

comply with § 3560.70. Manufactured housing located on-farm may consist of an individual unit.

§ 3560.620 Construction financing.

The requirements established in § 3560.71 apply to all applications involving on-farm labor housing loans.

§ 3560.621 Loan closing.

Applicants for on-farm labor housing loan funds must execute an Agency-approved loan agreement.

§ 3560.622 Subsequent loans.

The requirements established in § 3560.572 apply to all applications for on-farm labor housing subsequent loans.

§ 3560.623 Housing management and operations.

Borrowers with on-farm labor housing loans must:

(a) Develop and submit to the Agency a management plan in a format specified by the Agency. At a minimum, the management plan will detail the borrower's operational and occupancy policies, how the borrower will deal with resident complaints, and how repairs will be completed; and

(b) Maintain a lease or employment contract with each tenant specifying employment with the borrower as a condition for continued occupancy.

§ 3560.624 Occupancy restrictions.

(a) The immediate relatives of the borrowers are ineligible occupants for on-farm labor housing.

(b) Occupancy of on-farm labor housing is restricted to employees of the borrower unless otherwise approved by the Agency.

§ 3560.625 Maintaining the physical asset.

On-farm labor housing must meet state and local building and occupancy codes.

§ 3560.626 Affirmative Fair Housing Marketing Plan.

On-farm labor housing must meet the requirements of § 3560.104.

§ 3560.627 Response to resident complaints.

The management plan submitted in accordance with § 3560.623 (a) will include a provision for dealing with resident complaints.

§ 3560.628 Establishing and modifying rental charges.

If it becomes necessary to establish or modify a shelter cost, the borrower must obtain Agency approval by as specified in subpart E of this part.

§ 3560.629 Security deposits.

Borrowers that require security deposits to be paid by the tenants will

be required to comply with the requirements of § 3560.204.

§ 3560.630 Financial management.

Financial information must be submitted in an Agency-approved format and will show operation of the housing in a non-profit manner.

§ 3560.631 Agency monitoring.

A compliance review and physical inspection will be conducted by the Agency at least once every 3 years. The purpose of this review will be to inspect:

(a) Tenant eligibility documentation;

(b) Financial information on the operation and management of the labor housing, including relevant borrower financial materials;

(c) Payment of taxes, insurance and hazard insurance;

(d) Compliance with the security deposit requirements;

(e) Compliance with the operating plan;

(f) Compliance with the loan agreement; and

(g) Compliance with Agency requirements for affordable, decent, safe, and sanitary housing.

§§ 3560.632–3560.649 [Reserved]

§ 3560.650 OMB control number. [Reserved]

Subpart N—Housing Preservation

§ 3560.651 General.

(a) This subpart contains the Rural Housing Service's housing preservation requirements as related to prepayment requests and restrictive-use provisions. The requirements of this subpart support the Rural Housing Service's commitment to the preservation of decent, safe, sanitary, and affordable multi-family housing for very-low, low, and moderate-income households.

(b) The Rural Housing Service will coordinate, direct, and monitor the Rural Housing Service's multi-family housing preservation activities from the National Office level.

§ 3560.652 Prepayment and restrictive-use categories.

(a) Loans with prepayment prohibitions include:

(1) Initial loans made on or after December 15, 1989, and

(2) Subsequent loans made on or after December 15, 1989, for additional rental units.

(b) Loans without prepayment prohibitions but with restrictive-use provisions include:

(1) All loans made after December 21, 1979, but prior to December 15, 1989; or,

(2) Subsequent loans made on or after December 15, 1989, for purposes other than additional rental units.

(3) Loans subsequently restricted by servicing actions including transfers and reamortizations.

(c) Loans without prepayment prohibitions or restrictive-use provisions include all loans made on or before December 21, 1979 or loans that had restrictive-use provisions that have expired. Such loans are subject to the preservation provisions of this subpart.

(d) Loans may be prepaid if another loan or grant from the Rural Housing Service imposes the same or more stringent restrictive-use provisions on the housing project covered by the loan being prepaid.

§ 3560.653 Prepayment requests.

(a) Borrowers seeking to prepay a Rural Housing Service loan must submit a written prepayment request to the Rural Housing Service at least 180 days in advance of the anticipated prepayment date and must obtain Rural Housing Service approval before the Rural Housing Service will accept prepayment.

(b) Prior to submitting a prepayment request, borrowers must take whatever actions are necessary to provide the following items:

(1) A clear description of the loan to be prepaid, the housing project covered by the loan being prepaid, and the requested date of prepayment.

(2) A statement documenting the borrower's ability to prepay under the terms specified.

(3) A certification that the borrower will comply with any federal, state, or local laws or regulations (e.g., Department of Housing and Urban Development (HUD) prepayment procedures or requirements, HUD or state housing authorities that provide rental subsidy) which may relate to the prepayment request and a statement of actions needed to assure such compliance.

(4) A copy of the housing project's waiting list and a current signed multi-family housing balance sheet.

(5) A copy of lease language to be used during the period between the submission date and the final resolution of the prepayment request notifying tenant applicants that the housing project has submitted a prepayment request to the Rural Housing Service and explaining the potential affect of the request on the lease.

(6) A certification that the borrower has notified all governmental entities and all nonprofit and public bodies other than the Rural Housing Service involved in providing affordable