

marital status, national origin, age, or disability may complain to the Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC 20250, or the Secretary of Housing and Urban Development, U.S. Department of Housing and Urban Development, Washington, DC 20410.

(c) Borrowers or grantees that fail to comply with the requirements of title VIII of the Civil Rights Act are subject to sanctions authorized by law.

§ 3560.3 Environmental requirements.

The Rural Housing Service (RHS) will consider environmental impacts of proposed housing as equal with economic, social, and other factors. By working with applicants, federal agencies, Indian tribes, State and local governments, interested citizens, and organizations, RHS will formulate actions that advance program goals in a manner that protects, enhances, and restores environmental quality. Loan and grant processing and servicing actions taken by RHS under this part are subject to an environmental review conducted in accordance with 7 CFR part 1940, subpart G.

§ 3560.4 Compliance with other federal requirements.

RHS is responsible for ensuring that the application is in compliance with all applicable federal requirements, including the following specific requirements:

(a) *Intergovernmental review.* 7 CFR part 3015, subpart V, or any successor regulation, including the Agency supplemental administrative instruction, RD Instruction 1940-J, available in any Rural Development office.

(b) *National flood insurance.* The National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973; the National Flood Insurance Reform Act of 1994; and 7 CFR part 1806, subpart B.

(c) *Clean Air Act and Water Pollution Control Act Requirements.* For any contract, all applicable standards, orders or requirements issued under section 306 of the Clean Air Act; section 508 of the Clean Water Act, Executive Order 11738, and 40 CFR part 32.

(d) *Historic preservation requirements.* The provisions of 7 CFR part 1901, subpart F.

(e) *Lead-based paint requirements.* The provisions of 7 CFR part 1924, subpart A.

§ 3560.5 State, local or tribal laws.

Applicants must comply with all applicable State and local laws, and laws of federally-recognized Indian

tribes to the extent they are not inconsistent with this part.

§ 3560.6 Borrower responsibility and requirements.

(a) Borrower responsibilities and requirements specified in this part may be carried out by an individual or entity designated by the borrower to act on behalf of the borrower such as a resident manager or management agent. Ultimate accountability to the Agency, however, is with the borrower whether or not the borrower designated another person or entity to act on the borrower's behalf.

(b) Borrowers who have not executed a loan agreement, and who were not required to execute a loan agreement by the regulations in effect at the time of their loan closing are exempt from the requirements of subparts D through G of this part, as long as the borrower is not in default of any applicable requirement, security instrument, payment, or any other agreement with the Agency. Such borrowers must provide evidence of tenant income eligibility in accordance with § 3560.152(a), except in Farm Labor Housing where the tenant is not paying shelter cost.

§ 3560.7 Delegation of responsibility.

The Rural Housing Service Administrator may delegate, on an individual or other basis, any decision-making responsibility for RHS programs, unless otherwise noted.

§ 3560.8 Administrator's exception authority.

The RHS Administrator may make an exception to any provision of this part or address any omissions provided that the exception or other action is consistent with the applicable statute and is in the best financial interest of the Federal government. Exception requests presented to the RHS Administrator must have the concurrence of a Rural Development State Office or a Deputy Administrator in the RHS National Office.

§ 3560.9 Reviews and appeals.

Rural Housing Service decisions may be appealed pursuant to 7 CFR part 11.

§ 3560.10 Conflict of interest.

To reduce the potential for employee conflict of interest, all RHS activities will be conducted in accordance with 7 CFR part 1900, subpart D.

§ 3560.11 Definitions.

Unless otherwise noted, terms listed in this part shall be defined as follows:

Administrator. The head of the Rural Housing Service (RHS) who reports directly to the Under Secretary for Rural

Development in the U.S. Department of Agriculture.

Agency. The Rural Housing Service within the Rural Development mission area of the U.S. Department of Agriculture.

Amortization. Payment of debt in regular, periodic installments of principal and interest, as opposed to interest only payments.

Assistance. Financial assistance in the form of a loan, grant, interest credit, or rental assistance.

Association of farmers. Two or more farmers acting as a single legal entity. Association members may include the individual members of farming partnerships or corporations.

Basic rent. The rent necessary to cover expenses in a housing project's approved budget and the required loan payment set in the borrower's promissory note reduced by the interest credit agreement.

Borrower. An individual, partnership, cooperative, trust, public agency, private or public corporation, or other entity which has received a loan from the Agency.

Caretaker. An individual employed by a borrower or a management agent to handle routine interior and exterior maintenance and upkeep of a multi-family housing project.

Congregate housing. A housing program authorized by section 515 of the Housing Act of 1949 which provides housing for elderly persons, individuals with disabilities, and families who require some supervision and central services but are otherwise able to care for themselves.

Consumer cooperative. A corporation organized under the cooperative laws of a State or Federally recognized Indian tribe which will own and operate the housing on a cooperative basis solely for the benefit of its members.

Conventional rents for comparable units (CRCU). Market rents for comparable rental units in non-government assisted conventional housing in the same geographic area as the RHS project.

Current appraisal. An appraisal of a multi-family housing project's value which is no more than 1 year old.

Daily Interest Accrual System (DIAS). A system where interest is charged daily on outstanding principal. Level loan payments are made by the borrower. The amount of interest due on any date is equal to the unpaid daily interest that has accrued.

Default. Failure by a borrower to meet monetary or non-monetary obligations or terms of a loan, grant, or other agreement with the Agency within 30 days of the date such obligation is due