

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

<i>Question</i>	<i>Answer</i>
D. 3	Yes

and (2) concerning land purchase will apply to options purchased under this subpart.

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

V. RATES AND TERMS

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.

(A) *Interest.* Loans will be made at an interest 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 interest. The maximum repayment period for each SO loan will be the applicant's remaining TA grant funding period.

(1) A shorter repayment period will be established 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 repayment 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 purchase other options. Under no circumstances, however, will the repayment period exceed the applicant's remaining TA grant funding period.

II. ELIGIBILITY REQUIREMENTS

To be eligible for an SO loan, the applicant must be a TA grantee that is currently operating 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 will be made, the SO loan may be approved but not closed until the TA grant is closed.

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 representative and contain, as a minimum, the following information:

III. LOAN PURPOSES

Loans may be made only as necessary to enable eligible applicants to establish revolving accounts with which to obtain options 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 necessary 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.

(1) A copy of the proposed option that shows a legal description of the land, option price, purchase price, and terms of the option. If more than one site is to be purchased, a schedule of the proposed options should be included.

(2) Information to verify that a regular RHS loan cannot be processed in time to secure the option.

(3) Proposed method repayment of the SO loan.

(4) Resolution from the applicant's governing body authorizing the application for an SO loan from FmHA or its successor agency under Public Law 103-354.

IV. LIMITATIONS

(A) If the amount of an SO loan will exceed \$10,000, the prior consent of the National Office 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 similar circumstances exist.

(B) *Responsibility of the County Supervisor.* Upon receipt of an SO loan application, the County Supervisor will:

(C) Form FmHA or its successor agency under Public Law 103-354 440-34, "Option to Purchase Real Property," will be used without 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)

(1) Determine whether the applicant is eligible. 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 District 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 subpart B of part 1900 of this chapter.