RHS, RBS, RUS, FSA, USDA

Exhibit D to Subpart I of Part 1944—Self-Help Technical Assistance Grant Predevelopment Agreement

This grant predevelopment agreement dated ___________ 19__ , is between a nonprofit corporation (“Grantee”), organized and operating under (authorizing State statute) and the United States of America acting through the Farmers Home Administration, Department of Agriculture (“FmHA”) or its successor agency under Public Law 103–354.

In consideration of financial assistance in the amount of $______ (“Grant Funds”) to be made available by FmHA or its successor agency under Public Law 103–354 to Grantee under section 523 (b)(1)(A) of the Housing Act of 1949 to be used in (specify area to be served) for the purpose of developing a program of technical and supervisory assistance which will aid low-income families in carrying out mutual self-help housing efforts, Grantee will provide such a program in accordance with the terms of this Agreement and FmHA or its successor agency under Public Law 103–354 regulations.

Grant funds will be used for authorized purposes as contained in §1944.410(d) of 7 CFR part 1944, subpart I, as necessary, to develop a complete program for a self-help TA grant. This will include recruitment, screening, loan packaging and related activities for prospective self-help participants.

Agreed to this __________ day of ___________ 19__. 

(Name of Grantee)  
By ___________________________  
(Signature)  
(Title)

United States of America  
By ___________________________  
(Signature)  
(Title)

Farmers Home Administration or its successor agency under Public Law 103–354

Exhibit E to Subpart I of Part 1944—Guidance for Recipients of Self-Help Technical Assistance Grants (Section 523 of Housing Act of 1949)

7 CFR part 1944, subpart I provides the specific details of this grant program. The following is a list of some functions of the grant recipients taken from this subpart. With the list are questions we request to be answered by the recipients to reduce the potential for fraud, waste, unauthorized use or mismanagement of these grant funds. We suggest the Board of Directors answer these questions every six months by conducting their own review. Paid staff should not be permitted to complete this evaluation.

A. Family Labor Contribution

1. Does your organization maintain a list of each family and a running total of hours worked (when and on what activity)?... Yes No

2. Are there records of discussions with participating families counselling them when the family contribution is falling behind?... Yes No

3. Are there obstacles which prevent the family from performing the required tasks?... Yes No

B. Use of Grant Funds

1. Were grant funds used to pay salaries or other expenses of personnel not directly associated with this grant?... Yes No

2. Were grant funds used to pay for construction work for participating families?... Yes No

3. Were all purchases or rentals (item and cost) of office equipment authorized?... Yes No

4. Are all office expenses authorized by 7 CFR part 1944, subpart I?... Yes No

5. Was a record of long distance telephone calls maintained and was that log and telephone checked?... Yes No

6. Was all travel and mileage incurred for official business and properly authorized in advance?... Yes No

7. Were mileage and per diem rates within authorized levels?... Yes No

8. Were participating families charged for use of tools?... Yes No

9. Were grant funds expended to train grant personnel?... Yes No

10. Was training appropriate for the individual trainee?... Yes No

11. Were any technical or consultant services obtained for participating families?... Yes No

12. Were the provided technical or consultant services appropriate in type and cost?... Yes No

C. Financial Responsibilities

1. Does each invoice paid by the grant recipient match the purchase order?... Yes No

2. Does each invoice paid by the borrower and FmHA or its successor agency under Public Law 103–354 match the purchase order?... Yes No
Pt. 1944, Subp. I, Exh. E

5. Is there a record of deposits and withdrawals to account for all loan funds? ................. Yes No
6. Are checks from grant funds deposited in an interest bearing account? .... Yes No
7. Are grant funds deposited in an interest bearing account? .... Yes No
8. Are checks from loan funds prepared by the grant recipient for the borrower's and lender's signature? .................. Yes No
9. Are checks from loan funds accompanied by accurate invoices? ........................ Yes No
10. Are any borrower loan funds including interests, deposited in grantee accounts? ........................ Yes No
11. Are checks from loan funds submitted to FmHA or its successor agency under Public Law 103–354 more often than once every 30 days? ................. Yes No
12. Is the reconciliation of bank statements for both grant and loan funds completed on a monthly basis? ................. Yes No
13. If the person who issues the checks also reconciles them, does the Executive Director review this activity? .................. Yes No
14. Are materials purchased in bulk approved by the Executive Director? ........................ Yes No
15. Was the amount of materials determined by both the Executive Director and construction staff? ........................ Yes No
16. Were any participating families consulted about the purchase of materials? ........................ Yes No
17. Were savings accomplished by the purchase method? ...... Yes No
18. Did the Executive Director review the purchase order and the ultimate use of the materials? ........................ Yes No
19. Are materials covered by insurance when stored by grantee? ........................ Yes No

D. REPORTING
1. Are "Requests for Advance or Reimbursement" made once monthly to the FmHA or its successor agency under Public Law 103–354 District Office? .... Yes No

2. Has the grant recipient engaged a certified public accountant (CPA) or CPA firm to review their operations on a regular basis: (Annually is preferable but every two years and at the end of the grant period are requirements)? ................. Yes No

What, if any, problems exist that need to be corrected for effective management of the grant project?

Date

President, Board of Directors
(Period covered by report _____)

Answer Key

The following answers should help your organization in assessing its vulnerability to fraud, waste, and abuse. You should take actions to correct practices that now generate an answer different from the key.

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EXHIBIT F TO SUBPART I OF PART 1944—
SITE OPTION LOAN TO TECHNICAL
ASSISTANCE GRANTEES

I. OBJECTIVES

The objective of a Site Option (SO) loan under Section 523(b)(1)(B) of Title V of the
Housing Act of 1949 is to enable technical assistance (TA) grantees to establish revolving
fund accounts to obtain options on land needed to make sites available to families
that will build their own homes by the self-help method. An SO loan will be considered
only when sites cannot be made available by other means including a regular Rural Housing
Site (RHS) loan.

II. ELIGIBILITY REQUIREMENTS

To be eligible for an SO loan, the applicant must be a TA grantee that is currently oper-
ating in a satisfactory manner under a TA grant agreement. If the SO loan applicant
has applied for TA funds but is not already a TA grantee and it appears that the TA grant
has applied for TA funds but is not already a
grant agreement. If the SO loan applicant
ating in a satisfactory manner under a TA
must be a TA grantee that is currently oper-
ating in a satisfactory manner under a TA
grant agreement.

III. LOAN PURPOSES

Loans may be made only as necessary to
enable eligible applicants to establish revolv-
ing accounts with which to obtain op-
tions on land that will be needed as building
sites by self-help families participating in the
TA self-help housing program. Loans will
not be made to pay the full purchase price of
land but only for the minimum amounts nec-
essary to obtain an option from the seller.

The option should be for as long as necessary
but in no case should the option be for less
than 90 days.

IV. LIMITATIONS

(A) If the amount of an SO loan will exceed
$10,000, the prior consent of the National Of-
fice shall be obtained before approval.
(B) The amount of the SO loan should not
exceed 15 percent of the purchase price of the
land expected to be under option at any one
time, unless a higher percent is authorized
by the State Director when other land in not
available or the particular area requires
more down payment than elsewhere or simi-
lar circumstances exist.
(C) Form FmHA or its successor agency under
Public Law 103–354 440–34, “Option to
Purchase Real Property,” will be used with-
out modification in all cases for obtaining
options under this subpart.
(D) The limitations of §1822.266(b) (1) and
(2) of subpart F of part 1822 of this chapter
(FmHA Instruction 444.8, paragraphs VI B (1)
and (2) concerning land purchase will apply
to options purchased under this subpart.

V. RATES AND TERMS

(A) Interest. Loans will be made at an inter-
est rate of 3 percent.
(B) Repayment period. Each SO loan will be
repaid in one installment which will include
the entire principal balance and accrued in-
terest. The maximum repayment period for
each SO loan will be the applicant’s remain-
ing TA grant funding period.

(1) A shorter repayment period will be es-
abled if SO funds will not be needed for
the entire TA grant funding period.
(2) If a regular RHS loan is to be processed,
the SO loan should be scheduled for repay-
ment when RHS loan funds will be available
to purchase the land and repay the amount
of SO funds advanced on the option, unless
SO loan funds will still be needed to pur-
chase other options. Under no cir-
cumstances, however, will the repayment pe-
riod exceed the applicant’s remaining TA
grant funding period.

VI. PROCESSING APPLICATION

(A) Form of application: The application for
assistance will be in the form of a letter to the
FmHA or its successor agency under
Public Law 103–354 County Supervisor having
jurisdiction over the area of the proposed
site to be optioned. The letter will be signed
by the applicant or its authorized representa-
tive and contain, as a minimum, the fol-
lowing information:

(1) A copy of the proposed option that
shows a legal description of the land, option
price, purchase price, and terms of the op-
tion. If more than one site is to be pur-
chased, a schedule of the proposed options
should be included.
(2) Information to verify that a regular
RHS loan cannot be processed in time to se-
cure the option.
(3) Proposed method repayment of the SO
loan.
(4) Resolution from the applicant’s gov-
erning body authorizing the application for
an SO loan from FmHA or its successor
agency under Public Law 103–354.
(B) Responsibility of the County Supervisor.
Upon receipt of an SO loan application, the
County Supervisor will:

(1) Determine whether the applicant is eli-
gible. If the applicant is not eligible, or the
loan cannot be made for other reasons, the
application may be rejected by the County
Supervisor with the concurrence of the Dis-
trict Director. The reasons for the rejection
should be clearly stated and provided, in
writing to the applicant. The applicant will
have the right to have the decision reviewed
following the procedure established in sub-
part B of part 1900 of this chapter.