

# Notices

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This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

## DEPARTMENT OF AGRICULTURE

### Rural Housing Service

#### Notice of Acceptance of Proposals for the Section 538 Multi-Family Housing Guaranteed Rural Rental Housing Program (GRRHP) Demonstration Program for Fiscal Year 2010

**AGENCY:** Rural Housing Service, USDA.

**ACTION:** Notice.

**SUMMARY:** Through this Notice the Rural Housing Service (Agency) announces the implementation of a demonstration program under the section 538 Guaranteed Rural Rental Housing Program (GRRHP) pursuant to 7 CFR 3565.4 and 7 CFR 3565.17 (Demonstration Programs) for Fiscal Year (FY) 2010. The Demonstration Program's purpose is to test the viability and efficacy of a continuous loan note guarantee through the construction and permanent loan financing phases of a project. Those applications that meet the Demonstration Program's qualifying criteria and are selected to participate will be offered one loan note guarantee upon closing of the construction loan that will be in effect throughout both of the project's construction and permanent phases without interruption.

The Agency will permit approximately \$10 million of program loan authority on loans that have already been obligated to participate in this Demonstration Program. Expenses incurred in developing applications will be at the applicant's risk. The following paragraphs outline the timeframes, eligibility requirements, lender responsibilities, and the overall response and application processes.

Eligible Lenders wishing to have their GRRHP obligated, but unfunded guaranteed 538 applications considered for the FY 2010 Demonstration Program must send a signed request on its letterhead with the proposed project details as outlined in the

"DEMONSTRATION PROGRAM RESPONSE SUBMISSION ADDRESS" section of this Notice. No other applications will be considered.

#### Demonstration Program Guidelines

The following guidelines are being provided to facilitate a structured implementation of the program:

1. Demonstration guarantee. The Demonstration guarantee is a guarantee that will be offered to selected lenders who submit applications in response to this Notice. The Demonstration guarantee will consist of one loan note guarantee that will be issued upon closing of the construction loan and will be in effect throughout both of the project's construction and permanent financing phases without interruption.

2. Conditional commitment. Upon approval of an eligible previously obligated guaranteed 538 application from an approved lender, the Agency will modify the outstanding conditional commitment to provide a Demonstration guarantee for the construction and permanent financing phases of the project.

3. Guarantee percentage and payment. Both construction loan advances and permanent loans are eligible for a guarantee subject to the following limitations:

Construction loan advances and permanent loans. The Agency can guarantee the "construction and permanent" financing phases of a project. The Agency cannot, however, guarantee only the "construction" financing phase of a project. Guarantees under the Demonstration guarantee will cover construction loan advances and the subsequent permanent loan. The maximum guarantee of construction advances will not at any time exceed the lesser of: 90 percent of the amount of principal and interest up to default advanced for eligible uses of loan proceeds; and 90 percent of the original principal amount and interest up to default of a loan. Penalties incurred as a result of default are not covered by the guarantee. The Agency may provide a lesser guarantee based upon its evaluation of the credit quality of the loan.

4. Ability. A lender making a construction loan must demonstrate an ability to originate and service construction loans.

5. Guarantee during construction. The Agency will issue a Demonstration guarantee only to an approved lender.

6. Demonstration guarantee program compliance requirement. For a Demonstration guarantee, after the loan note guarantee is issued, the following items will have to be submitted and approved by the Agency within the timeframe stipulated by the Agency:

- (i) A certificate of substantial completion;
- (ii) A certificate of occupancy or similar evidence of local approval;
- (iii) A final cost certification in a form acceptable to the Agency;
- (iv) A complete copy of the permanent loan closing docket; if a separate closing is conducted for the permanent loan; and
- (v) Any other information necessary for the Agency to comply with its regulations.

Items (i), (ii), and (iii) are only required if the project is constructed. To facilitate the implementation of the program, an addendum may be attached to certain program forms to include relevant Demonstration Program requirements.

The selected applicants will be subject to the Demonstration Program guidelines in this Notice, and GRRHP's controlling statute, regulations, and handbook as amended. The GRRHP operates under the Housing Act of 1949, as amended, particularly section 538, and regulations at 7 CFR part 3565. The GRRHP Origination and Servicing Handbook (HB-1-3565) is available to provide lenders and the general public with guidance on program administration. HB-1-3565, which contains a copy of 7 CFR part 3565 in Appendix 1, can be found at the Rural Development Instructions Web site address <http://www.rurdev.usda.gov/regs/hblist.html#hbw6>.

**Demonstration Program Eligibility:** GRRHP obligated applications that meet the following criteria will be eligible for consideration to be selected into the Demonstration Program:

- 1. The project must have been awarded and continue to receive Low Income Housing Tax Credits.
- 2. The project must have a loan to cost (LTC) ratio equal to or lower than 50%.
- 3. The Lender must have submitted a timely response to this Notice in accordance with the "DEMONSTRATION PROGRAM RESPONSE SUBMISSION ADDRESS" section of this Notice.

4. A Lender must have submitted its application under the GRRHP 2009 Notice published January 21, 2009, Volume 74 FR 3551–3558, or the GRRHP 2009 Notice published on June 26, 2009, Volume 74 FR 30503–30510 or the GRRHP 2010 Notice published February 26, 2010, Volume 75 FR 8896–8902.

5. The application to be considered must have been obligated from October 1, 2009 to December 17, 2010. However, if the Demonstration Program funds have not been fully utilized by December 17, 2010, the Agency may consider applications obligated on or after October 1, 2008.

6. The Lender must not have closed the construction loan prior to its selection to participate in the Demonstration Program.

#### **Demonstration Program Selection Process**

Selections from qualified applications that have requested consideration and met all requirements for this Demonstration Program will be based on priority scores they received on their previously submitted applications, with the highest scoring applications being selected first, until all available Demonstration Program authority is used. In the event of a tie, priority will be given to the application that is in the smaller rural community, and in case of a subsequent tie to the application that has the lowest LTC ratio.

The first round of selections into the Demonstration Program will be made on May 20, 2010. In the event there are not enough qualified requests for selection into the Demonstration Program to utilize all the available Demonstration Program authority, then until all funds are exhausted, an additional selection process will be conducted on the 3rd Friday of each month starting September 17, 2010. December 17, 2010, will be the last possible selection date unless the Final Rule is published as explained below. All applicants will be notified of the selection results no later than 30 business days from the date of selection.

**DATES: Effective Dates:** The GRRHP intends to incorporate the guarantee offered under this demonstration as a permanent part of the program. To that end we have published in the **Federal Register** (January 29, 2009, Volume 75 FR 4707–4710) a proposed rule for “Continuous Construction-Permanent Loan Guarantees.” This Notice will terminate upon the earlier of either the publication date of the final rule or December 17, 2010.

#### **Demonstration Program Response Submission Address**

Eligible lenders wishing to have their obligated applications considered for selection into the Demonstration Program must submit a signed request (not to exceed one page) on its letterhead that includes the following information:

1. Developer's Name
2. Borrower's Name
3. Project's Name
4. Project's Address (City and State)
5. Project Type (Family, Senior, or Mixed)
6. Project's Total Units
7. Project's Total Development Cost (TDC)
8. Amount of 538 Loan Guarantee
9. Amount of Tax Credits Awarded
10. Amount and Source of Other Financing
11. Loan to Cost (LTC) %
12. Area Population
13. Date obligated or date of Conditional Commitment

Send the Demonstration Program Response Submission Letter with all of the information listed above, along with a copy of the State Office's “Proceed with Application/NOFA Response Selection” letter and a copy of the tax credit award notification to: Tammy S. Daniels, Financial and Loan Analyst, Multi-Family Housing Guaranteed Loan Division, Guaranteed Rural Rental Housing Program, USDA Rural Development, South Agriculture Building, Room 1233, STOP 0781, 1400 Independence Avenue, SW., Washington, DC 20250–0781.

Requests may also be faxed to 202–690–3444 or sent by email (signed PDF copies of the above submissions) to [tammy.daniels@wdc.usda.gov](mailto:tammy.daniels@wdc.usda.gov). Eligible lenders mailing a request must provide sufficient time to permit delivery to the submission address. If all the funds set aside for the Demonstration Program have not been utilized, the Agency will continue to accept requests for inclusion into the FY 2010 Demonstration Program until December 17, 2010 or publication of the final rule if earlier. Acceptance by a U.S. Post Office or private mailer does not constitute delivery. Postage due responses and applications will not be accepted.

#### **Paperwork Reduction Act**

In accordance with the Paperwork Reduction Act of 1995, the information collection requirements contained in this Notice is approved by the Office of Management and Budget (OMB) under OMB Control Number 0575–0174.

#### **Nondiscrimination Statement**

“The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720–2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250–9410 or call (800) 795–3272 (voice) or (202) 720–6382 (TDD). USDA is an equal opportunity provider and employer.”

Dated: May 3, 2010.

**Tammy Treviño,**

*Administrator, Rural Housing Service.*

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**BILLING CODE 3410–XV–P**

## **DEPARTMENT OF AGRICULTURE**

### **Food and Nutrition Service**

#### **Agency Information Collection Activities: Proposed Collection; Comment Request, Supplemental Nutrition Assistance Program Regulations, Part 275—Quality Control**

**AGENCY:** Food and Nutrition Service, USDA.

**ACTION:** Notice.

**SUMMARY:** As required by the Paperwork Reduction Act of 1995, this notice invites the general public and other public agencies to comment on the proposed information collection for the Supplemental Nutrition Assistance Program's Regulations, Part 275—Quality Control. Specifically, the burden associated with the collection of information for the sampling plan, arbitration process, and the good cause process. This collection is a revision of a currently approved collection, OMB No. 0584–0303.

**DATES:** Written comments must be submitted on or before *July 9, 2010*.

**ADDRESSES:** Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the