

(1) A local nonprofit organization, a nonprofit organization of farmworkers, federally recognized Indian tribe, or an agency or political subdivision of State or local government, and must meet the requirements of § 3560.55(a) and (b), except that the board of a nonprofit organization which is an association of farm workers is not required to reflect the demographics of the community. Instead, a nonprofit association of farmworkers must have representation on the board from the area where the housing is located. Directors may be elected who are not members of the organization, but are experienced in such fields as real estate management, finance, or related businesses provided member directors represent a majority of the board; or

(2) A limited partnership with a non-profit general partner which meets the requirements of § 3560.55(d).

(b) *Eligibility for grants.* To be eligible for off-farm labor housing grants, applicants must:

(1) Meet the requirements in § 3560.55(a), excluding subparagraph (6);

(2) Meet the requirements of § 3560.55(b) if the grant applicant has an outstanding Agency loan or grant;

(3) Meet the requirements in § 3560.55(c) with the exception specified for off-farm labor housing loan applicants specified in paragraph (a)(1) of this section;

(4) Be able to contribute at least one-tenth of the total farm labor housing development cost from its own or other resources. The applicant's contribution must be available at the time of grant closing. An off-farm labor housing loan financed by RHS may be used to meet this requirement.

(5) Limited partnerships eligible under paragraph (a)(2) of this section are not eligible for farm labor housing grants.

§ 3560.556 Application requirements and processing.

Off-farm loans and grants will be available under a Notice of Funding Availability (NOFA) that will be published in the **Federal Register** each fiscal year.

§ 3560.557 [Reserved]

§ 3560.558 Site requirements.

The requirements established in § 3560.58 apply to all applications for off-farm labor housing loans and grants except that off-farm labor housing are not limited to rural areas.

§ 3560.559 Design and construction requirements.

(a) *General.* The requirements established in § 3560.60 apply to all applications for off-farm labor housing loans and grants except that seasonal off-farm labor housing that will be occupied for eight months or less per year by migrant farmworkers while they are away from their residence, will be constructed in accordance with Exhibit I of 7 CFR part 1924, subpart A.

(b) *Additional requirements.* In addition to the requirements established in § 3560.60, the design of off-farm labor housing must incorporate exterior washing facilities as necessary to protect the resident and the asset from excess dirt and chemical exposure.

(c) *Davis-Bacon wage requirements.* For housing developed with grant funds, the borrower must not pay less than the wages prevailing in the locality as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276(a)–276(a)(b)), to all laborers and mechanics employed in the development of any part of the housing.

§ 3560.560 Security.

The security requirements established in § 3560.61 will apply to all applications for off-farm labor housing loans.

§ 3560.561 Technical, legal, insurance and other services.

The requirements established under § 3560.62 apply to all applications for off-farm labor housing loans and grants.

§ 3560.562 Loan and grant limits.

(a) *Determining the security value.* The requirements established under § 3560.63(a) apply to loans or combination loans and grants.

(b) *Maximum amount of loan.* The requirements established in § 3560.63(c)(1) and (2), regarding borrower equity contribution apply to all applications for off-farm labor housing loans. (For applicants eligible under § 3560.555(a)(2), the amount of Agency financing for the housing will not exceed 95 percent of the total development cost or 95 percent of the security value available for the Agency loan, whichever is lower.) In determining the amount of the loan, the Agency will also review the capacity of the applicant to amortize such loan, considering any rental assistance provided for use in the housing, and any rents anticipated to be paid by farmworkers expected to occupy the housing.

(c) *Maximum amount of grant.* The amount of any off-farm labor housing grant must not exceed the lesser of:

(1) Ninety percent of the total development cost, or 90 percent of security value, whichever is less; or

(2) That portion of the total development cost which exceeds the sum of any amount provided by the applicant from their own resources plus the amount of any loans approved for the applicant, considering the capacity of the applicant to amortize the loan.

§ 3560.563 Initial operating capital.

The requirements for § 3560.64 apply to all applications for off-farm labor housing loans and grants.

§ 3560.564 Reserve accounts.

The requirements for § 3560.65 apply to all applications for off-farm labor housing loans and grants.

§ 3560.565 Participation with other funding or financing sources.

(a) *General.* The requirements established in § 3560.66 apply to all applications for off-farm labor housing loans and grants.

(b) *Additional requirements.* In addition to the requirements established in § 3560.66, the following policies will also apply.

(1) Where Agency rental assistance is requested, Agency financial participation must equal or exceed 10 percent of the total development cost with a minimum of 5 percent of the total development cost in the form of off-farm labor housing loan.

(2) When the combined debt service for housing financed by the Agency and other sources is equal to or less than what the debt service would be for a 95 percent loan for total development cost of the entire housing provided solely by the Agency, the Agency will provide 100 percent rental assistance to an off-farm labor housing project.

(3) When the combined debt service for housing financed by the Agency and other sources exceeds what the debt service would be for a 100 percent loan for total development cost of the entire housing provided solely by the Agency, the Agency will provide less than 100 percent rental assistance as specified in § 3560.66.

§ 3560.566 Loan and grant rates and terms.

(a) *Amortization period.* The loan will be amortized over a period not to exceed 33 years. The amortization schedule will take into account the depreciation of the security and ensure that the loan will be adequately secured.

(b) *Interest rate.* The effective interest rate will be 1 percent.

(c) *Term of grant agreement.* The grant agreement will remain in effect for