§ 51c.505 Determination of cost.

The cost of acquisition and/or modernization of existing buildings for which funds may be granted under this part will be determined by the Secretary, utilizing such documentation submitted by the applicant as the Secretary may prescribe (including the reports of such real estate appraisers as the Secretary may approve) and other relevant factors, taking into consideration only that portion of the existing building necessary for the operation of the approved project.

[41 FR 5700, Dec. 30, 1976]

§ 51c.506 Use of grant funds.

Grant funds may be used to amortize the principal of or pay interest on a loan or mortgage on an existing building acquired under this part, including

a building purchased by a grantee prior to the promulgation of this part, but only if the building is being used for the purposes of section 330 and complies with the applicable provisions of this subpart and only to the extent the Secretary finds such principal amounts and interest rates to be reasonable.

[41 FR 5700, Dec. 30, 1976]