greater of $750,000 or 150 percent of the amount the State contributed to SSASA; except that the State Director in a SSASA State may request authorization to issue a Form AD–622 in an amount in excess of $750,000 if additional funds are necessary to finance an average-size proposal based upon average construction costs in the state. For example, if the average size proposal currently being funded in the state is 24 units, and the average construction cost in the state is $35,000 per unit, the state may request authorization to issue an AD–622 for $840,000. The State Director will submit such requests to the National Office including data reflecting average size/cost projects in the State. No single Form AD–622 may exceed the amount of funds the State may receive from SSASA.

D. All AD–622s issued for proposals to be funded from NPSA will be subject to the availability of NPSA funds. Form AD–622 should contain the following or similar language: “This Form AD–622 is issued subject to the availability of Nonprofit Set-Aside (NPSA) funds.”

E. If a preapplication requesting NPSA funds has sufficient priority points to compete with non-NPSA loan requests based upon the District or State allocation (as applicable), the preapplication will be maintained on both the NPSA and non-NPSA rating/ranking lists.

F. Provisions for providing preference to loan requests from nonprofit organizations is contained in 7 CFR 3560.56. Limited partnerships, with a nonprofit general partner, do not qualify for nonprofit preference.

VIII. Exception authority. The Administrator, or his/her designee, may, in individual cases, make an exception to any requirements of this exhibit which are not inconsistent with the authorizing statute, if he/she finds that application of such requirement would adversely affect the interest of the Government or adversely affect the intent of the authorizing statute and/or Rural Rental Housing program or result in an undue hardship by applying the requirement. The Administrator, or his/her designee, may exercise this authority upon the request of the State Director, Assistant Administrator for Housing, or Director of the Multi-Family Housing Processing Division. The request must be supported by information that demonstrates the adverse impact or effect on the program. The Administrator, or his/her designee, also reserves the right to change pooling dates, establish/change minimum and maximum fund usage from NPSA, or restrict participation in the set aside.


EXHIBIT C TO SUBPART L OF PART 1940—HOUSING IN UNDERSERVED AREAS

I. OBJECTIVE

A. To improve the quality of affordable housing by targeting funds under Rural Housing Targeting Set Aside (RHTSA) to designated areas that have extremely high concentrations of poverty and substandard housing and have severe, unmet rural housing needs.

B. To provide for the eligibility of certain colonias for rural housing funds.

II. BACKGROUND

The Cranston-Gonzalez National Affordable Housing Act of 1990 (herein referred to as the “Act”) requires that Farmers Home Administration (FmHA) or its successor agency under Public Law 103–354 set aside section 502, 504, 514, 515, and 524 funds for assistance in targeted, underserved areas. An appropriate amount of section 521 new construction rental assistance (RA) is set aside for use with section 514 and 515 loan programs. Under the Act, certain colonias are now eligible for FmHA or its successor agency under Public Law 103–354 housing assistance.
RHS, RBS, RUS, FSA, USDA

Pt. 1940, Subpt. L, Exh. C

III. COLONIAS

A. Colonia is defined as any identifiable community that:
1. Is in the State of Arizona, California, New Mexico or Texas;
2. Is in the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1 million;
3. Is designated by the State or county in which it is located as a colonia;
4. Is determined to be a colonia on the basis of objective criteria, including lack of safe drinking water, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and
5. Was in existence and generally recognized as a colonia before November 28, 1990.

B. Requests for housing assistance in colonias have priority as follows:
1. When the State did not obligate its allocation in one or more of its housing programs during the previous 2 fiscal years (FYs), priority will be given to requests for assistance, from the affected program(s), from regularly allocated funds, until an amount equal to 5 percent of the current FY program(s) allocation is obligated in colonias. This priority takes precedence over other processing priority methods.
2. When the State did obligate its allocation in one or more of its housing programs during the previous 2 FYs, priority will be given to requests for assistance, from the affected program(s), from RHTSA funds, until an amount equal to 5 percent of the current FY program(s) allocation is obligated in colonias. This priority takes precedence over other processing priority methods.

C. Colonias may access pooled RHTSA funds as provided in paragraph IV G of this exhibit.

IV. RHTSA

A. Amount of Set Aside. Set aside for RHTSA, from the current FY allocations, are established in attachment 1 of this exhibit (available in any FmHA or its successor agency under Public Law 103–354 State Office).

B. Selection of Targeted Counties

1. When the State did not obligate its allocation in one or more of its housing programs during the previous 2 FYs, priority will be given to requests for assistance, from the affected program(s), from RHTSA funds, until an amount equal to 5 percent of the current FY program(s) allocation is obligated in colonias.
2. When the State did obligate its allocation in one or more of its housing programs during the previous 2 FYs, priority will be given to requests for assistance, from the affected program(s), from RHTSA funds, until an amount equal to 5 percent of the current FY program(s) allocation is obligated in colonias. This priority takes precedence over other processing priority methods.

C. Colonias may access pooled RHTSA funds as provided in paragraph IV G of this exhibit.
§ 1940.951 General.

This subpart sets forth Farmers Home Administration (FmHA) or its successor agency under Public Law 103–354 policies and procedures for the delivery of certain rural development programs under a rural economic development review panel established in eligible States authorized under sections 365, 366, 367, and 368 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), as amended.

(a) If a State desires to participate in this pilot program, the Governor of the State may submit an application to the Under Secretary for Small Community and Rural Development, U.S. Department of Agriculture, room 219–A, Administration Building, Washington, DC 20250 in accordance with §1940.954 of this subpart.

(b) The Under Secretary shall designate not more than five States in which to make rural economic development review panels applicable during any established time period for the purpose of reviewing and ranking applications submitted for funding under certain rural development programs. The following time periods have been established for participation in this pilot program:

First period—Balance of fiscal year (FY) 1992 to September 30, 1993;
Second period—October 1, 1993 to September 30, 1994;
Third period—October 1, 1994 to September 30, 1995; and
Fourth period—October 1, 1995 to September 30, 1996.

The State will be bound by the provisions of this pilot program only during the established time period(s) for which the State is designated. If a designated State does not remain an eligible State during the established time period(s) for which the State was designated, the State will not be eligible to participate in this program and cannot revert to the old ranking and applicant selection process.

(c) Assistance under each designated rural development program shall be provided to eligible designated States for qualified projects in accordance with this subpart.

(d) Federal statutes provide for extending FmHA or its successor agency under Public Law 103–354 financially supported programs without regard to race, color, religion, sex, national origin, marital status, age, familial status, or physical/mental handicap (provided the participant possesses the capacity to enter into legal contracts).