subsection loan to be closed simulta-
neously with the sale must meet the requirements in subpart B of this part for an initial loan, with the following exceptions:

(1) A “Quit Claim” or other non-war-
ranty deed will be used; and
(2) The buyer must pay attorney’s fees, insurance costs, recording fees and other customary fees unless they are included in a subsequent loan and the subsequent loan is for purposes other than closing costs and fees.

(e) After approval of an Agency-fi-
nanced sale of occupied REO property designated to be sold as program property, but prior to closing, the pur-
chaser must prepare a budget for housing operations in accordance with sub-
part B of this part. If a rent increase is necessary, procedures specified in sub-
parts E and F of this part for calculat-
ing rents, net tenant contributions, and rental assistance will be followed by the borrower.

§ 3560.506 Conversion of single family type REO property to MFH use.

Single family type REO property may be sold for conversion to MFH pro-
gram use under the following condi-
tions:

(a) The Agency will allow nonprofit organizations, public bodies, or for-
profit entities to purchase single family type REO property for conversion to MFH program use. When the Agency finances the sale of single family-type REO property for conversion to rural rental housing program use (i.e., MFH including group homes and homes for the elderly or disabled, farm labor housing, or rural cooperative housing), the sale price will be the lesser of the Federal Government’s investment or an amount based on the “as-is” market value of the housing project as deter-
mined by an appraisal conducted in ac-
cordance with subpart P of this part.

(b) The Agency will only accept written offers to purchase two or more single family type REO properties for con-
version to rural rental housing from nonprofit organizations, public bodies, or for-profit entities with a good record of providing housing under the Agen-
cy’s MFH programs. The single family type properties are not required to be contiguous, however, they must be lo-
cated in close enough proximity so that management capabilities are not diminished because of distance.

§§ 3560.507–3560.549 [Reserved]

§ 3560.550 OMB control number.

The information collection require-
ments contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control num-
ber 0575–0189. Public reporting burden for this collection of information is es-
timated to vary from 15 minutes to 18 hours per response, including time for reviewing instructions, searching exist-
ing data sources, gathering and main-
taining the data needed, and com-
pleting and reviewing the collection of information. A person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Subpart L—Off-Farm Labor Housing

§ 3560.551 General.

This subpart establishes the require-
ments for making loans and grants for off-farm labor housing and for ongoing operations of this housing. Unless oth-
ewise specified in this subpart, the re-
quirements of subparts A through K, N, O, and P of this part will apply in addi-
tion to the requirements in this sub-
part.

§ 3560.552 Program objectives.

(a) In addition to the objectives stated in §3560.52, off-farm labor housing loan and grant funds will be used to in-
crease:

(1) The supply of affordable housing for farm labor; and
(2) The ability of communities to at-
tract farm labor by providing housing which is affordable, decent, safe and sanitary.

(b) Under section 516(i) of the Hous-
ing Act of 1949 (42 U.S.C. 1486(i)), the Agency may award technical assis-
tance grants to encourage the develop-
ment of farm labor housing.

§ 3560.553 Loan and grant purposes.

(a) In addition to the purposes stated in §3560.53, off-farm labor housing loan