Pursuant to Section 7(f)(2) of the United States Grain Standards Act (USGSA) authorizes the Secretary to designate a qualified applicant to provide official services in a specified area after determining that the applicant is better able than any other applicant to provide such official services (7 U.S.C. 79(f)). Under section 7(g) of the USGSA, designations of official agencies are effective for no longer than five years, unless terminated by the Secretary, and may be renewed for up to two additional five-year periods, unless terminated by the Secretary, and may be renewed for up to two additional five-year periods (7 CFR 1.27(c)).

Areas Open for Designation

Lincoln

Pursuant to Section 7(f)(2) of the United States Grain Standards Act, the following geographic area in the States of Iowa and Nebraska is assigned to this official agency.

In Iowa and Nebraska

Bounded on the north (in Nebraska) by the northern York, Seward, and Lancaster County lines; the northern Cass County line east to the Missouri River; the Missouri River south to U.S. Route 34; U.S. Route 34 east to Interstate 29; bounded on the east by Interstate 29 south to the Fremont County line; the northern Fremont and Page County lines; the eastern Page County line south to the Iowa-Missouri State line; the Iowa-Missouri State line west to the Missouri River; the Missouri River south-southeast to the Nebraska-Kansas State line; bounded on the south by the Nebraska-Kansas State line west to County Road 1 mile west of U.S. Route 81; bounded on the west by County Road 1 mile west of U.S. Route 81 north to State Highway 8; State Highway 8 east to U.S. Route 81; U.S. Route 81 north to the Thayer County line; the northern Thayer County line east; the western Saline County line; the southern and western York County lines.

The following grain elevators are not part of this geographic area assignment and are assigned to: Omaha Grain Inspection Service, Inc.: Goode Seed & Grain, McPaul, Fremont County, Iowa; and Haveman Grain, Murray, Cass County, Nebraska.

Opportunity for Designation

Interested persons or governmental agencies may apply for designation to provide official services in the geographic area specified above under the provisions of section 7(f) of the USGSA and 7 CFR 800.196. Designation in the specified geographic area in Iowa and Nebraska is for the period beginning April 1, 2018, to March 31, 2023. To apply for designation or to request more information, contact Sharon Lathrop at the address listed above.

Request for Comments

We are publishing this notice to provide interested persons the opportunity to comment on the quality of services provided by the Lincoln official agency. In the designation process, we are particularly interested in receiving comments citing reasons and pertinent data supporting or objecting to the designation of the applicant. Submit all comments to Sharon Lathrop at the above address or at http://www.regulations.gov.

We consider applications, comments, and other available information when determining which applicants will be designated.


Randall D. Jones.

Acting Administrator, Grain Inspection, Packers and Stockyards Administration.

[FR Doc. 2017–18633 Filed 9–1–17; 8:45 am]

BILLING CODE 3410–KD–P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Solicitation of Applications (NOSA or Notice) for the Multifamily Preservation and Revitalization (MPR) Demonstration Program Under Section 514, Section 515, and Section 516

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Housing Service (Agency) announces the timeframes to submit pre-applications to participate in a demonstration program to preserve and revitalize existing Mult-Family Housing (MFH) projects currently financed under Section 514, Section 515, and Section 516 of the Housing Act of 1949, as amended. Under this demonstration program, existing Section 515 Rural Rental Housing (RRH) and Sections 514/516 Off-Farm Labor Housing (FLH) projects may be revitalized to preserve the ability of rental projects to provide safe and affordable housing for very-low, low, or moderate-income residents. The goal for projects participating in this program will be to extend their affordable use without displacing tenants because of increased rents. RRH projects include properties designated as senior, family, mixed, congregate and cooperative housing with currently outstanding Section 515 loans. FLH projects include only off-farm properties with currently outstanding Section 514 loans.

This Notice does not provide any additional units of Agency Rental Assistance (RA) for projects financed under Section 514, Section 515, and Section 516.

DATES: Pre-applicants selected under this Notice to submit final applications will be funded to the extent an appropriation act provides sufficient funding at the time of final application approval. The amount of funding available will be posted in the Rural Development (RD) Web site. http://www.rd.usda.gov/programs-services/housingpreservation-revitalization-demonstration-loans-grants.

Pre-application submission deadlines for these opportunities are:

(1) For pre-applications requesting multiple MPR funding tools [including debt deferral of eligible Section 514 or Section 515 loans] complete pre-applications as defined in this Notice must be received no later than 5:00 p.m. Eastern Time December 1, 2017.

(2) For any MPR applicants requesting debt deferral only for eligible Section 514 or Section 515 loans, complete MPR pre-applications may be submitted on
an ongoing basis through 5:00 p.m. Eastern Time, September 28, 2018.

The Agency will not consider any pre-application received after the closing deadlines. MPR pre-applications will only be accepted electronically. All supporting documents must also be delivered electronically in PDF format by these deadlines to be considered for acceptance.

FOR FURTHER INFORMATION CONTACT:
Dean Greenwalt, dean.greenwalt@wdc.usda.gov, (314) 457–5933, and/or Abby Boggs, abby.boggs@wdc.usda.gov, (615) 783 1382, Multi-Family Housing Preservation and Direct Loan Division, STOP 0782, (Room 1263–S) U.S. Department of Agriculture, Rural Development, 1400 Independence Avenue SW., Washington, DC 20250–0782. (Please note these telephone numbers are not toll-free numbers.)

SUPPLEMENTARY INFORMATION: This Notice will be posted on the RD Web site, www.rd.usda.gov/newsroom/ notices-solicitation-applications-nosas. To the extent an Appropriation Act provides funding for the MPR demonstration program, program dollar commitments will only be made to the MPR pre-applicants selected to submit formal applications. The Agency will publish, as necessary, any revisions and amendments reflecting program modifications, in the Federal Register within the period this Notice remains open.

Expenses incurred in applying for this NOSA Notice will be borne by and be at the applicant’s sole risk.

The Agency will assign additional points to pre-applications from existing RD-financed projects based in or serving census tracts in persistent poverty counties as well as other areas with special housing needs. This emphasis supports RD’s mission of improving the quality of life for Rural Americans and an ongoing commitment to direct resources to those most in need.

A synopsis of this program and the pre-application’s universal resource locator will be listed by Catalog of Federal Domestic Assistance Number or at Federal Grants Wire at http://www.federalgrantswire.com or more specifically at https://www.cfda.gov/index?s=program%2emode=form%2etab=step1&lid=4c4fe0f56e9b2b1c e519a6c4104933bc.

Paperwork Reduction Act

The information collection requirements contained in this Notice have received approval from the Office of Management and Budget (OMB) under Control Number 0570–0190.

Overview

Federal Agency Name: Rural Housing Service, USDA.

Funding Opportunity Title: Multifamily Preservation and Revitalization Demonstration Program—Sections 514, Section 515, and Section 516 for Fiscal Year 2017 and any subsequent funding appropriation of funds made available during the term this NOSA is outstanding.

Announcement Type: Inviting responses in the form of pre-applications from interested applicants.

Catalog of Federal Domestic Assistance Number (CFDA): 10.447.

I. Funding Opportunity Description

The Consolidated Appropriations Act, 2017, Public Law 115–31, signed May 5, 2017, authorized USDA to conduct a demonstration program for the preservation and revitalization of the sections 514, 515, and 516 multi-family rental housing properties (off-farm FLH properties) to restructure existing USDA MFH loans expressly to ensure the project has sufficient resources to provide safe and affordable housing for low-income residents and farm laborers under the programs authorized by the Housing Act of 1949, as amended (42 U.S.C. 1448, 1448 and 1466).

This Notice solicits pre-applications from interested borrowers/applicants of MFH projects already participating in the Agency’s Section 515 MFH portfolio and Sections 514/516 FLH portfolio for the purpose of revitalization and preservation. Eligibility for MPR funding under this NOSA includes current RD borrowers that have received a loan from the Agency and eligible applicants who are applying to assume ownership and the associated presently outstanding RD loans on RD-financed MFH properties. Eligible applicants for the MPR program include individuals, partnerships or limited partnerships, consumer cooperatives, trusts, State or local public agencies, corporations, limited liability companies, non-profit organizations, Indian tribes, associations, or other entities that own or will be the owner of the project for which an application for transfer of ownership by the Agency is submitted.

Agency regulations for the Section 515 MFH program and the Sections 514/516 FLH program are published at 7 CFR part 3560.

The intent of the MPR demonstration program is to ensure that existing rental projects will continue to deliver decent, safe and sanitary, affordable rental housing for eligible tenants over the remaining term of any Agency loan, or the remaining term of any existing

Restrictive-Use Provisions (RUP) or Prohibition, whichever ends later.

MPR funds cannot be used to build community rooms, add additional parking areas, playgrounds, or laundry rooms. MPR funds may be used to repair or renovate existing project items identified in the Capital Needs Assessment (CNA) and to satisfy accessibility transition and fair housing requirements.

To fulfill an existing need for additional affordable rental housing as documented in a market study and/or another information source acceptable to the Agency, MPR funds may be used to add new units, and/or reconfigure the present units, within the existing footprint of a project’s current or previously resident-occupied structure(s) (e.g., converting the non-residential portion of mixed-used space into residential units). With Agency concurrence, MPR funds may also be used to meet the project’s five (5) percent fully accessible requirement as defined by Uniform Federal Accessibility Standards (UFAS). All pre-applications will be reviewed by the Agency using the process described in this NOSA and selected applicants will be invited to participate in the MPR demonstration program. Upon written notification to the Agency from the selected applicant of their acceptance to participate, the applicant will engage a qualified independent third-party to conduct a comprehensive Capital Needs Assessment (CNA) acceptable to RD (unless an existing CNA acceptable to the Agency was included as part of the pre-application submission) which should provide a fair and objective review of projected capital needs in any case where the applicant indicates additional MPR tools are also being requested. Applicants determined eligible to receive deferral-only MPR assistance for Exiting Projects and transfers will be processed on a continuous basis as described in this Notice so long as funds remain available. The Agency shall implement any other proposal that may be offered under this Notice through an MPR Conditional Commitment (MPRCC) with the eligible borrower/applicant, which will include all the terms and conditions offered by the Agency.

One of the MPR tools available in this program is debt payment deferral for up to 20 years for presently outstanding Section 514 or Section 515 loans. The cash flow from the deferred RD direct loan principal and interest payment will be deposited to the RD project’s reserve account or used as directed by the Agency to help meet the specific project’s future physical needs, support new debt or to reduce rents, or as otherwise directed and determined by the Agency to be in the best interests of the tenants and Government.
A. Debt deferral is described as follows:
1. MPR Debt Deferral. A deferral for up to 20 years of the existing Section 514 or Section 515 Agency loan(s). If the term of any existing Section 514 or Section 515 loans is less than 20 years, the Agency will offer a re-amortization of the existing loans extending the term up to 20 years based on an analysis of the individual needs of the specific property. If an MPR debt deferral is necessary as part of an ownership transfer under the provisions of 7 CFR 3560.406, debt deferral only for eligible loans as described herein may be included in the transfer underwriting when:
   a. The deferral of such loans will assure the continued feasibility of preserving needed rental units based on criteria described in 7 CFR 3560.57(a)(3), and
   b. The new owner, including all principles, does not share any identity of interest (IOI) with the selling entity in any other RD properties not fully compliant with all Agency requirements and conditions for any other outstanding RD indebtedness, or
   c. In those cases where the IOI seller, including the principles of the acquiring applicant, are fully compliant on any outstanding RD approved workout agreements.

Any questions on whether or not a loan is eligible for deferral should be directed to the local RD State Office at: http://www.rd.usda.gov/contact-us/state-offices.

2. All terms and conditions of the deferral will be described in the MPR Debt Deferral Agreement. A balloon payment of principal and accrued interest (deferral balloon) will be due at the end of the deferral period, or upon default pursuant to the terms contained therein. Interest will accrue at the promissory note rate and, if applicable, the subsidy will be applied as set out in the Agency’s “Multiple Family Housing Interest Credit Agreement”, Form RD 3560–9, which is available at http://forms.egov.usda.gov/eforum/eFileServices/eForms/RD3560–9.PDF.

3. At the time of the deferral balloon, RHS intends to use the available servicing tools to preserve any needed projects as affordable rental housing.

B. Other Agency MPR funding tools are as follows:
1. MPR Grant. A grant limited to non-profit applicants/borrowers only. The grant will be limited to the cost of correcting health and safety violations of a project, including accessibility and fair housing mandates identified by a CNA accepted by the Agency. The grant administration will be in accordance with applicable provisions of 2 CFR parts 200 and 400.
2. MPR Zero Percent Loan. A loan at zero percent interest. This loan is not deferred. Monthly payments are required for the maximum term and amortization period will be as authorized by the respective program authority.
   a. The maximum term for the Zero Percent Loan will not extend beyond the latest maturity date of any existing Section 515 RRH or Section 514 FLH loan term already in place at the time of closing, or the modified maturity date of any current loan being re-amortized.
   b. For Section 515 RRH projects, the maximum loan term is 30 years amortized over a maximum term of 50 years.
   c. For Sections 514/516 projects, the loan will be amortized over a maximum term of 33 years.
3. MPR Soft-Second Loan. A loan with a one percent interest rate that will have its accrued interest and principal deferred to a balloon payment. The balloon payment will be due at the same time as the latest maturing Section 514 or Section 515 loan already in place at the time of closing, or the modified maturity date of any current loan being reamortized.
4. Other Possible Sources of Funds:
   a. Rural Development Section 515 Rehabilitation loan funds for RRH projects;
   b. Rural Rehabilitation Sections 514/516 Off-Farm rehabilitation loan/grant funds for FLH projects;
   c. Rural Development Section 538 Guaranteed Rural Rental Housing (GRRH) program financing;
   d. Rural Development Multi-Family Housing Preservation Revolving Loan Funds program;
   e. Third-party loans, grants, tax credits and tax-exempt financing;
   f. Owner-provided capital contributions in the form of a cash infusion. A cash infusion cannot be a loan; and
   g. Excess funds as defined by the then current respective RD program servicing regulations from the project’s reserve or operating fund accounts, or donated services provided by the applicant.
5. Transfers/Subordinations/Consolidations. Transfers, subordinations, and consolidations may be approved as part of a MPR transaction for the selected pre-applicants in accordance with 7 CFR part 3560 and the following:
   a. If a transfer is part of the MPR transaction, and the transfer includes a seller payment and/or an increase in the allowable Return to Owner (RTO), the transfer must first be underwritten to meet the requirements of 7 CFR 3560.406 to establish the maximum RTO amount RD will recognize for the buyer and seller. When it is in the best interests of the Government and the tenants to meet preservation goals, the transferee may request RD to reconsider the initial transfer authorization and grant use of MPR debt deferral only of all eligible RRH or FLH loans.

Transfers using only MPR loan deferral funds in the underwriting do not require review by the RD Headquarters MPR Loan Review Committee. The RD State Office will submit these transfer requests through its HQ Review Underwriter to the Deputy Administrator, MFH for concurrence.

a. This Notice will allow transfer transaction applicants to submit a second feasibility scenario using multiple MPR tools in addition to their primary proposal with MPR Deferral only. Applicants may include, at their own risk, MPR Zero Percent and/or MPR Soft Second loans in their transfer proposals. The combined total of the Zero Percent and Soft Second loans may not exceed the amount posted on the RD Web site at the beginning of each Round. Notwithstanding the aforementioned, if the transfer proposer a seller payment and/or an increase in the allowable Return to Owner (RTO), the transfer must first be underwritten to meet the requirements of 7 CFR 3560.406 to establish the maximum RTO amount RD will recognize for the buyer and seller. RD has added a feature to its Transfer Preliminary Assessment Tool (PAT) that provides users the ability to include the second feasibility scenario using multiple MPR tools within the same template.

b. An applicant that chooses to include MPR Zero Percent and/or MPR Soft Second loans in their transfer proposal will formally acknowledge that they understand inclusion of those funds in the underwriting constitutes neither an approval nor a commitment of any MPR funds by the Agency. They must also submit a transfer proposal for the transaction consistent with other proposals using other types of currently available financing, so the Agency can determine the feasibility of the transfer using such alternative forms of financing (e.g., Section 538). If MPR funds are not available or the transfer is not feasible without those funds, the applicant may choose to wait for MPR funds to become available. If the applicant must move forward with the transaction and is unable to wait for MPR funds to become available, it will be the applicant’s responsibility, not the Agency’s, to secure additional equity
and/or funding comparable to the rates and terms of the MPR loan funds from other non-Agency sources to replace the MPR tools. The applicant may also choose to modify its transaction and exclude the use of MPR funds if the transaction remains financially feasible.

(c) The Agency will evaluate all transfers applying to participate in the MPR program equally, whether they chose to use MPR tools at underwriting or not. Every transfer application, regardless of the use of MPR tool in the underwriting, applying to participate in the MPR program will be evaluated and selected in accordance to the selection process outlined in this Notice. The MPR funds amount limit [mentioned in b. above] will not apply to transfers approved by the Agency that do not use MPR Zero percent and MPR Soft Second loans in its proposal.

MPR funds will not be used to pay equity on MFH transfers.

d. Prior RD Headquarters concurrence is required for any transfer with equity loan beyond RTO, or waivers for unusual transactions that fall outside of the normal transfer transaction principles of 7 CFR 3560.406 or revitalization related policy issues not otherwise addressed.

1. For the purposes of the MPR demonstration program, the Agency will identify transactions in four (4) categories:

i. Exiting Project Deferral Only Transactions: These involve no change in ownership and only defer payments to the final due date authorized by statutory and program regulations unless otherwise modified under the terms of this Notice. This tool is available only to project owners where all Agency mortgages on the property are maturing on or before December 31, 2023. A CNA will not be required for these transactions unless the RD debt payments are being deferred to allow additional capital repairs and improvements to fund work beyond the scope of the servicing requirement for reserve account use as in servicing the annual operating budget under 7 CFR 3560.306 (g).

ii. Exiting Project deferral only transactions do not require review by the RD Headquarters MPR Loan Review Committee. The RD State Office will submit these transfer requests through its HQ Review Underwriter to the Deputy Administrator, MFH for concurrence.

iii. Simple Transactions: These involve no change in ownership where the borrower is seeking one or more of the available MPR tools to meet the specific project’s present and future physical need, support new debt or to reduce rents, or as otherwise directed as determined by the Agency to be in the best interests of the tenants and Government. Simple transactions involve a single project but may include the consolidation of project phases owned by the same entity into one project under 7 CFR 3560.410.

iv. Complex Transactions: These may consist of one or more project transfers within the same market area to a single new owner processed in accordance with 7 CFR 3560.406, with or without a consolidation; or single-owner transactions requiring a subordination agreement because of third-party funds. A complex transaction may involve more than one project but results in only a single project upon closing the transaction. The applicant will submit one pre-application.

A. If a consolidation of existing properties is simultaneously proposed, all projects being consolidated must be submitted on one pre-application and must all be owned by the same entity. Market area is defined in 7 CFR 3560.11 as the geographic or locational delineation for a specific project, including outlying areas that will be impacted by the project including the area in which alternative, similar properties effectively compete with the subject property.

B. For a MPR consolidation, all projects must be of the same type, be in a neighborhood or similar area where the properties compete for the same tenants; managed under one management plan and one management agreement; and, in sufficiently close proximity to permit convenient and efficient management of the property.

C. Applicants should discuss proposed consolidations with the Rural Development State Office in the State where the projects are located prior to filing their MPR pre-application to ensure Rural Development concurs with the applicant’s market area estimation.

D. Removal of one or more projects from the proposal by either the Agency or the owner does not affect the eligibility of the complex transaction. To be a complex transaction, the Agency assumes only one project remains at the MPR closing.

iv. Portfolio transactions: These include two or more projects with one stay-in owner that will not be consolidated into a single property under 7 CFR 3560.11, or two or more projects with multiple projects located in one State sale transactions to a common purchaser. A stay-in owner is defined as per existing Section 515 or Sections 514/516 borrower who owns two or more properties either as a single ownership entity, or as separate legal entities with at least one common general partner/managing member capable of securing all necessary approvals from other partners, investors, etc. as may be required in the entity’s organizational documents for participation in the MPR program prior to closing. Each project in the portfolio will be submitted on a separate pre-application form unless those located in the same market area are being consolidated as defined above. Any projects being consolidated should be listed on the same pre-application form. Each pre-application must have the same portfolio name. If the owner chooses to remove one or more projects from the proposal, at least two projects must remain in order to be classified as a portfolio transaction. At the end of the transaction, the Agency assumes there will be two or more unconsolidated projects remaining. The projects of the stay-in owner or common purchaser must have at least one general partner/managing member in common capable of securing the consent of all other partners or members prior to closing the MPR in accordance with the entity organizational documents.

6. Transactions, other than Exiting Project deferral only MPR assistance, within each category may utilize any or all MPR funding tools described above in paragraph I, “Funding Opportunity Description”. MPR tools available through the MPR demonstration program address preservation and rehabilitation needs identified in the Agency-accepted CNA, including any accessibility transition plans and fair housing requirements not previously satisfied.

7. The total of all liens against the project, with the exception of Agency deferred debt, cannot exceed the Agency-approved security value of the project. All Agency debt, either in first lien position or in a subordinated lien position, must be secured by the project, except deferred debt, which is not included in the Agency’s total lien position for computation of the Agency’s security value in the MPR program. Payment of any deferred debt will not be required from normal project operations income. Payment of any deferred debt will be required from excess cash generated from project operations after all other secured debts, required reserves and operational costs are satisfied or as directed by the Agency.

8. All exiting RD direct loans with payments being deferred will be reamortized or restructured to the maximum term allowed under the
respective RRH or FLH loan program authorities prior to debt deferral.

C. MPR Applicants
Pre-applicants selected under this Notice to submit formal applications will be subsequently referred to as “Applicants”, and will be considered for available funding as described in this Notice subject to the availability of MPR funds or other program funds for which they may be eligible.

D. Exiting Project Applicants
The Agency recognizes that a number of Section 515 and Sections 514/516 properties are financed through mortgages scheduled to mature through calendar year 2023. The Agency will make an MPR debt deferral available to properties with all Agency mortgages maturing on or before December 31, 2023, that are not already being reamortized as part of an RD servicing action to extend the affordable use of the housing and continue its eligibility for Section 521 Rental Assistance. Notwithstanding any other provisions of this Notice, MPR pre-applicants applying for a deferral of their eligible mortgage debt and any other MPR tools will be required to meet the continuing eligibility requirements as outlined in “Section III Eligibility Information” of this Notice. Applicants applying solely for deferral of eligible Exiting Projects will only be required to submit the MPR pre-application within the established deadlines set out in the DATES section of this Notice; no additional supporting documentation is required. The applicant will complete the MPR pre-application incorporating the date the Agency loans will mature. The Agency reserves the right to approve an MPR debt deferral under this paragraph in its sole discretion, based on factors including but not limited to: the preceding 12-month average physical vacancy; analysis of current ownership; evidence the property is financially solvent; the current physical condition of the property; amount of assistance needed to meet immediate and long term physical needs of the property; and the availability of other subsidized housing within the community. The RD State Office will submit Exiting Project deferral only requests through its HQ Review Underwriter to the Deputy Administrator, MFH for concurrence.

II. Award Information
Pre-applications selected under this Notice that become an Agency approved application may be funded with current or future fiscal year funds subject to the availability of a funding appropriation. Any decisions selected under this Notice, will be considered withdrawn on December 31, 2018, if not approved by the Agency. This deadline will not be extended, so please plan your transaction’s timeline accordingly. Applicants may reapply for funding under future rounds and/or Notices as may be made available.

AWARDS

Awards under this Notice mean any loan or grant approved and obligated. Awardees receiving loans or grants under the MPR program are subject to 2 CFR 25.200. All Awardees of any nature under this Notice are subject to the applicable requirements of the Office of Management and Budget (OMB)-approved USDA Suspension and Debarment, and Drug-Free Workplace Certifications as prescribed under Title 2 CFR parts 417 and 421.

Applicants are advised that the Agency has unfunded applications carried over from prior Notices that will receive priority consideration for funding approval from available fiscal year appropriations based on the terms of those Notices. If fiscal year funds available for the MPR demonstration program are fully committed before funding all remaining eligible pre-applications selected for further processing under this Notice, the Agency may continue to process pre-applications that if approved, may receive conditional commitments subject to the future appropriation and availability of MPR funds.

Applicants are further advised that the Agency anticipates it may not have sufficient funding under this Notice to fund every approved application. If the Agency depletes the available MPR funds before funding every approved application, then every approved application not funded will be incorporated into a funding priority queue. The queue will prioritize approved applications by receipt date and score and it will be maintained by the HQ Review Underwriter Team Leader (Team Leader).

The queue process begins when HQ Review Underwriters email approved applications to the Team Leader, who accumulates the approved applications for placement in the queue throughout the week until the weekly submission deadline of midnight Eastern Time every Thursday. The Team Leader then incorporates the approved applications received through Thursday into the queue no later than the following Tuesday (e.g., requests received from Friday, April 13, 2018 to Thursday, April 19, 2018 will be reviewed and placed into the queue in scoring order by Tuesday, April 24, 2018). To the extent that MPR funds become available, they will be allocated starting with the first approved application on the queue until all funds are exhausted. As long as MPR funds remain available or when MPR funds become available once again, the Agency will continue to allocate those funds in the manner aforementioned. However, if an application is not approved by the HQ Loan Review Committee and the application is returned to the State Office, the application will be reassigned a new place in the queue based on the [email] date and time the HQ Review Underwriter resubmits the application to the Team Leader. In the event of a tie, priority will be given to the request for the project that: First—has the highest percentage of leveraging (lowest Loan to Cost); second—is in the smaller rural community.

In order to maximize the distribution of MPR funds among as many States as possible, the Director, MFH PDL, may authorize a State with four (4) or less funded applications to be funded ahead of any State with five (5) or more funded applications even when the application from the State with (4) or less funded applications has a later queue date and time than the application from a State with five (5) or more funded applications.

MPR funding tools are only for authorized purposes in the respective RRH and FLH programs in accordance with 7 CFR 3560 unless otherwise determined to be in the best interests of the government. The program will be administered within the resources available to the Agency through Public Law 114–113 and any future appropriations for the preservation and revitalization of Sections 514/516 and Section 515-financed projects. In the event that any provisions of 7 CFR part 3560 conflict with this Notice, the provisions of this Notice will take precedence.

III. Eligibility Information
Applicant eligibility requirements. For the purpose of this Notice, “applicant” includes the applying entity (e.g., ABC LLP) and the entity’s principals (e.g., John Doe, General Partner of ABC LLP; XYZ, Inc., General Partner of ABC LLP; John Doe Jr., President of XYZ, Inc.). In the case of a single asset entity that is not a natural person, the Agency will rely solely on the qualifications of the natural person(s) managing/controlling the entity (whether directly or indirectly through other entities) to establish the applicant’s eligibility.

These eligibility requirements include substantial and verifiable favorable experience and creditworthiness, but do
not require the test for other credit. Appropriate credit reports will be ordered by RD upon receipt of the MPR application selected for further processing in all cases, unless a current credit report has been included as part of a RD transfer application file. In the case of FLH applicants, eligibility requirements are included in 7 CFR 3560.555.

1. All applicants must meet the following requirements:
   a. Be a U.S. citizen or qualified alien(s); a corporation; a State or local public Agency; an Indian tribe as defined in § 3560.11; or a limited liability company (LLC), non-profit organization, consumer cooperative, trust, partnership, or limited partnership in which the principals are U.S. citizens or qualified aliens;
   b. Be unable to obtain similar credit elsewhere at rates that would allow for rents within the payment ability of eligible residents;
   c. Possess the legal and financial capacity to carry out the obligations required for the loan or grant;
   d. Be able to maintain, manage, and operate the housing for its intended purpose and in accordance with all Agency requirements as demonstrated with its compliance with Agency servicing requirements. Non-compliance with Agency servicing requirements with other projects owned and/or managed by natural person(s) managing/controlling (whether directly or indirectly through other entities) the borrowing entity, will render the applicant ineligible to participate in the MPR program nationwide until the non-compliance event(s) is/are remedied;
   e. With the exception of applicants who are a non-profit organization, housing cooperative or public body, be able to provide the borrower contribution from their own resources (this contribution must be in the form of cash, or land, or a combination thereof); f. Not be suspended, debarred, or excluded based on the “List of Parties Excluded from Federal Procurement and Non-Procurement Programs.” The list is available to Federal agencies from the U.S. Government Printing Office. Non-Federal parties should contact the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, (202) 512–1800; g. Not be delinquent on Federal debt or a Federal judgment debtor, with the exception of those debtors described in 7 CFR 3560.55 (b); and
   h. Be in compliance with the requirements of the Improper Payments Elimination and Recovery Improvement Act (IPERIA) as applied by USDA.

Additional requirement for applicants with prior debt. If an applicant, the managing general partner, managing member, or key principal in the organization decision-making and operational authority that may control the applicant and any sub-applicant entities involved including the actual natural person(s) of any sub-entity (i.e., other organizations, partnerships, etc.) excising management and/or financial control of an applicant borrower, as well as any affiliated entity having a 10 percent or more ownership interest, having a prior or existing Agency debt, the following additional requirements must be met:
   a. The applicant must be in compliance with any existing loan or grant agreements and with all legal and regulatory requirements or must have an Agency approved workout agreement and be in compliance with the provisions of the workout agreement. The Agency may require that applicants with monetary or non-monetary deficiencies be in compliance with an Agency-approved workout agreement for a minimum of six (6) consecutive months before becoming eligible for further assistance.
   b. The applicant must be in compliance with the Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and all other applicable civil rights laws.

Additional requirements for non-profit organizations. In addition to the eligibility requirements of paragraphs above, non-profit organizations must meet the following criteria:
   a. The applicant must have received a tax-exempt ruling from the IRS designating the applicant as a 501(c)(3) or 501(c)(4) organization.
   b. The applicant must have in its charter the provision of affordable housing.
   c. No part of the applicant’s earnings may benefit any of its members, founders, or contributors.
   d. The applicant must be legally organized under State and local law.
   e. In the case of off-farm labor housing loans and grants, non-profit organizations must be “broad-based” non-profit organizations (refer to § 3560.555(a)(1)).

Additional requirements for limited partnerships. In addition to the applicant eligibility requirements aforementioned, limited partnership loan applicants must meet the following criteria:
   a. The general partners must be able to meet the borrower contribution requirements if the partnership is not able to do so at the time of loan request.
   b. The general partners must maintain a minimum 5 percent financial interest in the residuals or refinancing proceeds in accordance with the partnership organizational documents.
   c. The partnership must agree that new general partners can be brought into the organization only with the prior written consent of the Agency.

Additional requirements for Limited Liability Companies (LLCs). In addition to the applicant eligibility requirements aforementioned, LLC loan applicants must meet the following criteria:
   a. One member who holds at least a five (5) percent financial interest in the LLC must be designated the authorized agent to act on the LLC’s behalf to bind the LLC and carry out the management functions of the LLC.
   b. No new members may be brought into the organization without prior consent of the Agency.
   c. The members must commit to meet the equity contribution requirements if the LLC is not able to do so at the time of loan request.

1. This Notice requires selected applicants to make the required equity contribution as outlined in 3560.63(c) for any new Section 515 loan offered as part of the MPR. Applicant funds committed under Section I, may be used to fund all or a portion of the required RD equity contribution for the subsequent direct program loan. Loan applicants will not receive any increased equity value attributed to the property since the initial RD loan closing and will not receive additional RTO for this contribution.

2. Eligibility also includes the continued ability of the borrower/applicant to provide acceptable management and will include an evaluation of any current outstanding deficiencies. As defined in Section V of this Notice, any outstanding violations or extended open operational findings associated with the applicant/borrower or any affiliated entity having an identity of interest (IOI) with the project ownership and which are recorded in the Agency’s automated Multi-Family Information System (MFIS), will preclude further processing of any MPR applications unless there is a current, approved workout plan in place and the plan has been satisfactorily followed for a minimum of six (6) consecutive months, as determined by the Agency.

3. For Section 515 RRH projects, the average physical vacancy rate for the 12 months preceding this Notice’s pre-application submission date can be no more than 10 percent for projects consisting of 16 or more revenue units and no more than 15 percent for projects less than 16 revenue units unless an
exception applies under Section IV B 1(b) of this Notice. The Agency may require additional information, which may include a current market study, to assess the need of the project and its continued financial feasibility. If a project consolidation is involved, the consolidation will remain eligible so long as the average vacancy rate for each individual project meets the occupancy standard noted in this paragraph. Any individual project selected under the complex or portfolio pre-application submission that does not continue to meet the occupancy threshold at the time of filing the formal application, regardless of reason, may be withdrawn by the owner or the Agency from complex or portfolio applicant package without jeopardizing the formal application so long as the application continues to meet the eligibility conditions otherwise described in this Notice.

4. For Sections 514/516 FLH projects, rather than an average physical vacancy rate as noted in section (ii) above, a positive cash flow for the previous full three (3) years of operation is required unless an exception applies as described section III(A)(3), above for projects with an approved work out plan.

5. MPR tools will only be awarded if the pre-applicant will meet applicable program ownership requirements, including the ability to operate the project after the transaction is completed. In the event of a MFH transfer, the proposed transferee must submit evidence of site control together with a copy of the borrower’s written request signed by both the proposed buyer and the seller describing the general terms of the proposed transfer. Evidence may include a Purchase Agreement, Letter of Intent, or other documentation acceptable to the Agency.

6. An Agency approved CNA (for guidance refer to http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants) and an Agency financial evaluation/analysis must be conducted to ensure that utilization of the MPR demonstration program tools is financially feasible, and necessary for the revitalization and preservation of the project as affordable housing.

7. Initial eligibility for any processing will be determined as of the date of the pre-application filing deadline. The Agency reserves the right to discontinue processing any application due to material changes in the applicant’s status occurring at any time after the initial eligibility determination.

8. All selected applicants must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and register in the Central Contractor Registration (CCR) prior to submitting an application pursuant to 2 CFR 25.200. In addition, all entity applicants must maintain registration in the CCR database at all times during which it has an active Federal award or an application or plan under consideration by the Agency as required by OMB in 2 CFR 25.200 and 25.305. Similarly, all recipients of Federal Financial Assistance are required to report information about first-tier, sub-awards and executive compensation, in accordance with 2 CFR part 170. So long as an entity applicant does not have an exception under 2 CFR 170.110(b), the applicant must have the necessary processes and systems in place to comply with the reporting requirements should the applicant receive funding. See 2 CFR 170.200(b).

IV. Application and Submission Information

A. The general steps of the MPR application process are as follows:

1. Pre-application: All applicants for MPR funds submit a pre-application as described in Section VI along with any supporting documentation as outlined in this Notice. Failure to timely submit all required documentation will result in an incomplete pre-application. This pre-application process is designed to lessen the cost burden on all applicants, including those who may not be eligible or whose proposals may not be feasible. Selection of a pre-application for further processing is not an award or commitment for funding, except for Exiting Project deferrals cited in Section I D of this Notice.

   Note: If you receive a loan or grant award under this Notice, USDA reserves the right to post all information submitted as part of the pre-application/application package, which is not protected under the Privacy Act, on a public Web site with free and open access to any member of the public.

2. Eligible Projects: Using criteria described below in this Notice, the Agency will conduct an initial screening for eligibility. As described in Section VI, the Agency will conduct an additional eligibility screening later in the formal application process.

3. Scoring and Ranking: All complete, eligible and timely filed pre-applications will be scored, ranked and put in potential funding categories as discussed in this Notice.

4. Formal Applications: All complete, eligible and timely filed pre-applicants will receive a letter from the Agency inviting them to submit a formal application. As discussed in Section III of this Notice, the Agency will require the owner to provide a CNA, completed in accordance with the Agency’s published guidance (available at http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants) to underwrite the proposal to determine financial feasibility.

   Applicants will be informed of any proposals that are determined to be incomplete, ineligible, or financially infeasible. Any proposal denied by the Agency will be returned to the applicant, and the applicant will be given appeal rights pursuant to 7 CFR 11.

5. Financial Feasibility: The Agency will use the results of the CNA to help identify the need for resources and applicant provided information regarding anticipated or available third-party financing in order to determine the financial feasibility of each potential transaction. The Agency will use tools available either through existing regulatory authorities or specifically authorized through the MPR demonstration program. A project is financially feasible when it can provide affordable, decent, safe, and sanitary housing for 20 years or the remaining term of any Agency loan, whichever ends later, by using the authorities of this program while minimizing the cost to the Agency, and without increasing rents for eligible tenants, except when necessary to meet normal and necessary operating expenses, as determined by the Agency.

6. If the Agency determines the transaction is financially feasible, it may be able to offer the borrower a revitalization proposal, subject to available funding. This will include a requirement that the borrower execute and record, an Agency-approved Restrictive-Use Covenant (RUC) for a period equivalent to the longest term of any MPR funding being authorized, the remaining term of any non-deferred existing loans, or the remaining term of any existing RUPs, whichever ends later. The proposal will be established in the offer presented to the applicant as part of a MPR Conditional Commitment (MPRCC) using a format determined by RD.

7. MPR Agreements: If the applicant accepts the offer, the applicant must sign and return the MPRCC. By signing the offer, the applicant agrees to the terms of the MPRCC. Any third-party lender will be required to subordinate to the Agency’s RUC unless the Agency determines, on a case-by-case basis, that the lender’s refusal to subordinate will
not compromise the purpose of the MPR demonstration program.

8. General Requirements: The MPR transactions are with a stay-in owner (simple) or may involve a change in ownership (complex or portfolio). Any housing or related facilities that are constructed or repaired must meet the Agency design and construction standards and the development standards contained in 7 CFR part 1924, subparts A and C, respectively. Upon completion, Section 515 MFH and Sections 514/516 FLH projects must be managed in accordance with 7 CFR 3560. Tenant eligibility will be limited to persons who qualify as an eligible household under Agency regulations. Tenant eligibility requirements are contained in 7 CFR 3560.152.

B. The MPR application submission and scoring will be completed in two phases in order to avoid unnecessary effort and expense on the part of applicants. The two phases are as follows:

1. Phase I—The first phase is the pre-application process. Applicants, including applicants seeking deferral only, must submit a complete pre-application by the deadline listed under the DATES section of this Notice. The applicant’s submission will be classified as “complete” when the MPR pre-application is received in the correct format and place as described in this Notice for each existing property the applicant wishes to be considered in the demonstration program. When the MPR proposal involves a project consolidation, the consolidation will be completed in accordance with 7 CFR 3560.410. One pre-application for the proposed consolidated project is required and must identify each project included in the consolidation. If the MPR proposal involves a portfolio transaction (sale or stay-in owner), one pre-application for each project in the portfolio is required and each pre-application must identify each project included in the portfolio transaction. Pre-applications must include applicable information requested on the MPR pre-application form and must be provided to be complete for consideration. Additional information that must be provided with the pre-application to be considered complete, when applicable, includes:
   a. For all transfers of ownership, evidence of site control.
   b. Current market data (defined as no more than 6 months old at time of filing) for any project not meeting the occupancy standards cited in sections III (2) above. The market data must demonstrate there is need for the project evidenced by waiting lists and a housing shortage confirmed by local housing agencies and realtors and accepted by the Agency. The market data must show a clear need and demand for the project once an MPR transaction is completed. The results of the survey of existing or proposed rental or labor housing, including complex name, location, number of units, bedroom mix, family or elderly type, year built, and rent charges must be provided, as well as the existing vacancy rate of all available rental units in the community, their waiting lists and amenities, and the availability of RA or other subsidies. The Agency will determine whether or not the proposal has market feasibility based on the data provided by the applicant. Any costs associated with the completion of the market data is NOT an eligible program project expense.
   c. For a property that has been sold to a non-profit entity under the Sale to Non-Profit process defined in 3560, Subpart N, a copy of the recorded Deed.

2. Phase II—The second phase of the application process will be completed by the Agency based on Agency records and the pre-application information submitted. All complete, eligible, and timely-filed pre-applications will be scored and ranked based on points received during the application process. Further, the Agency will categorize each MPR proposal as being an Exiting Program Deferral, Simple, Complex, or Portfolio transaction based on the information submitted on the pre-application, in accordance with the category descriptions provided in Section I of this Notice.

All pre-applications will only be submitted electronically. Pre-applications received electronically will be recorded by the actual date and time received in the MPR Web site and used in ranking the pre-application as discussed under section I A 3.

Assistance with filing electronic pre-applications can be obtained from any Rural Development State Office. USDA Rural Development MFH State Office contacts can be found at http://www.rd.usda.gov/contact-us/state-offices.

(Note: Telephone numbers listed in the Web site are not toll-free.)

The pre-application is in Adobe Acrobat format and will be completed as a fillable form online. The form contains a button labeled “Submit by Email” and must be clicked to receive an email indicating a pre-application has been sent to the MPR Web site and acknowledging that the pre-applicant will submit to the electronic mailbox any required attachments for consideration. If a purchase agreement or market data is required, these additional documents are to be attached to the resulting email prior to submission.

Pre-applications may be downloaded from the Agency’s Web site at http://www.rd.usda.gov/programs-services/housing-preservation-revitalizationdemonstration-loansgrants or obtained by contacting the State Office in the State the project is located to assist the pre-applicant in gathering the details necessary to complete and submit their electronic application. Additional information may also be obtained in writing by contacting Dean Greenwald or Abby Boggs, Multi-Family Housing Preservation and Direct Loan Division, STOP 0782, (Room 1263–S), U.S. Department of Agriculture, Rural Development, 1400 Independence Avenue SW., Washington, DC 20250–0782.

V. Application Review Information

A. Pre-application ranking points will be based on information provided during the submission process, and in Agency records. Only timely, complete pre-applications requesting both debt deferral of eligible Section 514 or Section 515 loans AND other MPR funding tools will be ranked. Points will be awarded as follows:

1. Contribution of other sources of funds. Other funds are those discussed in Section I.B, 4 “Other Sources of Funds” paragraph, items (a) through (g), above. Points will be awarded based on documented written evidence that the funds are committed, as determined by the Agency. “Commitment” means an actual award of funds evidenced by a documented approval, obligation, or another contractual agreement between a third-party funder and the borrower/applicant entity to provide funds. Commitments that include the terms ‘may’ or ‘may not be acceptable for scoring purposes. The maximum points awarded for this
criterion is 30 points. These points will be awarded in the following manner:

a. Evidence of a commitment of at least $3,000 to $5,000 per unit per project from other sources—10 points, or

b. Evidence of a commitment greater than $5,000 to $10,000 per unit per project from other sources—15 points.

c. Evidence of a commitment greater than $10,000 to $15,000 per unit per project from other sources—20 points.

d. Evidence of a commitment greater than $15,000 per unit per project from other sources—30 points.

2. Owner contribution. Points will be awarded if the owner agrees to make a contribution of at least $500 per unit to pay transaction costs. (These funds cannot be from the project’s reserve, operating funds, tax credit equity or be in the form of donated services provided by the applicant.) Transaction costs are defined as those Agency approved costs required to complete the transaction under this Notice and include, but are not limited to the CNA, legal and closing costs, appraisal costs, RD MPR credit report and associated MPR document filing/recording fees. This contribution must be deposited into the respective project reserve account prior to closing the MPR transaction from the owner’s non-project resources. The maximum points awarded for this criterion is 30 points. These points will be awarded in the following manner:

a. Evidence of a contribution of at least $500 to $650 per unit—10 points, or

b. Evidence of a contribution greater than $651 to $900 per unit—20 points, or

c. Evidence of a contribution greater than $901 per unit—30 points.

3. Owner contribution for the hard costs of construction. (These funds cannot be from the project’s reserve account or project’s general operating account or in the form of a loan.) Hard costs of construction are defined as those costs for materials equipment, property or machinery required to complete the proposal under this Notice. Owner contributions under this criteria are not eligible for a Return on Investment (ROI) under 7 CFR 3560.68 if they are part of the minimum 3 percent or 5 percent initial investment required in conjunction with any Section 515 direct loan or have been contributed as any amount used to establish the RTO in a MFH transfer authorized under 7 CFR 3560.406. Owner contributions of the minimum 3 percent or 5 percent initial investment required in conjunction with any new Section 515 direct loan used toward hard costs of construction may be included in the contribution amount of

Section 515 direct loan used toward hard costs of construction may be

included in the contribution amount of

the previous 24 months, or other unavoidable accident causing physical property damage or failure that is not reimbursable by property, casualty or liability insurance or any other form of third-party compensation, such as disaster loans and grants from other agencies. 25 points

7. Age of project. For a project consolidation (including portfolio transactions) proposal, the project with the earliest operational date (operational date is the date the project initially placed in service and documented in MFIS) will be used in determining the age of the project. Since the age of the project and the date the project placed in service are generally directly related to physical needs, no pre-application will receive more than a maximum of 30 points based on the following criteria:

a. Projects with initial operational dates prior to December 21, 1979—30 points.

b. Projects with initial operational dates on or after December 21, 1979, but before December 15, 1989—20 points.

c. Projects with initial operational dates on or after December 15, 1989, but before October 1, 1999—10 points.

d. Projects with initial operational dates on or after October 1, 1999—0 points.

8. Projects with Open Physical Findings. An “Open Physical Finding” is a physical condition to the property buildings or improvements, identified by the Agency that is not in compliance with the Agency standards published in 7 CFR 3560.103. Projects with Open Physical Findings classified “B”, “C”, or “D”, as defined below, will be awarded points in the following manner:

Class “D” Projects

Class “D” projects are those projects that are in default and may be taken into inventory, be lost to the program, or cause the displacement of tenants. Defaults can be monetary or non-monetary. Projects in default are those where the Agency has notified the borrower of a violation using the Agency’s servicing letter process, and the borrower has not addressed the violation to the Agency’s satisfaction.

Class “C” Projects

Class “C” projects are projects with Open Physical or Financial findings or violations, which are not associated to an approved workout and/or transition plan. This can include projects with violations where a servicing letter has been issued but 60 calendar days have not passed since the issuance of the first servicing letter.
Class “B” Projects

Class “B” projects indicate the Agency has taken servicing steps and the borrower is cooperating to resolve identified findings or violations by associating an approved workout plan and/or transition plan.

For transfer proposals:

a. For projects classified a “C” or “D” for 24 months or more, 20 points
b. For projects classified as a “C” or “D” for less than 24 months. 15 points

Stay-in-owner proposals:

a. For projects classified as a “B” because of a workout and/or transition plan approved by the Agency for not more than 12 months prior to the application closing dates contained in this Notice. 25 points
b. Projects with an Agency “C” classification for 24 months or longer with Open Findings that were within the owner’s ability/control to cure at the time the MPR pre-application is filed will not be eligible to participate in the MPR demonstration program.

9. Closed Sale of Section 515 projects to non-profit/Public Housing Authority. The Agency will award 30 points for projects that have been sold to nonprofit organizations under the prepayment process as explained in 7 CFR 3560. Subpart N. To receive points, the borrower/applicant must provide a copy of the filed deed with their pre-application. 30 points

10. Prior approved CNAs. In the interest of ensuring timely application processing and underwriting, the Agency will award up to 20 points for projects with CNAs already approved by the Agency. “Approved” means the date the CNA or an updated CNA was approved by the Agency. CNAs or updates previously approved more than 12 months prior to the pre-application submission, may not be used for MPR underwriting without an update approved by the Agency. Points will be awarded for:

a. CNAs approved no earlier than 12 months before MPR closing date specified in this NOTICE for which the MPR pre-application is filed, 20 points
b. CNAs approved no earlier than 24 months before MPR closing date specified in this NOTICE for which the MPR pre-application is filed, 10 points

11. Tenant service provision. The Agency will award 5 points for applications that include new services provided by either a for-profit or a non-profit organization, which may include a faith-based organization, or by another Government agency. Such services shall be provided at no cost to the project and shall be made available to all tenants. Examples of such services may include transportation for the elderly, afterschool day care services or after-school tutoring, 5 points.

12. For portfolio sales with project consolidations as defined in this Notice, the Agency will award the following points:

a. Proposal does not involve a consolidation of properties 0 points;
b. Proposal involves a consolidation of 2–4 properties 5 points;
c. Proposal involves a consolidation of 5 or more properties 10 points.

13. Energy Conservation, Energy Generation, and Green Property Management. Project may receive a maximum total of not more than a combined 42 points under three categories: Energy Conservation, Energy Generation, and Green Property Management. 42 Points

a. Energy Conservation. Under the MPR Energy Initiatives, projects participating in the Green Communities program by the Enterprise Community Partners, http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-greencommunities, will be awarded 40 points for any project that qualifies for the program provided at least 30 percent of the points needed to qualify for the Green Communities program are being earned under the Energy Efficiency section of the Green Communities program. Participation in Green Communities has an initial checklist indicating prerequisites for participation. Each applicant must provide a checklist establishing that the prerequisites for each program’s participation will be met. Additional points will be awarded for checklists that achieve higher levels of energy efficiency certification as set forth in paragraph 2 below. All checklists must be accompanied by a signed affidavit by the project architect or engineer stating that the goals are achievable. 40 Points
b. Other Energy Conservation. If you are not enrolling in the Green Communities program, then points can be accumulated for each of the following items up to a total of 30 points. Provide documentation to substantiate your answers below: documentation may include a signed statement agreeing to replace the items, when needed, with Energy Star rated items.

i. This proposal includes the replacement of heating, ventilation, and air conditioning (HVAC) equipment with Energy Star qualified heating, ventilation, and air conditioning equipment. 4 points
ii. This proposal includes the replacement of windows and doors with Energy Star qualified windows and doors. 4 points
iii. This proposal includes additional attic and wall insulation that exceeds the required R-Value of these building elements for your areas as per the International Energy Conservation Code 2012. Three points will be awarded if all exterior walls exceed insulation code, and 2 points will be awarded if attic insulation exceeds code for a maximum of 5 points.

iv. This proposal includes the reduction in building shell air leakage by at least 15 percent as determined by pre- and post-rehab blower door testing on a sample of units. Building shell air leakage may be reduced through materials such as caulk, spray foam, gaskets, and house-wrap. Sealing of duct work with mastic, foil-backed tape, or aerosolized duct sealants can also help reduce air leakage. 4 points
v. This proposal includes 100 percent of installed appliances and exhaust fans that are Energy Star qualified. 3 points
vi. This proposal includes 100 percent of installed water heaters that are Energy Star qualified. 3 points
vii. Energy Star qualified. 3 points
viii. This proposal included replacement of 100 percent of toilets with flush capacity of more than 1.6 gallon flush capacity with new toilets having 1.6 gallon flush capacity or less, and with Environment Protection Agency (EPA) Water Sense label. 2 points
ix. This proposal includes 100 percent of new showerheads with EPA Water Sense label. 2 points
x. This proposal included 100 percent of new faucets with EPA Water Sense label. 1 point
xi. This proposal included 100 percent energy-efficient lighting including, but not limited to, Energy Star qualified fixtures, compact fluorescent replacement bulbs in standard incandescent fixtures and Energy Star ceiling fans. 2 points

AND

c. Participation in local green/energy efficient building standards. Applicants who participate in a city, county, or municipality program will receive an additional 2 points. The applicant should be aware and look for additional requirements that are sometimes embedded in the third-party program’s rating and verification systems. 2 points


Pre-applications which participate in the Green Communities program by the Enterprise Community Partners, or receive at least 20 points for Energy Conservation measures, are eligible to earn additional points for installation of
on-site renewable energy sources.

Renewable, on-site energy generation will complement a weather-tight, well-insulated building envelope with highly efficient mechanical systems. Possible renewable energy generation technologies include, but are not limited to: wind turbines and micro-turbines, micro-hydro power, photovoltaic (capable of producing a voltage when exposed to radiant energy, especially light), solar hot water systems and biomass/biofuel systems that do not use fossil fuels in production. Geo-exchange systems are highly encouraged as they lessen the total demand for energy and, if supplemented with other renewable energy sources, can achieve zero energy consumption more easily.

Points under this paragraph will be awarded as follows. Projects with preliminary or rehabilitation building plans and energy analysis that propose a 10 percent to 100 percent energy generation commitment (where generation is considered to be the total amount of energy needed to be generated on-site to make the building a net-zero consumer of energy) may be awarded points corresponding to their percent of commitment as follows:

a. 10 to 20 percent commitment to energy generation, receives 1 point;
b. 21 to 40 percent commitment to energy generation, receives 2 points;
c. 41 to 60 percent commitment to energy generation, receives 3 points;
d. 61 to 80 percent commitment to energy generation, receives 4 points;
e. 81 to 100 percent commitment to energy generation, receives 5 points.

In order to receive more than 1 point for this energy generation paragraph, an accurate energy analysis prepared by an engineer will need to be submitted with the pre-application. Energy analysis of preliminary building plans using industry-recognized simulation software must document the projected total energy consumption of the building, the portion of building consumption which will be satisfied through on-site generation, and the building’s Home Energy Rating System (HERS) score.

15. Green Property Management

CREDENTIALS (5 POINTS).

Pre-applications may be awarded an additional 5 points if the designated property management company or individuals that will assume maintenance and operations responsibilities upon completion of construction work have a Credential for Green Property Management. Credentialing can be obtained from the National Association of Affordable Housing Management Association, The Institute for Real Estate Management, or the U.S. Green Building Council’s Leadership in Energy and Environmental Design for Operations and Maintenance (LEED OM). Credentialing must be illustrated in the resume(s) of the property management team and included with the pre-application.


Pre-applications submitted solely by an Indian tribe or non-profit Organization as defined in 7 CFR 3560.11 and providing appropriate documentation with the pre-application will receive an additional 10 points.

The Agency will total the points awarded to each pre-application and rank them according to their respective total score. If point totals are equal, the earliest time and date the pre-application was received by the Agency will determine the ranking. In the event pre-applications are still tied, they will be further ranked by giving priority to those projects with the earliest Rural Development operational date as defined under section V A 7.

B. Confirmation of Eligibility.

For pre-applications submitted under this Notice requesting debt deferral only of the eligible Section 515 or Section 514 loans, the Agency will conduct eligibility determinations on an ongoing basis, and eligible applicants will be authorized to proceed, subject to the availability of appropriated funds under the MPR program.

For pre-applications submitted under this Notice, eligibility will be confirmed after ranking is completed. If one or more of the pre-applications is determined ineligible then the next highest-scoring pre-application will be confirmed for eligibility.

If one or more of the pre-applications is a portfolio transaction, eligibility determinations will be conducted on each pre-application associated with the portfolio. Should any of the pre-applications associated with the portfolio be determined ineligible, those ineligible pre-application(s) will be rejected, but the overall eligibility of the portfolio will not be affected as long as the requirements for all other provisions of this Notice are met, as determined by the Agency.

If one or more of the pre-applications in a State is a project consolidation, and one of the projects involved in the consolidation does not meet the occupancy standards cited in Section III A (4) and (5), that project(s) will be determined ineligible and eliminated from the proposed consolidation transaction.

1. Award Administration Information.

A. Selection of Pre-Applications for Further Processing.

For pre-applications submitted under this Notice and requesting debt deferral only, the Agency will complete the eligibility confirmations on an ongoing basis and authorize those applicants determined eligible to proceed, subject to the availability of appropriated funds under the MPR program.

B. Pre-Application Selection.

State offices will score complete pre-applications, received on or prior to the submission deadlines in the “DATES” section of this Notice, using the criteria in Section “V. Application Review Information” in this Notice. State Offices will process the pre-applications selected under this Notice to submit an application in “highest score to lowest score” order. Pre-applications selected under this Notice to submit an application that request and receive application submission extensions will not be processed in “highest score to lowest score” order. Rather, they will be processed after those pre-applications selected under this Notice to submit an application not requiring extensions in the order their complete application is received by the State Office.

Those eligible pre-applications that are ranked and then selected for further processing will be invited to submit a formal application on SF 424, “Application for Federal Assistance.” Applications (SF 424s) can be obtained and completed online. An electronic version of this form may be found at: http://forms.sc.egov.usda.gov/eForms/SF424.PDF. Refer to Section VIII of this Notice, below, for a link to all Rural Development State Offices.

Applicants rejected will be notified that their pre-applications were not selected and advised of their appeal rights under 7 CFR part 11.

Awards made under this Notice are subject to the provisions contained in the Agriculture, Consolidated and Further Continuing Appropriations Act, 2015, Public Law 113-255, Division E, Title I, section 744 and 745, regarding corporate felony convictions and corporate federal tax delinquencies. In accordance with those provisions, only selected applicants that are or propose to be corporations need submit the following form as part of their MPR formal application; such applicants must submit an executed form AD–3030, which can be found online at: http://www.ocio.usda.gov/document/AD3030.

If a pre-application is accepted for further processing, the applicant must demonstrate eligibility and feasibility (such as a CNA), consistent with this
Notice and other pertinent RRH or FLH transfer and program provisions consistent with 7 CFR part 3560, prior to the issuance of any MPR offer. In the case of transfers, the transferees must comply with the requirements of 7 CFR 3560.406 including all Agency approval and closing conditions prior to closing any of the MPR tools. The Agency will provide additional guidance to the applicant and request information and documents necessary to complete the underwriting and review process. Since the character of each application may vary substantially depending on the type of transaction proposed, information requirements will be provided as appropriate.

Complete project information must be submitted as soon as possible, but in no case later than 45 calendar days from the date of Agency notification of the applicant’s selection for further processing. MPR transfer applicants must submit a preliminary transfer request as required by 7 CFR 3560.406(c) within 45 days of the RD notification and will be allowed a total of 180 days in which to submit the final transfer MPR application. If the State Office determines there exists compelling reasons the full transfer application cannot be delivered within the stated timeframe and upon the receipt of the applicant’s written request the MPR due date may be extended for an additional period of 90 days (Section VI. B. will apply). Any extensions beyond the former must be requested by the State Office and concurred by the HQ Review Underwriter assigned to the State. Notwithstanding the aforementioned, any pre-applications selected under this Notice’s, will be considered withdrawn on December 31, 2018, if not approved by the Agency. These deadlines will not be extended, so please plan your transaction’s timeline accordingly.

Applicants may reapply for funding under future rounds and/or Notices as they may be made available. Failure to submit the required information in a timely manner will result in the Agency discontinuing the processing of the request.

The Agency will work with the applicants selected for further processing in accordance with the following:

a. Based on the feasibility of the type of transaction that will best suit the project and the availability of funds, further eligibility confirmation determinations will be conducted by the Agency.

b. If an Agency-approved CNA has not already been submitted to the Agency, an Agency-approved CNA will be required (see 7 CFR 3560.103(c) and the Agency’s published “Guidance on the Capital Needs Assessment Process” available at http://www.rd.usda.gov/programs-services/housing-preservation- revitalization-demonstration-loans-grants and the CNA Statement of Work together with any non-conflicting amendments). Agency-approved CNAs must be prepared by a qualified independent contractor, and are obtained to determine needed repairs and any necessary adjustments to the reserve account for long-term project viability.

c. Underwriting will be conducted by the Agency. The feasibility and structure of each revitalization proposal will be based on the Agency’s underwriting and determination of the MPR funding tools that will minimize the cost to the Government consistent with the purposes of this Notice.

C. MPR Offers.

Approved MPR offers will be presented to successful applicants who will then have up to 15 calendar days to accept or reject the offer in writing. If no offer is made or if the applicant fails to accept or reject the offer presented, the application will be rejected and appeal rights will be given. Closing of MPR offers will occur within six months of the obligation of MPR tools unless extended in writing by the Agency. All Offers are explicitly made subject to the availability of appropriated funds. Should sufficient funds not be available at any time to funds any authorized MPR offers for which funds have not been obligated, including those with only transfer debt deferral, the Agency may notify the applicant accordingly and the authorization may be cancelled.

VI. Non-Discrimination Statement

In accordance with Federal civil rights laws and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720–2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877–8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD–3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632–9992. Submit your completed form or letter to USDA by:

(1) Mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW., Washington, DC 20250–9410; (2) fax: (202) 690–7442; or (3) email: program.intake@usda.gov.

VII. Award Agency Contacts

USDA Rural Development MFH State Office contacts can be found at: http://rd.usda.gov/contact-us/state-offices. (Note: Telephone numbers listed are not toll-free.)

Appropriation Act funding will be posted on the Rural Development Web site.

All adverse determinations are appealable pursuant to 7 CFR part 11. Instructions on the appeal process will be provided at the time an applicant is notified of the adverse action.


Richard A. Davis,
Acting Administrator, Rural Housing Service.

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