

available using a national NOFA being published in this **Federal Register**. Additional guidance is provided in the NOFA.

B. National Office New Construction Set-asides. The following legislatively mandated set-asides of funds are part of the National office set-aside:

1. *Nonprofit Set-aside.* An amount of \$10,354,728 has been set aside for nonprofit applicants. All Nonprofit loan proposals must be located in designated places as defined in 7 CFR 1944–E.

2. *Underserved Counties and Colonias Set-Aside.* An amount of \$5,752,627 has been set aside for loan requests to develop units in the underserved 100 most needy counties or colonias as defined in section 509(f) of the Housing Act of 1949 as amended. Priority will be given to proposals to develop units in colonias or tribal lands.

3. *EZ, EC or REAP Zone Earmark.* An amount of \$5,000,000 has been earmarked for loan requests to develop units in EZ or EC communities or REAP Zones until June 30, 2003.

C. Rental Assistance (RA). Limited new construction RA will be held in the National office for use with Section 515 Rural Rental Housing loans.

D. Designated Reserves for State RA. An amount of \$1 million of Section 515 loan funds has been set aside for matching with projects in which an active State sponsored RA program is available. The State RA program must be comparable to the RHS RA program.

E. Repair and Rehabilitation Loans. Tenant health and safety continues to be the top priority. Repair and rehabilitation funds must be first targeted to RRH facilities that have physical conditions that affect the health and safety of tenants and subsequently made available to facilities that have deferred maintenance. All funds will be held in the National office and will be distributed based upon indicated rehabilitation needs in the MFH survey conducted in October 2002.

F. Designated Reserve for Equity Loans. An amount of \$5 million has been designated for the equity loan preservation incentive described in 7 CFR 1965–E. The \$5 million will be further divided into \$4 million for equity loan requests currently on the pending funding list and \$1 million to facilitate the transfer of properties from for-profit owners to nonprofit corporations and public bodies. Funds for such transfers would be authorized only for for-profit owners who are currently on the pending funding list who agree to transfer to nonprofit corporations or public bodies rather than to remain on the pending list. If insufficient transfer requests are

generated to utilize the full \$1 million set aside for nonprofit and public body transfers, the balance will revert to the existing pending equity loan funding list.

G. General Reserve. There is one general reserve fund of \$25,000,000. Some examples of immediate allowable uses include, but are not limited to, hardships and emergencies, RH cooperatives or group homes, or RRH preservation.

V. Section 533 Housing Preservation Grants (HPG).

Total Available—\$9,935,000
Less General Reserve—\$997,400
Less Earmark for EZ, EC or REAP Zones—\$596,100
Total Available for Distribution—\$8,341,500

Amount available for allocation. See end of this Notice for HPG State allocations. Fund availability will be announced in a NOFA being published in the **Federal Register**.

The amount of \$596,100 is earmarked for EZ, EC or REAP Zones until June 30, 2003.

Single Family Housing (SFH)

I. General

All SFH programs are administered through field offices. For more information or to make application, please contact the Rural Development office servicing your area. To locate these offices, contact the appropriate State Office from the attached State Office listing, visit our Web site at <http://offices.usda.gov> or check the blue pages in your local telephone directory under “Rural Development” for the office serving your area.

A. This notice provides SFH allocations for FY 2003. Allocation computations have been made in accordance with 7 CFR 1940.563 through 1940.568. Information on basic formula criteria, data source and weight, administrative allocation, pooling of funds, and availability of the allocation are located on a chart at the end of this notice.

B. The SFH levels authorized for FY 2003 are as follows:

Section 502 Guaranteed Rural Housing (RH) loans

Nonsubsidized Guarantees—

Purchase—\$2,621,781,311

Nonsubsidized Guarantees—

Refinance—\$223,537,222

Section 502 Direct RH loans

Very low-income subsidized loans—\$456,661,223

Low-income subsidized loans—\$581,205,194

Credit sales (Nonprogram)—\$10,000,000

Section 504 housing repair loans—

\$34,772,498

Section 504 housing repair grants—*/

** \$31,324,797

Section 509 compensation for construction defects—** \$478,837

Section 523 mutual and self-help

housing grants—**/*** \$51,319,662

Section 523 Self-Help Site Loans—

\$4,978,752

Section 524 RH site loans—\$5,013,027

Section 306C Water and waste disposal

grants—** \$1,255,875

Section 525 Supervisory and technical Assistance and Section 509 Housing Application

Packaging Grants Total Available for single and multi-family—

** \$1,093,978

Section 504 housing repair grants

(additional)—** \$1,176,953

(Formerly North Carolina Elderly Modular Housing Demo Program)

Natural disaster funds (Section 502 loans)—** \$1,443,493

Natural disaster funds (Section 504 loans) —** \$13,777,141

Natural disaster funds (Section 504 grants) —** \$4,563,493

* Includes \$596,100 for EZ/EC and REAP communities until June 30, 2003.

** Carryover funds are included in the balance.

*** Includes \$993,500 for EZ/EC and REAP communities until June 30, 2003.

C. SFH Funding Not Allocated to States. The following funding is not allocated to States by formula. Funds are made available to each state on a case-by-case basis.

1. *Credit sale authority.* Credit sale funds in the amount of \$10,000,000 are available only for nonprogram sales of Real Estate Owned (REO) property.

2. *Section 509 Compensation for Construction Defects.* \$478,837 is available for compensation for construction defects.

3. *Section 523 Mutual and Self-Help Technical Assistance Grants.*

\$51,319,662 is available for Section 523 Mutual and Self-Help Technical Assistance Grants. Of these funds, \$993,500 is earmarked for EZ, EC or REAP Zones until June 30, 2003. A technical review and analysis must be completed by the Technical and Management Assistance (T&MA) contractor on all predevelopment, new, and existing (refunding) grant applications.

4. *Section 523 Mutual and Self-Help Site Loans and Section 524 RH Site Loans.* \$4,978,752 and \$5,013,027 are available for Section 523 Mutual Self-Help and Section 524 RH Site loans, respectively.

5. *Section 306C WWD Grants to Individuals in Colonias.* The objective of