

**(d) Conditions precedent to grant of financial assistance**

No financial assistance shall be made available under this section unless, to the extent and for the periods required by the Secretary, the applicant agrees that—

(1) such housing will be maintained at all times in a safe and sanitary condition in accordance with standards prescribed by State or local law, or, in the absence of such standards, with requirements prescribed by the Secretary;

(2) priority shall be given at all times, in granting occupancy of such housing and facilities, to the trainees and their families described in subsection (a); and

(3) rentals charged them shall not exceed amounts approved by the Secretary after considering the portion of the actual total family income which the family can afford to pay for rent while meeting its other immediate needs during occupancy.

**(e) Advances; repayment; limitation on amount**

The Secretary may make advances pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. Such advances for the purchase of land shall be repayable with interest and within a period not to exceed thirty-three years and may be made upon such security, if any, as the Secretary requires. Advances for other purposes may be made repayable with or without interest or nonrepayable, as determined by the Secretary on the basis of the anticipated income, and cost of operation of the housing and related facilities and the ability of each applicant to finance such facilities. Any advances shall be limited to cover the capital costs of constructing such facilities, plus interest on borrowings to cover such costs.

**(f) Sale of housing and related facilities to ineligible transferee or diversion to use other than primary purpose; repayment of advances; return of property to original condition**

Should housing and related facilities assisted pursuant to a contract under this section be sold to an ineligible transferee or diverted to a use other than its primary purpose within a period specified in the contract, all advances made under such contract shall be repaid to the Secretary, up to the amount of the sales price or the fair value of the property as determined by the Secretary, whichever is higher, with interest from the date of the sale or diversion. If no suitable alternate use of the property is available, as determined by the Secretary, after the purpose of this section can no longer be served, the property shall be returned to its original condition by the recipient of the assistance.

**(g) Interest on advances**

Interest charged on advances made under this section shall be at a rate, prescribed by the Secretary, which shall be not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of

such loans, adjusted to the nearest one-eighth of 1 per centum, less not to exceed the difference between the adjusted rate determined by the Secretary of the Treasury and 1 per centum per annum, as determined by the Secretary.

**(h) Regulations**

The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

**(i) "Related facilities" and "trainee" defined**

As used in this section (1) the term "related facilities" shall include any necessary community rooms or buildings, infirmaries, utilities, access roads, water and sewer services, and the minimum fixed or movable equipment determined by the Secretary to be necessary to make the housing reasonably habitable by trainees and their families; and (2) the term "trainee" means any person receiving training under any federally assisted training program.

**(j) Authorization of appropriations**

There are authorized to be appropriated such sums as may be necessary to carry out this section.

(July 15, 1949, ch. 338, title V, § 522, as added Pub. L. 90-448, title X, § 1002, Aug. 1, 1968, 82 Stat. 551; amended Pub. L. 98-479, title II, § 201(c), Oct. 17, 1984, 98 Stat. 2228; Pub. L. 100-242, title III, § 316(e), Feb. 5, 1988, 101 Stat. 1898.)

**Editorial Notes**

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-242 substituted "Secretary of Health and Human Services" for "Secretary of Health, and Human Services".

1984—Subsec. (a). Pub. L. 98-479 substituted "Health, and Human Services" for "Health, Education, and Welfare".

**Statutory Notes and Related Subsidiaries**

OFFICE OF ECONOMIC OPPORTUNITY

Pub. L. 93-644, §9(a), Jan. 4, 1975, 88 Stat. 2310 [42 U.S.C. 2941], amended the Economic Opportunity Act of 1964 [42 U.S.C. 2701 et seq.] to create the Community Services Administration, an independent agency in the executive branch, as the successor authority to the Office of Economic Opportunity, and provided that references to the Office of Economic Opportunity or to its Director were deemed to refer to the Community Services Administration or to its Director. The Community Services Administration was terminated when the Economic Opportunity Act of 1964, except for titles VIII and X, was repealed, effective Oct. 1, 1981, by section 683(a) of Pub. L. 97-35, title VI, Aug. 13, 1981, 95 Stat. 519 (42 U.S.C. 9912(a)). An Office of Community Services, headed by a Director, was established in the Department of Health and Human Services by section 676 of Pub. L. 97-35 (42 U.S.C. 9905).

**§ 1490c. Mutual and self-help housing**

**(a) Purpose**

The purposes of this section are (1) to make financial assistance available on reasonable terms and conditions in rural areas and small towns to needy low-income individuals and their families who, with the benefit of technical assistance and overall guidance and supervision, participate in approved programs of mutual or self-help hous-

ing by acquiring and developing necessary land, acquiring building materials, providing their own labor, and working cooperatively with others for the provision of decent, safe, and sanitary dwellings for themselves, their families, and others in the area or town involved, and (2) to facilitate the efforts of both public and private nonprofit organizations providing assistance to such individuals to contribute their technical and supervisory skills toward more effective and comprehensive programs of mutual or self-help housing in rural areas and small towns wherever necessary.

**(b) Contract authority; establishment of Self-Help Housing Land Development Fund; authorization to make loans; conditions of loan**

In order to carry out the purposes of this section, the Secretary of Agriculture (in this section referred to as the "Secretary") is authorized—

(1)(A) to make grants to, or contract with, public or private nonprofit corporations, agencies, institutions, organizations, Indian tribes, and other associations approved by him, to pay part or all of the costs of developing, conducting, administering, or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and their families in carrying out mutual or self-help housing efforts, including the repair of units financed under section 1472 of this title that are being held in inventory; and

(B) to establish the Self-Help Housing Land Development Fund, referred to herein as the Self-Help Fund, to be used by the Secretary as a revolving fund for making loans, on such terms and conditions and in such amounts as he deems necessary, to public or private nonprofit organizations and to Indian tribes for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, and cooperatives eligible for assistance under section 1715z or 1715z-1 of title 12 or section 1490a of this title. Such a loan, with interest at a rate not to exceed 3 percent per annum, shall be repaid within a period not to exceed two years from the making of the loan, or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes hereof: *Provided*, That the Secretary may advance funds under this paragraph to organizations receiving assistance under clause (A) to enable them to establish revolving accounts for the purchase of land options and any such advances may bear interest at a rate determined by the Secretary and shall be repaid to the Secretary at the expiration of the period for which the grant to the organization involved was made;

(2) to make grants to, or contract with, national or regional private nonprofit corporations to provide training and technical assistance to public or private nonprofit corporations, agencies, institutions, organizations, and other associations, including Indian tribes, eligible to receive assistance under this section in order to expand the use of authorities contained in this section and to improve performance; and

(3) to make loans, on such terms and conditions and in such amounts as he deems necessary, to needy low-income individuals participating in programs of mutual or self-help housing approved by him, for the acquisition and development of land and for the purchase of such other building materials as may be necessary in order to enable them, by providing substantially all of their own labor, and by cooperating with others participating in such programs, to carry out to completion the construction of decent, safe, and sanitary dwellings for such individuals and their families, subject to the following limitations:

(A) there is reasonable assurance of repayment of the loan;

(B) the amount of the loan, together with other funds which may be available, is adequate to achieve the purpose for which the loan is made;

(C) the credit assistance is not otherwise available on like terms or conditions from private sources or through other Federal, State, or local programs;

(D) the loan bears interest at a rate not to exceed 3 per centum per annum on the unpaid balance of principal, plus such additional charge, if any, toward covering other costs of the loan program as the Secretary may determine to be consistent with its purposes; and

(E) the loan is repayable within not more than thirty-three years.

**(c) Considerations for financial assistance**

In determining whether to extend financial assistance under paragraph (1) or (2) of subsection (b), the Secretary shall take into consideration, among other factors, the suitability of the area within which construction will be carried out to the type of dwelling which can be provided under mutual or self-help housing programs, the extent to which the assistance will facilitate the provision of more decent, safe, and sanitary housing conditions than presently exist in the area, the extent to which the assistance will be utilized efficiently and expeditiously, the extent to which the assistance will effect an increase in the standard of living of low-income individuals participating in the mutual or self-help housing program, and whether the assistance will fulfill a need in the area which is not otherwise being met through other programs, including those carried out by other Federal, State, or local agencies.

**(d) "Construction" defined**

As used in this section, the term "construction" includes the erection of new dwellings, and the rehabilitation, alteration, conversion, or improvement of existing structures.

**(e) Establishment of appropriate criteria and procedures for determining eligibility of applicants**

The Secretary is authorized to establish appropriate criteria and procedures in order to determine the eligibility of applicants for the financial assistance provided under this section, including criteria and procedures with respect to the periodic review of any construction carried out with such financial assistance.

**(f) Repealed. Pub. L. 102-550, title VII, § 710(2), Oct. 28, 1992, 106 Stat. 3840**

**(g) Deposit in Self-Help Fund; availability of amounts; assets**

Amounts appropriated under this subsection, together with principal collections from loans made under appropriations in any previous fiscal years, shall be deposited in the Self-Help Housing Land Development Fund, which shall be available, to the extent approved in appropriation Acts, as a revolving fund for making loans under subsection (b)(1)(B); except that not more than \$5,000,000 may be made available during fiscal year 1985. Instruments and property acquired by the Secretary in or as a result of making such loans shall be assets of the Self-Help Housing Land Development Fund.

**(h) Rules and regulations**

The Secretary shall issue rules and regulations for the orderly processing and review of applications under this section and rules and regulations protecting the rights of grantees under this section in the event he determines to end grant assistance prior to the termination date of any grant agreement.

(July 15, 1949, ch. 338, title V, § 523, as added Pub. L. 90-448, title X, § 1005, Aug. 1, 1968, 82 Stat. 553; amended Pub. L. 93-117, § 13(d), Oct. 2, 1973, 87 Stat. 423; Pub. L. 93-383, title V, § 512, Aug. 22, 1974, 88 Stat. 695; Pub. L. 95-60, § 4(d), June 30, 1977, 91 Stat. 258; Pub. L. 95-80, § 4(d), July 31, 1977, 91 Stat. 340; Pub. L. 95-128, title V, § 501(d), Oct. 12, 1977, 91 Stat. 1139; Pub. L. 95-406, § 7(d), Sept. 30, 1978, 92 Stat. 881; Pub. L. 95-557, title V, § 501(g), (h), Oct. 31, 1978, 92 Stat. 2111; Pub. L. 96-71, § 5(d), Sept. 28, 1979, 93 Stat. 502; Pub. L. 96-105, § 5(d), Nov. 8, 1979, 93 Stat. 795; Pub. L. 96-153, title V, §§ 501(d), (e), 505, Dec. 21, 1979, 93 Stat. 1133, 1135; Pub. L. 96-372, § 6(e), Oct. 3, 1980, 94 Stat. 1365; Pub. L. 96-399, title V, §§ 501(d), 507(e), Oct. 8, 1980, 94 Stat. 1668, 1670; Pub. L. 97-35, title III, § 351(e), Aug. 13, 1981, 95 Stat. 421; Pub. L. 97-289, § 3(c), Oct. 6, 1982, 96 Stat. 1231; Pub. L. 98-35, § 3(c), May 26, 1983, 97 Stat. 198; Pub. L. 98-109, § 4(c), Oct. 1, 1983, 97 Stat. 746; Pub. L. 98-181, title I [title V, § 511(d), (e)], Nov. 30, 1983, 97 Stat. 1244; Pub. L. 98-479, title II, § 204(c)(2), Oct. 17, 1984, 98 Stat. 2238; Pub. L. 99-120, § 3(c), Oct. 8, 1985, 99 Stat. 503; Pub. L. 99-156, § 3(c), Nov. 15, 1985, 99 Stat. 816; Pub. L. 99-219, § 3(c), Dec. 26, 1985, 99 Stat. 1731; Pub. L. 99-267, § 3(c), Mar. 27, 1986, 100 Stat. 74; Pub. L. 99-272, title III, § 3009(c), Apr. 7, 1986, 100 Stat. 106; Pub. L. 99-289, § 1(b), May 2, 1986, 100 Stat. 412; Pub. L. 99-345, § 1, June 24, 1986, 100 Stat. 673; Pub. L. 99-430, Sept. 30, 1986, 100 Stat. 986; Pub. L. 100-122, § 1, Sept. 30, 1987, 101 Stat. 793; Pub. L. 100-154, Nov. 5, 1987, 101 Stat. 890; Pub. L. 100-170, Nov. 17, 1987, 101 Stat. 914; Pub. L. 100-179, Dec. 3, 1987, 101 Stat. 1018; Pub. L. 100-200, Dec. 21, 1987, 101 Stat. 1327; Pub. L. 100-242, title III, § 301(f), Feb. 5, 1988, 101 Stat. 1893; Pub. L. 101-137, § 7(c), Nov. 3, 1989, 103 Stat. 826; Pub. L. 101-625, title VII, § 701(f), Nov. 28, 1990, 104 Stat. 4282; Pub. L. 102-142, title VII, § 743(b), Oct. 28, 1991, 105 Stat. 915; Pub. L. 102-550, title VII, § 710, Oct. 28, 1992, 106 Stat. 3840.)

**Editorial Notes**

AMENDMENTS

1992—Subsec. (b)(1)(A). Pub. L. 102-550, § 710(1), inserted “, including the repair of units financed under section 1472 of this title that are being held in inventory” after “efforts”.

Subsec. (f). Pub. L. 102-550, § 710(2), struck out subsec. (f) which read as follows: “No grant or loan may be made or contract entered into under the authority of this section after September 30, 1992, except pursuant to a commitment or other obligation entered into pursuant to this section before that date.”

1991—Subsec. (f). Pub. L. 102-142 substituted “1992” for “1991”.

1990—Subsec. (f). Pub. L. 101-625 substituted “1991” for “1990”.

1989—Subsec. (f). Pub. L. 101-137 substituted “1990” for “1989”.

1988—Subsec. (f). Pub. L. 100-242 substituted “September 30, 1989” for “March 15, 1988”.

1987—Subsec. (f). Pub. L. 100-200 substituted “March 15, 1988” for “December 16, 1987”.

Pub. L. 100-179 substituted “December 16, 1987” for “December 2, 1987”.

Pub. L. 100-170 substituted “December 2, 1987” for “November 15, 1987”.

Pub. L. 100-154 substituted “November 15, 1987” for “October 31, 1987”.

Pub. L. 100-122 substituted “October 31, 1987” for “September 30, 1987”.

1986—Subsec. (f). Pub. L. 99-430 substituted “1987” for “1986”.

Pub. L. 99-345 substituted “September 30, 1986” for “June 6, 1986”.

Pub. L. 99-289 substituted “June 6, 1986” for “April 30, 1986”.

Pub. L. 99-272 directed amendment identical to Pub. L. 99-219, substituting “March 17, 1986” for “December 15, 1985”.

Pub. L. 99-267 substituted “April 30, 1986” for “March 17, 1986”.

1985—Subsec. (f). Pub. L. 99-219 substituted “March 17, 1986” for “December 15, 1985”.

Pub. L. 99-156 substituted “December 15, 1985” for “November 14, 1985”.

Pub. L. 99-120 substituted “November 14, 1985” for “September 30, 1985”.

1984—Subsec. (g). Pub. L. 98-479 inserted “Housing” before “Land” after “Self-Help” in last sentence.

1983—Subsec. (f). Pub. L. 98-181, § 511(d), substituted “September 30, 1985” for “November 30, 1983”, and struck out first sentence which authorized not to exceed \$5,000,000 to carry out this section for fiscal year 1983.

Pub. L. 98-109 substituted “November 30, 1983” for “September 30, 1983” the second time it appeared.

Pub. L. 98-35 substituted “September 30, 1983” for “May 20, 1983” in two places.

Subsec. (g). Pub. L. 98-181, § 511(e), substituted “1985” for “1982” and struck out first sentence which authorized not to exceed \$3,000,000 to carry out subsec. (b)(1)(B) for fiscal year 1982.

1982—Subsec. (f). Pub. L. 97-289 substituted “May 20, 1983” for “September 30, 1982” wherever appearing.

1981—Subsec. (f). Pub. L. 97-35, § 351(e)(1), substituted “1982” for “1981” in two places.

Subsec. (g). Pub. L. 97-35, § 351(e)(2)-(4), inserted provisions relating to availability in appropriation Acts, and substituted provisions relating to authorization of appropriations for fiscal year ending Sept. 30, 1982, for provisions authorizing appropriations for fiscal year ending Sept. 30, 1981.

1980—Subsec. (b). Pub. L. 96-399, § 507(e), inserted reference to Indian tribes in subpars. (1)(A) and (B), and in par. (2).

Subsec. (f). Pub. L. 96-399, § 501(d)(1), substituted “September 30, 1981” for “October 15, 1980” wherever appearing.

Pub. L. 96-372 substituted “October 15, 1980” for “September 30, 1980” wherever appearing.

Subsec. (g). Pub. L. 96-399, §501(d)(2), substituted provisions authorizing appropriations not to exceed \$2,500,000 for fiscal 1981, such amount together with principal collections from loans under appropriations in prior years to be deposited in the Self-Help Housing Land Development Fund, to be available as a revolving fund for loans under subsec. (b)(1)(B) of this section for provisions authorizing appropriations not to exceed \$1,000,000, \$2,000,000, \$3,000,000 and \$1,000,000 for fiscal years ending June 30, 1969, June 30, 1970, Sept. 30, 1979, and Sept. 30, 1980, respectively, provisions allowing appropriation of authorized funds in succeeding years, to be deposited in the Self-Help Fund to be available without fiscal year limitation, and provision for deposit in such Fund of sums received from repayment of such loans.

1979—Subsec. (b). Pub. L. 96-153, §505, redesignated existing par. (2) as (3) and added par. (2).

Subsec. (f). Pub. L. 96-153, §501(d), substituted authorization of appropriation of \$5,000,000 for fiscal year ending Sept. 30, 1980, for provisions containing authorization of appropriation for fiscal years commencing June 30, 1968 to Oct. 1, 1978, and substituted “September 30, 1980” for “November 30, 1979”.

Pub. L. 96-105 substituted “December 1, 1979” and “November 30, 1979” for “November 1, 1979” and “October 31, 1979”, respectively.

Pub. L. 96-71 substituted “November 1, 1979” and “October 31, 1979” for “October 1, 1979” and “September 30, 1979”, respectively.

Subsec. (g). Pub. L. 96-153, §501(e), inserted authorization of appropriation of \$1,000,000 for fiscal year ending September 30, 1980.

1978—Subsec. (f). Pub. L. 95-557, §501(g), substituted “October 1, 1979” for “November 1, 1978”, “September 30, 1979” for “October 31, 1978”, and “\$16,500,000” for “\$10,000,000”.

Pub. L. 95-406 substituted “November 1, 1978” for “October 1, 1978” and “October 31, 1978” for “September 30, 1978”.

Subsec. (g). Pub. L. 95-557, §501(h), inserted “and not to exceed \$3,000,000 for the fiscal year ending September 30, 1979”, after “June 30, 1970”.

1977—Subsec. (f). Pub. L. 95-128 substituted “1978” for “1977” wherever appearing.

Pub. L. 95-80 substituted “October 1, 1977” for “August 1, 1977” and “September 30, 1977” for “July 31, 1977”.

Pub. L. 95-60 substituted “August 1, 1977” for “July 1, 1977” and “July 31, 1977” for “June 30, 1977”.

1974—Subsec. (b)(1). Pub. L. 93-383, §512(a), inserted proviso relating to advance of funds by Secretary at end of cl. (B).

Subsec. (f). Pub. L. 93-383, §512(b), substituted “1977” for “1974” wherever appearing and “\$10,000,000” for “\$5,000,000”.

Subsec. (h). Pub. L. 93-383, §512(c), added subsec. (h). 1973—Subsec. (f). Pub. L. 93-117 substituted “1974” for “1973” wherever appearing.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

#### § 1490d. Loans to nonprofit organizations to provide building sites for eligible families, nonprofit organizations, public agencies, and cooperatives; interest rates; factors determinative in making loan

(a)(1) IN GENERAL.—The Secretary may make loans, on such terms and conditions and in such amounts he deems necessary, to public or private nonprofit organizations and to Indian tribes for the acquisition and development of land as building sites to be subdivided and sold

to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this subchapter or under any other law which provides financial assistance for housing low- and moderate-income families. Such a loan shall bear interest at a rate prescribed by the Secretary taking into consideration a rate determined annually by the Secretary of the Treasury as the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, and shall be repaid within a period not to exceed two years from the making of the loan or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes of this section.

(2) REVOLVING FUNDS.—The Secretary may make grants to nonprofit housing agencies to establish revolving loan funds for the acquisition and preparation of building sites for low-income housing. Any proceeds and repayments from such loans shall be returned to the revolving loan fund to be used for purposes related to this section. Loan funds and interest payments shall be used solely for the acquisition of land; the preparation of land for building sites; the payment of reimbursable legal and technical costs; and technical assistance and administrative costs, not to exceed 10 percent of the fund.

(b) In determining whether to extend financial assistance under this section, the Secretary shall take into consideration, among other factors, (1) the suitability of the area to the types of dwellings which can feasibly be provided, and (2) the extent to which the assistance will (i) facilitate providing needed decent, safe, and sanitary housing, (ii) be utilized efficiently and expeditiously, and (iii) fulfill a need in the area which is not otherwise being met through other programs, including those being carried out by other Federal, State, or local agencies.

(July 15, 1949, ch. 338, title V, §524, as added Pub. L. 91-152, title IV, §413(f)(1), Dec. 24, 1969, 83 Stat. 399; amended Pub. L. 93-383, title V, §513, Aug. 22, 1974, 88 Stat. 696; Pub. L. 96-399, title V, §507(f), Oct. 8, 1980, 94 Stat. 1670; Pub. L. 102-550, title VII, §715, Oct. 28, 1992, 106 Stat. 3842.)

#### Editorial Notes

##### AMENDMENTS

1992—Subsec. (a). Pub. L. 102-550 designated existing provisions as par. (1), inserted par. heading, and added par. (2).

1980—Subsec. (a). Pub. L. 96-399 inserted reference to Indian tribes.

1974—Subsec. (a). Pub. L. 93-383 provided for applicability to public agencies and substituted “any section of this subchapter or under any other law which provides financial assistance for housing low- and moderate-income families” for “section 1715z or 1715z-1 of title 12 or section 1490a of this title”.