

agreement and modification to the protections afforded by the safe harbor assurances.

§ 625.14 Transfer of land.

(a) *Offers voided.* Any transfer of the property prior to the applicant's acceptance into the program shall void the offer of enrollment. At the option of the State Conservationist, an offer can be extended to the new landowner if the new landowner agrees to the same or more restrictive easement and contract terms and conditions.

(b) *Payments to landowners.* (1) For easements with multiple annual payments, any remaining easement payments will be made to the original landowner unless NRCS receives an assignment of proceeds.

(2) The new landowner shall be held responsible for assuring completion of all measures and practices required by the contract. Eligible cost-share payments shall be made to the new landowner upon presentation of an assignment of rights or other evidence that title had passed.

(c) *Claims to payments.* With respect to any and all payments owed to a person, the United States shall bear no responsibility for any full payments or partial distributions of funds between the original landowner and the landowner's successor. In the event of a dispute or claim on the distribution of cost-share payments, NRCS may withhold payments without the accrual of interest pending an agreement or adjudication on the rights to the funds.

§ 625.15 Violations and remedies.

(a) *Easement Violations.* (1) In the event of a violation of the easement or any associated agreement involving a landowner, the landowner shall be given reasonable notice and an opportunity to voluntarily correct the violation within 30 days of the date of the notice, or such additional time as the State Conservationist may allow.

(2) Notwithstanding paragraph (a)(1) of this section, the NRCS reserves the right to enter upon the easement area at any time to remedy deficiencies or easement violations. Such entry may be made at the discretion of the NRCS when such actions are deemed necessary to protect important listed spe-

cies and forest ecosystem functions and values or other rights of the United States under the easement. The landowner shall be liable for any costs incurred by the United States as a result of the landowner's negligence or failure to comply with easement or contractual obligations.

(3) In addition to any and all legal and equitable remedies as may be available to the United States under applicable law, NRCS may withhold any easement and cost-share payments owing to landowners at any time there is a material breach of the easement covenants, associated restoration agreement, or any associated contract. Such withheld funds may be used to offset costs incurred by the United States in any remedial actions or retained as damages pursuant to court order or settlement agreement.

(4) The United States shall be entitled to recover any and all administrative and legal costs, including attorney's fees or expenses, associated with any enforcement or remedial action.

(b) *10-year cost-share agreement violations.* (1) If the NRCS determines that a participant is in violation of the terms of a 10-year cost-share agreement, or documents incorporated by reference into the 10-year cost-share agreement, NRCS will give the participant a reasonable time, as determined by the State Conservationist, to correct the violation and comply with the terms of the cost-share agreement and attachments thereto. If the violation continues, the State Conservationist may terminate the 10-year cost-share agreement.

(2) Notwithstanding the provisions of paragraph (b)(1) of this section, an agreement termination is effective immediately upon a determination by the State Conservationist that the participant has: Submitted false information; filed a false claim; engaged in any act for which a finding of ineligibility for payments is permitted under this part; or taken actions NRCS deems to be sufficiently purposeful or negligent to warrant a termination without delay.

(3) If NRCS terminates a cost-share agreement due to breach of contract, the participant will forfeit all rights for future payments under the cost-share agreement, and must refund all

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or part of the payments received, plus interest, and liquidated damages. The State Conservationist may require only partial refund of the payments received if a previously installed practice or measure can function independently, is not affected by the violation or other practices or measures that would have been installed under the cost-share agreement, and the participant agrees to operate and maintain the installed practice or measure for the life span of the practice or measure.

(4) If NRCS terminates a 10-year cost-share agreement due to breach of contract, or the participant voluntarily terminates the 10-year cost-share agreement before any cost-share payments have been made, the participant will forfeit all rights for further payments under the 10-year cost-share agreement, and must pay such liquidated damages as are prescribed in the restoration agreement. The State Conservationist has the option to waive the liquidated damages, depending upon the circumstances of the case.

(5) When making any 10-year cost-share agreement termination decisions, the State Conservationist may reduce the amount of money owed by the participant by a proportion which reflects the good faith effort of the participant to comply with the cost-share agreement, or the hardships beyond the participant's control that have prevented compliance with the contract including natural disasters or events.

(6) The participant may voluntarily terminate a 10-year cost-share agreement, without penalty or repayment, if the State Conservationist determines that the cost-share agreement terms and conditions have been fully complied with before termination of the cost-share agreement.

§ 625.16 Payments not subject to claims.

Any cost-share or easement payment or portion thereof due any person under this part shall be allowed without regard to any claim or lien in favor of any creditor, except agencies of the United States Government.

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§ 625.17 Assignments.

Any person entitled to any cash payment under this program may assign the right to receive such cash payments, in whole or in part.

§ 625.18 Appeals.

(a) A person participating in the HFRP may obtain a review of any administrative determination concerning eligibility for participation utilizing the administrative appeal regulations provided in 7 CFR part 614.

(b) Before a person may seek judicial review of any action taken under this part, the person must exhaust all administrative appeal procedures set forth in paragraph (a) of this section, and for purposes of judicial review, no decision shall be a final agency action except a decision of the Chief under these procedures.

(c) Any appraisals, market analysis, or supporting documentation that may be used by NRCS in determining property value are considered confidential information, and shall only be disclosed as determined at the sole discretion of NRCS in accordance with applicable law.

§ 625.19 Scheme and device.

(a) If it is determined by NRCS that a person has employed a scheme or device to defeat the purposes of this part, any part of any program payment otherwise due or paid such person during the applicable period may be withheld or be required to be refunded with interest thereon, as determined appropriate by NRCS.

(b) A scheme or device includes, but is not limited to, coercion, fraud, misrepresentation, depriving any other person of payments for cost-share practices or easements for the purpose of obtaining a payment to which a person would otherwise not be entitled.

(c) A person who succeeds to the responsibilities under this part shall report in writing to NRCS any interest of any kind in enrolled land that is held by a predecessor or any lender. A failure of full disclosure will be considered a scheme or device under this section.