§ 1776.10 Grant agreement.

(a) RUS and the grantee will enter into an agreement setting forth the terms and conditions governing a particular HWWS grant award. RUS will furnish the form of grant agreement. No funds awarded under this part shall be disbursed to the grant recipient before the grant agreement is binding and RUS has received a fully executed counterpart of the grant agreement.

(b) The grantee or RUS may initiate an amendment or modification to the grant agreement to provide for a loan limit up to $11,000. No change in the grant agreement requested by the grant recipient will be effective unless approved in writing by RUS.

[73 FR 68294, Nov. 18, 2008]

§ 1776.11 Revolving loan fund.

The grant recipient shall establish and maintain a revolving loan fund for the purposes set forth in § 1776.12. All loans made to loan recipients shall be drawn from the revolving loan fund. The loans shall be serviced, and the revolving loan fund shall be maintained, as set forth in § 1776.17.

§ 1776.12 Use of HWWS grant proceeds.

(a) Except as otherwise provided in the next paragraph, HWWS grant proceeds shall be used solely for the purpose of providing loans to eligible individuals for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are or will be owned by the eligible individuals.

(b) A grant recipient may use HWWS grant funds to pay administrative expenses associated with providing the assistance described in the immediately preceding paragraph.

(c) A grant recipient may not use grant funds in any manner inconsistent with the terms of the grant agreement.

§ 1776.13 Administrative expenses.

(a) Subject to the limitations provided in paragraphs (b), (c) and (d) of this section, the grant recipient may use grant funds to pay administrative expenses associated with providing HWWS loans.

(b) Administrative expenses incurred in any calendar year which exceed 10 percent of the HWWS loans made by the grant recipient during that same period do not qualify for reimbursement.

(c) Administrative expenses incurred prior to the execution of the grant agreement by RUS do not qualify for reimbursement.

(d) Allowability of administrative expense costs shall be determined in accordance with 7 CFR 3019.27.