

separate and shall be maintained for a period of 3 years after the termination date of the ownership agreement.

§ 1944.690 Exception authority.

The Administrator of FmHA or its successor agency under Public Law 103-354 may, in individual cases, make an exception to any requirements of this subpart not required by the authorizing statute if the Administrator finds that application of such requirement would adversely affect the interest of the Government, or adversely affect the accomplishment of the purposes of the HPG program, or result in undue hardship by applying the requirement. The Administrator or the Assistant Administrator for Housing may exercise this exception authority at the request of the State Director. The request must be supported by information demonstrating the adverse impact, citing the particular requirement involved, recommending proper alternative course(s) of action, and outlining how the adverse impact could be mitigated. Exception to any requirement may also be initiated by the Assistant Administrator for Housing.

§§ 1944.691–1944.699 [Reserved]

§ 1944.700 OMB control number.

According to the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for the information collection in this subpart is 0575-0115.

[62 FR 26211, May 13, 1997]

**EXHIBIT A TO SUBPART N OF PART 1944—
HOUSING PRESERVATION GRANT
AGREEMENT**

This Agreement dated _____ is between _____ (name), _____ (address), (grantee), organized and operating under _____ (authorizing State statute), and the United States of America acting through the Farmers Home Administration (FmHA) or its successor agency under Public Law 103-354. FmHA or its successor agency under Public Law 103-354 agrees to grant a sum not to exceed \$ _____ subject to the terms and conditions of this Agreement; provided, however, that the grant funds actually advanced and not needed for grant purposes shall be returned im-

mediately to FmHA or its successor agency under Public Law 103-354. The Housing Preservation Grant (HPG) Statement of Activities approved by FmHA or its successor agency under Public Law 103-354, is attached, and shall commence within 10 days of the date of execution of this agreement by FmHA or its successor agency under Public Law 103-354 and be completed by _____ (date). FmHA or its successor agency under Public Law 103-354 may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of this Grant Agreement or FmHA or its successor agency under Public Law 103-354 regulation related hereto. The grantee may appeal adverse decisions in accordance with the FmHA or its successor agency under Public Law 103-354 Appeal Procedures contained in subpart B of part 1900 of this chapter.

In consideration of said grant by FmHA or its successor agency under Public Law 103-354 to the Grantee, to be made pursuant to section 533 of the Housing Act of 1949, Housing Preservation Grant (HPG) program, the grantee will provide such a program in accordance with the terms of this Agreement and applicable FmHA or its successor agency under Public Law 103-354 regulations.

PART A—DEFINITIONS

1. *Beginning date* means the date this agreement is executed by FmHA or its successor agency under Public Law 103-354 and costs can be incurred.

2. *Ending date* means the date when all work under this agreement is scheduled to be completed. It is also the latest date grant funds will be provided under this agreement, without an approved extension.

3. *Disallowed costs* are those charges to a grant which the FmHA or its successor agency under Public Law 103-354 determines cannot be authorized in accordance with applicable Federal cost principles contained in Treasury Circular 74-4, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," OMB Circular A-87, "Cost Principles for State and Local Governments," OMB Circular A-122, "Cost Principles for Nonprofit Organizations," and other conditions contained in this Agreement and OMB Circular A-102 "Uniform Requirements for Grants to State and Local Governments," and OMB Circular A-110, "Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations, Uniform Administrative Requirements," as appropriate.

4. "Grant closeout" is the process by which the grant operation is concluded at the expiration of the grant period or following a decision to terminate the grant.

5. "Termination" of the grant means the cancellation of Federal assistance, in whole

or in part, at any time before the date of completion.

PART B—TERMS OF AGREEMENT

FmHA or its successor agency under Public Law 103-354 and grantee agree:

1. All grant activities shall be limited to those authorized in subpart N of 7 CFR part 1944.

2. This Agreement shall be effective when executed by both parties.

3. The HPG activities approved by FmHA or its successor agency under Public Law 103-354 shall commence and be completed by the date indicated above, unless earlier terminated under paragraph B 18 below or extended.

4. Grantee shall carry out the HPG activities and processes as described in the approved Statement of Activities which is made a part of this Agreement. Grantee will be bound by the activities and processes set forth in the Statement of Activities and the further conditions set forth in this Agreement. If the Statement of Activities is inconsistent with the Agreement, the latter will govern. A change of any activities and processes must be in writing and must be signed by the FmHA or its successor agency under Public Law 103-354 State Director or his or her delegated representative.

5. Grantee shall use grant funds only for the purpose and activities approved by FmHA or its successor agency under Public Law 103-354 in the HPG budget. Any uses not provided for in the approved budget must be approved in writing by FmHA or its successor agency under Public Law 103-354 in advance.

6. If the Grantee is a private nonprofit corporation, expenses charged for travel or per diem will not exceed the rates paid FmHA or its successor agency under Public Law 103-354 employees for similar purposes. If the grantee is a public body, the rates will be those that are allowable under the customary practice in the government of which the grantee is a part; if none are customary, the FmHA or its successor agency under Public Law 103-354 rates will be the maximum allowed.

7. Grant funds will not be used for any of the following:

(a) To pay obligations incurred before the effective date of this Agreement.

(b) To pay obligations incurred after the grant termination or ending date.

(c) Entertainment purposes.

(d) To pay for capital assets, the purchase of real estate or vehicles, improvement or renovation of grantee's office space, or repair or maintenance of privately owned vehicles.

(e) Any other purpose specified in §§ 1944.664(f) and 1944.666(b) of this subpart.

(f) Administrative expenses exceeding 20% HPG grant funds.

8. Grant funds shall not be used to substitute for any financial support previously provided and currently available or assured from any other source.

9. Disbursal of grants will be governed as follows:

(a) In accordance with Treasury Circular 1075 (fourth revision) part 205, chapter II of title 31 of the Code of Federal Regulations, grant funds will be provided by FmHA or its successor agency under Public Law 103-354 as cash advances on an as needed basis not to exceed one advance every 30 days. The advance will be made by direct Treasury check to the grantee. The financial management system of the recipient organization shall provide for effective control over and accountability for all Federal funds as stated to OMB Circular A-102 (42 FR 45828, September 12, 1977) for State and local governments and OMB Circular A-110 (41 FR 32016, July 30, 1976) for nonprofit organizations.

(b) Cash advances to the grantee shall be limited to the minimum amounts needed and shall be timed to be in accord only with the actual, immediate cash requirements of the Grantee in carrying out the purpose of the planned project. The timing and amount of cash advances shall be as close as administratively feasible to the actual disbursements by the grantee for direct program costs (as identified in the grantee's Statement of Activity and budget and fund use plan) and proportionate share of any allowable indirect costs.

(c) Grant funds should be promptly refunded to the FmHA or its successor agency under Public Law 103-354 and redrawn when needed if the funds are erroneously drawn in excess of immediate disbursement needs. The only exceptions to the requirement for prompt refunding are when the funds involved:

(i) Will be disbursed by the recipient organization within seven calendar days from the date of the Treasury check, or

(ii) Are less than \$10,000 and will be disbursed within 30 calendar days from the date of the Treasury check.

(d) Grantee shall provide satisfactory evidence to FmHA or its successor agency under Public Law 103-354 that all officers of the Grantee organization authorized to receive and/or disburse Federal funds are covered by satisfactory fidelity bonds sufficient to protect FmHA or its successor agency under Public Law 103-354's interests.

10. The grantee will submit performance and financial reports as indicated below to the appropriate FmHA or its successor agency under Public Law 103-354 office.

(a) As needed, but not more frequently than once every 30 calendar days, an original and 2 copies of SF-270, "Request for Advance or Reimbursement."

(b) Quarterly (not later than February 15, May 15, August 15, and November 15 of each

year), an original and 2 copies of SF-269, "Financial Status Report," and a quarterly performance report in accordance with § 1944.683 of this subpart.

(c) Within ninety (90) days after the termination or expiration of the Grant Agreement, an original and 2 copies of SF-269, and a final performance report which will include a summary of the project's accomplishments, problems, and planned future activities of the grantee for HPG. Final reports may serve as the last quarterly report.

(d) FmHA or its successor agency under Public Law 103-354 may require performance reports more frequently if deemed necessary.

11. In accordance with FMC Circular 74-4, Attachment B, compensation for employees will be considered reasonable to the extent that such compensation is consistent with that paid for similar work in other activities of the State or local government.

12. If the grant exceeds \$100,000, cumulative transfers among direct cost budget categories totaling more than 5 percent of the total budget must have prior written approval by FmHA or its successor agency under Public Law 103-354.

13. Results of the program assisted by grant funds may be published by the grantee without prior review by FmHA or its successor agency under Public Law 103-354, provided that such publications acknowledge the support provided by funds pursuant to the provisions of Title V of the Housing Act of 1949, as amended, and that five copies of each such publications are furnished to FmHA or its successor agency under Public Law 103-354.

14. Grantee certifies that no person or organization has been employed or retained to solicit or secure this grant for a commission, percentage, brokerage, or contingent fee.

15. No person in the United States shall, on the grounds of race, creed, color, sex, marital status, age, national origin, or mental or physical handicap, be excluded from participating in, be denied the proceeds of, or be subject to discrimination in connection with the use of grant funds. Grantee will comply with the nondiscrimination regulations of FmHA or its successor agency under Public Law 103-354 contained in subpart E of part 1901 of this chapter.

16. In all hiring or employment made possible by or resulting from this grant, the grantee: (a) Will not discriminate against any employee or applicant for employment because of race, creed, color, sex, marital status, national origin, age, or mental or physical handicap, and (b) will take affirmative action to insure that employees are treated during employment without regard to their race, creed, color, sex, marital status, national origin, age, or mental or physical handicap. This requirement shall apply to, but not be limited to, the following: Employment, upgrading, demotion, or transfer;

recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. In the event grantee signs a contract related to this grant which would be covered by any Executive Order, law, or regulation prohibiting discrimination, grantee shall include in the contract the "Equal Employment Clause" as specified by Form FmHA or its successor agency under Public Law 103-354 400-1, "Equal Employment Agreement."

17. The grantee accepts responsibility for accomplishing the HPG program as submitted and included in the Statement of Activities. The grantee shall also:

(a) Endeavor to coordinate and provide liaison with State and local housing organizations, where they exist.

(b) Provide continuing information to FmHA or its successor agency under Public Law 103-354 on the status of grantee HPG programs, projects, related activities, and problems.

(c) The grantee shall inform FmHA or its successor agency under Public Law 103-354 as soon as the following types of conditions become known:

(i) Problems, delays, or adverse conditions which materially affect the ability to attain program objectives, prevent the meeting of time schedules or goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken or contemplated, new time schedules required and any FmHA or its successor agency under Public Law 103-354 assistance needed to resolve the situation.

(ii) Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

18. Grant closeout and termination procedures will be as follows:

(a) Promptly after the date of completion or a decision to terminate a grant, grant closeout actions are to be taken to allow the orderly discontinuation of grantee activity.

(i) The grantee shall immediately refund to FmHA or its successor agency under Public Law 103-354 any uncommitted balance of grant funds.

(ii) The grantee will furnish to FmHA or its successor agency under Public Law 103-354 within 90 calendar days after the date of completion of the grant an SF-269 and all financial, performance, and other reports required as a condition of the grant, including an audit report.

(iii) The grantee shall account for any property acquired with HPG grant funds, or otherwise received from FmHA or its successor agency under Public Law 103-354.

(iv) After the grant closeout, FmHA or its successor agency under Public Law 103-354 retains the right to recover any disallowed

costs which may be discovered as a result of an audit.

(b) When there is reasonable evidence that the grantee has failed to comply with the terms of this Agreement, the State Director can, on reasonable notice, suspend the grant pending corrective action or terminate the grant pursuant to paragraph (c) below. In such instances, FmHA or its successor agency under Public Law 103-354 may reimburse the grantee for eligible costs incurred prior to the effective date of the suspension or termination and may allow all necessary and proper costs which the grantee could not reasonably avoid. FmHA or its successor agency under Public Law 103-354 will withhold further advances and grantees are prohibited from further obligating grant funds, pending corrective action.

(c) Grant termination will be based on the following:

(i) *Termination for cause.* This grant may be terminated in whole or in part at any time before the date of completion, whenever FmHA or its successor agency under Public Law 103-354 determines that the grantee has failed to comply with the terms of this Agreement. The reasons for termination may include, but are not limited to, such problems as:

(A) Failure to make reasonable and satisfactory progress in attaining grant objectives.

(B) Failure of grantee to use grant funds only for authorized purposes.

(C) Failure of grantee to submit adequate and timely reports of its operation.

(D) Violation of any of the provisions of any laws administered by FmHA or its successor agency under Public Law 103-354 or any regulation issued thereunder.

(E) Violation of any nondiscrimination or equal opportunity requirement administered by FmHA or its successor agency under Public Law 103-354 in connection with any FmHA or its successor agency under Public Law 103-354 programs.

(F) Failure to maintain an accounting system acceptable to FmHA or its successor agency under Public Law 103-354.

(ii) *Termination for convenience.* FmHA or its successor agency under Public Law 103-354 or the grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in case of partial termination, the portion to be terminated.

(d) FmHA or its successor agency under Public Law 103-354 shall notify the grantee in writing of the determination and the reasons for and the effective date of the suspension or termination. Except for termination convenience, grantees have the opportunity

to appeal a suspension or termination under FmHA or its successor agency under Public Law 103-354's appeal procedure, subpart B of part 1900 of this chapter.

19. Upon any default under its representatives or agreements set forth in this instrument, the grantee, at the option and demand of FmHA or its successor agency under Public Law 103-354, will, to the extent legally permissible, repay to FmHA or its successor agency under Public Law 103-354 forthwith the grant funds received with interest at the rate of five per centum per annum from the date of the default. The provisions of this Grant Agreement may be enforced by FmHA or its successor agency under Public Law 103-354, at its option and without regard to prior waivers by it or previous defaults of the grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State Courts, as may be deemed necessary by FmHA or its successor agency under Public Law 103-354 to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

20. Extension of this Grant Agreement and/or modifications of the Statement of Activities may be approved by FmHA or its successor agency under Public Law 103-354 provided, in its opinion, the extension and/or modification is justified and there is a likelihood that the grantee can accomplish the goals set out and approved in the Statement of Activities during the period of the extension and/or modifications as specified in §1944.684 of this subpart.

PART C—GRANTEE AGREES

1. To comply with property management standards for expendable and nonexpendable personal property established by Attachment N of OMB Circular A-102 or Attachment N of OMB Circular A-110 for State and local governments or nonprofit organizations respectively. *Personal property* means property of any kind except real property. It may be tangible—having physical existence—or intangible—having no physical existence, such as patents, inventions, and copyrights. *Non-expendable personal property* means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. A grantee may use its own definitions of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined above. *Expendable personal property* refers to all tangible personal property other than nonexpendable personal property. When nonexpendable tangible personal property is acquired by a grantee with project funds, title shall not be taken by the

Federal Government but shall vest in the grantee subject to the following conditions:

(a) Right to transfer title. For items of nonexpendable personal property having a unit acquisition cost of \$1,000 or more, FmHA or its successor agency under Public Law 103-354 may reserve the right to transfer title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:

(i) The property shall be appropriately identified in the grant or otherwise made known to the grantee in writing.

(ii) FmHA or its successor agency under Public Law 103-354 shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If FmHA or its successor agency under Public Law 103-354 fails to issue disposition instructions within the 120 calendar day period, the grantee shall apply the standards of paragraph 1(c) below.

(iii) When FmHA or its successor agency under Public Law 103-354 exercises its right to take title, the personal property shall be subject to the provisions for federally owned nonexpendable property discussed in paragraph 1(a)(iv) below.

(iv) When title is transferred either to the Federal Government or to a third party and the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefitting Federal agency with an amount which is computed by applying the percentage of the grantee participation in the cost of the original grant project or program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(b) Use of other tangible nonexpendable property for which the grantee has title.

(i) The grantee shall use the property in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When it is no longer needed for the original project or program, the grantee shall use the property in connection with its other federally sponsored activities, in the following order of priority:

(A) Activities sponsored by FmHA or its successor agency under Public Law 103-354.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use. During the time that nonexpendable personal property is held for use on the project or program for which it was acquired, the grantee shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the property was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by FmHA or its successor agency under Public

Law 103-354; second preference shall be given to projects or programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by FmHA or its successor agency under Public Law 103-354. User charges should be considered if appropriate.

(c) Disposition of other nonexpendable property. When the grantee no longer needs the property, the property may be used for other activities in accordance with the following standards:

(i) Nonexpendable property with a unit acquisition cost of less than \$1,000. The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

(ii) Nonexpendable personal property with a unit acquisition cost of \$1,000 or more. The grantee may retain the property for other use provided that compensation is made to FmHA or its successor agency under Public Law 103-354 or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from the original Grantor agency. FmHA or its successor agency under Public Law 103-354 shall determine whether the property can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the property shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR) to the General Services Administration by FmHA or its successor agency under Public Law 103-354 to determine whether a requirement for the property exists in other Federal agencies. FmHA or its successor agency under Public Law 103-354 shall issue instructions to the grantee no later than 120 calendar days after the grantee request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse FmHA or its successor agency under Public Law 103-354 an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the grantee shall be permitted to deduct and retain from the Federal shares \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to dispose of the property other than as described in paragraph 1(a)(iv) above, the grantee shall be

reimbursed by FmHA or its successor agency under Public Law 103-354 for such costs incurred in its disposition.

(C) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(1) Property records shall be maintained accurately and shall include:

(a) A description of the property.

(b) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(c) Sources of the property including grant or other agreement number.

(d) Whether title vests in the grantee or the Federal Government.

(e) Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.

(f) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government).

(g) Location, use, and condition of the property and the date the information was reported.

(h) Unit acquisition cost.

(i) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value when a grantee compensates the Federal agency for its share.

(2) Property owned by the Federal Government must be marked to indicate Federal ownership.

(3) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

(4) A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the grantee shall promptly notify FmHA or its successor agency under Public Law 103-354.

(5) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(6) When the grantee is authorized or required to sell the property, proper sales procedures shall be established which will provide for competition to the extent practicable and result in the highest possible return.

(7) Expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and if the property is not needed for any other federally sponsored project or program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

2. To provide a financial management system which will include:

(a) Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

(b) Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

(c) Effecting control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall assure that they are solely for authorized purposes.

(d) Accounting records supported by source documentation.

3. To retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after the submission of the final Project Performance report pursuant to part B (10)(c) of this Agreement except in the following situations:

(a) If any litigation, claim, audit, or investigation is commenced before the expiration of the three year period, the records shall be retained until all litigations, claims, audit or investigation findings involving the records have been resolved.

(b) Records for nonexpendable property acquired by FmHA or its successor agency under Public Law 103-354, the three year retention requirement is not applicable.

(c) When records are transferred to or maintained by FmHA or its successor agency under Public Law 103-354, the three year retention requirement is not applicable.

Microfilm copies may be substituted in lieu of original records. FmHA or its successor agency under Public Law 103-354 and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts, and transcripts.

4. To provide information as requested by FmHA or its successor agency under Public

Law 103-354 concerning the grantee's actions in soliciting citizen participation in the application process, including published notice of public meetings, actual public meetings held, and content of written comments received.

5. Not to encumber, transfer, or dispose of the property or any part thereof, furnished by FmHA or its successor agency under Public Law 103-354 or acquired wholly or in part with HPG funds without the written consent of FmHA or its successor agency under Public Law 103-354 except as provided in part C 1 of this Agreement.

6. To provide FmHA or its successor agency under Public Law 103-354 with such periodic reports of grantee operations as may be required by authorized representatives of FmHA or its successor agency under Public Law 103-354.

7. To execute Form FmHA or its successor agency under Public Law 103-354 400-1, and to execute any other agreements required by FmHA or its successor agency under Public Law 103-354 to implement the civil rights requirements.

8. To include in all contracts in excess of \$100,000 a provision for compliance with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, 42 U.S.C. 1875C-9 as amended. Violations shall be reported to FmHA or its successor agency under Public Law 103-354 and the Regional Office of the Environmental Protection Agency.

9. That no member of Congress shall be admitted to any share or part of this grant or any benefit that may arise therefrom, but this provision shall not be construed to bar as a contractor under the grant a publicly held corporation whose ownership might include a member of Congress.

10. That all nonconfidential information resulting from its activities shall be made available to the general public on an equal basis.

11. That the purpose for which this grant is made may complement, but shall not duplicate programs for which monies have been received, are committed, or are applied for from other sources, public and private.

12. That the grantee shall relinquish any and all copyrights and/or privileges to the materials developed under this grant, such material being the sole property of the Federal Government. In the event anything developed under this grant is published in whole or in part, the material shall contain notice and be identified by language to the following effect: "The material is the result of tax-supported research and as such is not copyrightable. It may be freely reprinted with the customary crediting of the source."

13. That the grantee shall abide by the policies promulgated in OMB Circular A-102, Attachment O, or OMB Circular A-110, Attachment O, as applicable, which provides

standards for use by Grantees in establishing procedures for the procurement of supplies, equipment, and other services with Federal grant funds.

14. That it is understood and agreed that any assistance granted under this Agreement will be administered subject to the limitations of Title V of the Housing Act of 1949 as amended, 42 U.S.C. 1471 *et seq.*, and related regulations, and that all rights granted to FmHA or its successor agency under Public Law 103-354 herein or elsewhere may be exercised by it in its sole discretion to carry out the purposes of the assistance, and project FmHA or its successor agency under Public Law 103-354's financial interest.

15. That it will adopt a Standard of Conduct that provides that, if an employee, officer, or agent of the grantee, or such person's immediate family members conducts business with the grantee, the grantee must not:

(a) Participate in the selection, award, or administration of a contract to such persons for which Federal funds are used;

(b) Knowingly permit the award or administration of the contract to be delivered to such persons or other immediate family members or to any entity (*i.e.*, partnerships, corporation, etc.) in which such persons or their immediate family members have an ownership interest; or

(c) Permit such person to solicit or accept gratuities, favors or anything of monetary value from landlords or developers of rental or ownership housing projects or any other person receiving HPG assistance.

PART D—FMHA OR ITS SUCCESSOR AGENCY
UNDER PUBLIC LAW 103-354 AGREES

1. That it may assist grantee, within available appropriations, with such technical and management assistance as needed in coordinating the Statement of Activities with local officials, comprehensive plans, and any State or area plans for improving housing for very low- and low-income households in the area in which the project is located.

2. That at its sole discretion, FmHA or its successor agency under Public Law 103-354 may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (a) advisable to further the purposes of the grant or to protect FmHA or its successor agency under Public Law 103-354's financial interests therein, and (b) consistent with the statutory purposes of the grant and the limitations of the statutory authority under which it is made and FmHA or its successor agency under Public Law 103-354 regulations.

This Agreement is subject to current FmHA or its successor agency under Public Law 103-354 regulations and any future regulations not inconsistent with the express

Pt. 1944, Subpt. N, Exh. B

7 CFR Ch. XVIII (1-1-12 Edition)

terms hereof. Grantee has caused this Agreement to be executed by its duly authorized _____, properly attested to and its corporate seal affixed by its duly authorized _____.

Attest:
Grantee:
By _____
(Title) _____

United States Of America Farmers Home Administration or its successor agency under Public Law 103-354:

By _____
(Title) _____

Date of Execution of Grant Agreement by FmHA or its successor agency under Public Law 103-354: _____

Attached Statement of Activities Is Made Part of This Agreement.

**EXHIBIT B TO SUBPART N OF PART 1944—
AMENDMENT TO HOUSING PRESERVA-
TION GRANT AGREEMENT**

This Amendment between _____ herein called "Grantee," and the United States of America acting through the Farmers Home Administration, Department of Agriculture, herein called "FmHA," or its successor agency under Public Law 103-354 hereby amends the Housing Preservation Grant Agreement executed by said parties on _____, 19____, hereinafter called the "Agreement."

Said Agreement is amended by extending the Agreement to _____, 19____, and/or by making the following changes noted in the attachments hereto: (List and identify proposal and any other documents pertinent to the grant which are attached to the Amendment.)

Grantee has caused this Agreement to be executed by its duly authorized _____, properly attested to and its corporate seal affixed by its duly authorized _____.

Attest:
Grantee:
By _____
(Title) _____

United States Of America Farmers Home Administration or its successor agency under Public Law 103-354:

By _____
(Title) _____

Date of Execution of Amendment to Grant Agreement by FmHA or its successor agency under Public Law 103-354: _____.

**EXHIBIT C TO SUBPART N OF PART 1944
[RESERVED]**

**EXHIBIT D TO SUBPART N OF PART 1944—
PROJECT SELECTION CRITERIA—OUT-
LINE RATING FORM**

Applicant _____ Name _____

Applicant _____ Address _____

Application received on _____.
State _____ District Office _____.

Threshold Criteria

Applicant must meet the following:

- 1. Proposes a financially feasible HPG program yes— no__
- 2. Serves an eligible rural area yes— no__
- 3. Is an eligible HPG grantee yes— no__
- 4. Has met consultation and public comment rules yes— no__

If answer to any of the above is "no", application is rejected and applicant so notified.

Selection Criteria:

Select the appropriate rating:

1. Points awarded based on the percentage of very-low income homeowners or families the applicant proposes to assist, using the following scale _____:

- (a) More than 80%: 20 points.
- (b) 61% to 80%: 15 points.
- (c) 41% to 60%: 10 points.
- (d) 20% to 40%: 5 points.
- (e) Less than 20%: 0 points.

2. Points awarded based on the applicant's percentage of use of HPG funds to total cost of unit preservation. This percentage reflects maximum rehabilitation with the least possible HPG funds due to leveraging, innovative financial assistance, or other specified approaches. Points are based on the following percentage of HPG funds to total funds _____:

- (a) 50% or less: 20 points.
- (b) 51% to 65%: 15 points.
- (c) 66% to 80%: 10 points.
- (d) 81% to 95%: 5 points.
- (e) 96% to 100%: 0 points.

3. The applicant has demonstrated its administrative capacity in assisting very low- and low-income families obtain adequate housing based on the following:

(a) The organization or a member of its staff has at least one or more years experience successfully managing and operating a rehabilitation or weatherization type program _____:

- Yes—10 points.
- No—0 points.