

substantial the farm laborer must have worked at least 110 whole days in farm work. For purposes of this section one whole day is the equivalent of at least 7 hours. When using a period of more than 1 year, a yearly average must amount to at least 110 days per year.

(ii) For housing owned by a farmer, family-farm partnership, family-farm corporation, or an association of farmers which was initially provided on a non-rental basis, a substantial portion of income is earned when housing is provided by the owner as part of employment compensation for farm labor.

(iii) When a natural disaster has occurred, such as a drought, flood, freeze, etc., figures for the 12 months preceding such disaster will be used to determine substantial portion of income under paragraph (b)(2) of this section.

(iv) The tenant who qualifies as a domestic farm laborer residing in a property with a nonrestrictive farm labor clause in the mortgage covenants must not have adjusted income which exceeds the moderate income limit for the appropriate household size and appropriate geographical area.

(3) *Occupancy.* The household must remain in compliance with the borrower's occupancy policy as established in § 3560.155.

(c) *Ineligible tenants.* Tenants who, at any time, fail to meet all the requirements in paragraph (b) of this section will be deemed ineligible for occupancy in off-farm labor housing. Ineligible tenants in off farm labor housing will be addressed in accordance with the requirements of § 3560.158.

(d) *Non-farm laborer tenants.* When there are no persons or families in the above categories in need of housing, units in off-farm labor housing complexes may be made available to persons or families eligible for occupancy under § 3560.152. Eligible tenants under this section may occupy the labor housing until such time the units are again needed by persons or families eligible under paragraph (b) of this section. The procedures specified in § 3560.158 shall be followed when tenants are required to vacate housing to allow for occupancy by persons eligible under paragraph (b) of this section.

§ 3560.576 Tenant priorities for labor housing.

Tenant occupancy in off-farm labor housing is based on eligible farm labor certified through the income certification process required by § 3560.152 and is prioritized in the following order.

(a) First priority is to be given to eligible active farm laborer households

based upon percent of total earnings from farm labor in the following ranked categories: 71–100 percent; 51–70 percent; 26–50 percent; and less than 25 percent.

(1) For off-farm labor housing units without rental assistance, occupancy priority within each ranking category is according to the household's income with first priority going to very low-income households, next priority to low-income households, and last priority to moderate-income households.

(2) For off-farm labor housing units with rental assistance, tenant occupancy priority is given to all eligible very low-income farm worker households by ranked category, then to low-income farm worker households by ranked category as listed in paragraph (a) of this section. Moderate-income farm workers may be served without rental assistance, when there are no very low- or low-income eligible farm workers on the waiting lists, again by ranked category.

(b) Second priority is given to retired domestic farm laborer households or to a household with a domestic farm laborer with a farm-labor related disability and the domestic farm laborer was in the local farm market area at the time of retirement or disability. Occupancy priority will be by paragraph (a)(1) or (2) of this section without the application of the ranking category.

(c) Third priority is to be given to retired domestic farm laborer households or a household with a domestic farm laborer with a farm labor related disability that was not in the local area at the time of retirement or disability. Occupancy priority will be by paragraph (a)(1) or (2) of this section without the application of the ranking category.

(d) Fourth priority is to be given to surviving households of a deceased domestic farm laborer.

(1) The surviving member may continue to occupy the unit after the death of the original tenant and be eligible with respect to income and either the co-tenant or member of the household will have legal capacity to sign and assume the lease; or

(2) The surviving member occupied the unit at the time that the original tenant died, and will be able to meet tenant eligibility requirements of a domestic farm laborer.

§ 3560.577 Financial management of labor housing.

The requirements established in subpart G of this part will apply to all off-farm labor housing.

§ 3560.578 Servicing off-farm labor housing.

The requirements established in subparts I and J of this part will apply to all off-farm labor housing. Servicing according to subparts I and J of this part shall apply throughout the term of the loan or grant, whichever is longer.

§§ 3560.579–3560.599 [Reserved]

§ 3560.600 OMB control number. [Reserved]

Subpart M—On-Farm Labor Housing

§ 3560.601 General.

This subpart contains the requirements for making loans for on-farm labor housing and for ongoing operation and management of on-farm labor housing. Unless otherwise specified in this subpart, the requirements of subparts A through K, N, and O of this part will apply in addition to requirements given in this subpart.

§ 3560.602 Program objectives.

In addition to the objectives stated in § 3560.52, on-farm labor housing funds will be used to increase:

(a) The supply of affordable housing for farm labor; and

(b) The ability of the farmer to provide affordable, decent, safe and sanitary housing for farm workers.

§ 3560.603 Loan purposes.

On-farm labor housing loans may be made only for the purposes established in § 3560.553. Grants are not available for on-farm labor housing.

§ 3560.604 Restrictions on use of funds.

On-farm labor housing loans may not be used for any purpose prohibited by § 3560.554 except § 3560.54(a)(1). On-farm labor housing may be used to serve migrant workers. In addition, on-farm labor housing loan funds may not be used to provide housing for members of the immediate family of the applicant when the applicant is an individual farm owner, family farm corporation, family farm partnership, or a member of an association of farmers. Immediate family includes mother, father, brothers, sisters, sons and daughters of the applicant and spouse.

§ 3560.605 Eligibility requirements.

(a) To be eligible for an on-farm labor housing loan, the applicant must meet the requirements of § 3560.55(a) with the exception of § 3560.55(a)(5) and (6) and the following requirements.

(1) The applicant must be a farm owner, family farm partnership, family farm corporation, or an association of farmers engaged in agricultural or