

shall incur or be under any liability by reason of having made or authorized any such payments.”

**§ 1490i. Repealed. Pub. L. 98-181, title I [title V, § 506(b)], Nov. 30, 1983, 97 Stat. 1242**

Section, act July 15, 1949, ch. 338, title V, § 529, as added Nov. 9, 1978, Pub. L. 95-619, title II, § 252(b), 92 Stat. 3236, required the Secretary of Agriculture to promote the use of energy saving techniques through the establishment of minimum property standards for newly constructed residential housing.

**§ 1490j. Conditions on rent increases in projects receiving assistance under other provisions of law**

The Secretary may not approve any increase in rental payments, with respect to units in which the tenants are paying rentals in excess of 30 per centum of their incomes, in any project which is assisted under section 1484, 1485, or 1487 of this title and under section 1490a(a)(1)(B) of this title unless the project owner is receiving, or has applied for (within the most recent period of 180 days prior to the effective date of such increase), assistance payments with respect to such project under section 1490a(a)(2)(A) or 1490a(a)(5) of this title or section 1437f of this title.

(July 15, 1949, ch. 338, title V, § 530, as added Pub. L. 96-399, title V, § 509, Oct. 8, 1980, 94 Stat. 1670; amended Pub. L. 98-181, title I [title V, § 517(d)], Nov. 30, 1983, 97 Stat. 1248; Pub. L. 105-276, title V, § 599C(e)(2)(G), Oct. 21, 1998, 112 Stat. 2663.)

**Editorial Notes**

AMENDMENTS

1998—Pub. L. 105-276 substituted “assistance payments with respect to such project under section 1490a(a)(2)(A) or 1490a(a)(5) of this title” for “rental assistance payments with respect to such project under section 1490a(a)(2)(A) of this title”.

1983—Pub. L. 98-181 substituted “30 per centum” for “25 per centum”.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-181 effective six months after Nov. 30, 1983, or upon the earlier promulgation of implementing regulations, see section 517(f) of Pub. L. 98-181, set out as a note under section 1490a of this title.

**§ 1490k. FHA insurance**

The Secretary is authorized to act as an agent of the Secretary of Housing and Urban Development to recommend insurance of any mortgage meeting the requirements of section 1709 of title 12.

(July 15, 1949, ch. 338, title V, § 531, as added Pub. L. 98-181, title I [title V, § 520], Nov. 30, 1983, 97 Stat. 1249.)

**§ 1490l. Processing of applications**

**(a) Priority**

Except as otherwise provided in subsection (c), the Secretary shall, in making assistance available under this subchapter, give a priority to applications submitted by—

- (1) persons and families that have the greatest housing assistance needs because of their

low income and their residing in inadequate dwellings;

(2) applicants applying for assistance for projects that will serve such persons and families; and

(3) applicants residing in areas which are the most rural in character.

**(b) Preliminary reservation of assistance at time of initial approval of project**

In making available the assistance authorized by section 1483 of this title and section 1490a(a) of this title with respect to projects involving insured and guaranteed loans and interest credits and rental assistance payments, the Secretary shall process and approve requests for such assistance in a manner that provides for a preliminary reservation of assistance at the time of initial approval of the project.

**(c) Prioritization of section 1485 housing assistance**

**(1) In general**

The Secretary shall make assistance under section 1485 of this title available pursuant to an objective procedure established by the Secretary, under which the Secretary shall identify counties and communities having the greatest need for such assistance and designate such counties and communities to receive such assistance.

**(2) Objective measures**

The Secretary shall use the following objective measures to determine the need for rental housing assistance under paragraph (1):

- (A) The incidence of poverty.
- (B) The lack of affordable housing and the existence of substandard housing.
- (C) The lack of mortgage credit.
- (D) The rural characteristics of the location.
- (E) Other factors as determined by the Secretary, demonstrating the need for affordable housing.

**(3) Information**

In administering this subsection, the Secretary shall use information from the most recent decennial census of the United States, relevant comprehensive affordable housing strategies under section 12705 of this title, and other reliable sources obtained by the Secretary which demonstrate the need for affordable housing in rural areas.

**(4) Designation**

A designation under this subsection shall not be effective for a period of more than 3 years, but may be renewed by the Secretary in accordance with the procedure set forth in this subsection. The Secretary shall take such other reasonable actions as the Secretary considers to be appropriate to notify the public of such designations.

(July 15, 1949, ch. 338, title V, § 532, as added Pub. L. 98-181, title I [title V, § 521], Nov. 30, 1983, 97 Stat. 1250; amended Pub. L. 104-180, title VII, § 734(f), Aug. 6, 1996, 110 Stat. 1604.)

**Editorial Notes**

AMENDMENTS

1996—Subsec. (a). Pub. L. 104-180, § 734(f)(1), substituted “Except as otherwise provided in subsection

(c), the Secretary'' for ''The Secretary'' in introductory provisions.

Subsec. (c). Pub. L. 104-180, §734(f)(2), added subsec. (c).

### § 1490m. Housing preservation grants

#### (a) Statement of purposes

The purpose of this section is to authorize the Secretary to make grants to eligible grantees including private nonprofit organizations, Indian tribes, general units of local government, counties, States, and consortia of other eligible grantees, in order to—

- (1) rehabilitate or replace single family housing in rural areas which is owned by low- and very low-income persons and families, and
- (2) rehabilitate or replace rental properties or cooperative housing which has a membership resale structure that enables the cooperative to maintain affordability for persons of low income in rural areas serving low- and very low-income occupants.

The Secretary may also provide tenant-based assistance as provided under section 1437f of this title or section 1490r of this title upon the request of grantees in order to minimize the displacement of very low-income tenants residing in units rehabilitated or replaced with assistance under this section.

#### (b) Mandatory program requirements

Preservation programs assisted under this section shall—

- (1) be used to provide loans or grants to owners of single family housing in order to cover the cost of repairs and improvements;
- (2) be used to provide loans or grants, not to exceed \$15,000 per unit, to owners of single family housing to replace existing housing if repair or rehabilitation of the housing is determined by the Secretary not to be practicable and the owner of the housing is unable to afford a loan under section 1472 of this title for replacement housing;
- (3) be used to provide interest reduction payment;
- (4) be used to provide loans or grants to owners of rental housing, except that rental rehabilitation or replacement assistance provided under this subsection for any structure shall not exceed 75 per centum of the total costs associated with the rehabilitation or replacement of that structure;
- (5) be used to provide other comparable assistance that the Secretary deems appropriate to carry out the purpose of this section, designed to reduce the costs of such repair, rehabilitation, and replacement in order to make such housing affordable by persons of low income and, to the extent feasible, by persons and families whose incomes do not exceed 50 per centum of the area median income;
- (6) benefit low- and very low-income persons and families in rural areas, without causing the displacement of current residents; and
- (7) raise health and safety conditions to meet those specified in section 1479(a) of this title.

#### (c) Allocation formula; transfer of funds; maximum amounts

(1) The Secretary shall allocate grant funds under this section for use in each State on the

basis of a formula contained in a regulation prescribed by the Secretary using the average of the ratios between—

- (A) the population of the rural areas in that State and the population of the rural areas of all States;
- (B) the extent of poverty in the rural areas in that State and the extent of poverty in the rural areas of all States; and
- (C) the extent of substandard housing in the rural areas of that State and the extent of substandard housing in the rural areas of all States.

Any funds which are allocated to a State but uncommitted to grantees will be transferred to the State office of the Farmers Home Administration in a timely manner and be used for authorized rehabilitation activities under section 1474 of this title. Funds obligated, but subsequently unspent and deobligated, may remain available, to the extent provided in appropriations Acts, for use as housing preservation grants in ensuing fiscal years.

(2) Unless there is only one eligible grantee in a State, a single grantee may not receive more than 50 per centum of a State's allocation.

#### (d) Statement of activity by grantee; submission; contents; availability; consultations; evaluation by Secretary; criteria applicable; maximum amounts

(1) Eligible grantees may submit a statement of activity to the Secretary at the time specified by the program administrator, containing a description of its proposed preservation program. The statement shall consist of the activities each entity proposes to undertake for the fiscal year, and the projected progress in carrying out those activities. The statement of activities shall be made available to the public for comment.

(2) In preparing such statement, the grantee shall consult with and consider the views of appropriate local officials.

(3) The Secretary shall evaluate the merits of each statement on the basis of such criteria as the Secretary shall prescribe, including the extent—

(A) to which the repair, rehabilitation, and replacement activities will assist persons of low income who lack adequate shelter, with priority given to applications assisting the maximum number of persons and families whose incomes do not exceed 50 per centum of the area median income;

(B) to which the repair, rehabilitation, and replacement activities include the participation of other public or private organizations in providing assistance, in addition to the assistance provided under this section, in order to lower the costs of such activities or provide for the leveraging of available funds to supplement the rural housing preservation grant program;

(C) to which such activities will be undertaken in rural areas having populations below 10,000 or in remote parts of other rural areas;

(D) to which the repair, rehabilitation, and replacement activities may be expected to result in achieving the greatest degree of repair or improvement for the least cost per unit or dwelling;