§ 1980.317 Equal opportunity and non-discrimination requirements in use, occupancy, rental, or sale of housing.

(a) **Compliance.** Loans guaranteed under this subpart are subject to the provisions of various civil rights statutes. RHS and the Lender may not discriminate against any person in making guaranteed housing loans available, or impose different terms and conditions for the availability of these loans based on a person’s race, color, familial status, religion, sex, age, physical or mental disability, or national origin, provided the applicant possesses the capacity to enter into a legal contract for services. These requirements will be discussed with the applicant, builder, developer, and other parties involved as early in the negotiations as possible.

(b) **Reporting.** If there is indication of noncompliance with these requirements, the matter will be reported by the borrower, Lender, or RHS personnel to the Administrator or the Director, Equal Opportunity Staff. Complaints and compliance will be handled by RHS in accordance with subpart E of part 1901.

(c) **Forms and requirements.** In accordance with Executive Order 11246, the following equal opportunity and non-discrimination forms and requirements are applicable when the loan guarantee involves a construction contract between the borrower and the contractor that is more than $10,000. The Lender is responsible for seeing that the requirements of paragraphs (c)(1) through (c)(5) of this section are met:

1. **Equal Opportunity Agreement.** Before loan closing, each borrower whose loan involves a construction contract of more than $10,000 must execute the RHS Equal Opportunity Agreement or the equivalent HUD form.

2. **Construction contract or subcontract in excess of $10,000.** If the contract or a subcontract exceeds $10,000:
   
   (i) The contractor or subcontractor must submit the Agency Compliance Statement before or as a part of the bid or negotiation.
   
   (ii) An Equal Opportunity Clause must be part of each contract and subcontract.

   (iii) With notification of the contract award, the contractor must receive the Agency Notice to Contractors and Applicants signed by RHS, with an attached Equal Employment Opportunity poster. Posters in Spanish must be provided and displayed where a significant portion of the population is Spanish speaking.

   (iv) Under Executive Order 11246 and Executive Order 11375, the contractor or subcontractor, subject to the requirements of paragraph (c)(5) of this section, is prohibited from discriminating because of race, color, religion,