

in conformance with the restrictive-use provisions may cause a tenant or the United States to seek enforcement of the provisions.

Date: _____
 Owner: _____
 By: _____
 (Title)

(f) *Clauses and Agreement required for housing projects subject to restrictive-use provisions at the borrower's election to allow prepayment.* These provisions are used after the owner rejects incentives or declines an additional restrictive-use period, or when the owner agrees to restrictive-use provisions for a minimum of a 10-year period, and agrees to offer to sell the assisted housing and related facilities to a qualified nonprofit organization or public Rural Housing Service in accordance with Rural Housing Service regulations upon termination of the 10-year period. The period is calculated from the date on which the last loan for the project was obligated or applicable servicing action taken. The borrower will also be required to execute the Restrictive-Use Agreement herein contained.

(Owner Name), herein referred to as owner, and any successors in interest agree to use the (Project Name), herein referred to as housing, as required in 7 CFR 3560, subpart N and other regulations then in existence during the 10 year period beginning (date of last loan or servicing action) for the purpose of housing low- and moderate-income people eligible for occupancy. A tenant or applicant for occupancy, as well as the Rural Housing Service, may seek enforcement of this provision. Prior to (date period ends) no eligible person occupying or wishing to occupy the housing project shall be required to vacate or be denied occupancy without cause. Rents, other charges, and conditions of occupancy will be established to meet these conditions such that the effect will not differ from what would have been, had the housing remained in the Rural Housing Service program. The owner also agrees to keep a notice posted at the housing project for the remainder of the restrictive-use period, in a visible place available for tenant inspection, stating that the housing project is to be used in accordance with section 514 and 515 of title V of the Housing Act of 1949, and that management practices and rental rates will be consistent with those necessary to maintain the housing project for the protected population for the remainder of the restrictive-use period. At the expiration of this period ending (date), the housing project will be offered for sale to a qualified nonprofit organization or public body, as determined by the Rural Housing Service.

Furthermore, the owner agrees to be bound by the applicable provisions of 7 CFR part 1930, subpart C, and specific to tenant rights and relations for the duration of the restrictive-use period. The owner agrees to be responsible for ensuring that rental procedures, verification and certification of

income or employment, lease agreements, rent or occupancy charges, and termination and eviction remain consistent with the provisions contained in 7 CFR part 1930, subpart C, and to adhere to applicable local, state, and Federal laws. The owner agrees to obtain Rural Housing Service concurrence with any changes to the preceding rental procedures that may deviate from those approved at the time of prepayment, prior to implementing the changes. Any changes proposed must be consistent with the objectives of the program and the regulations. Documentation, including annual income recertifications, shall be maintained to evidence compliance in the event there is a future complaint or audit. The owner must be able to document that acceptable waiting lists were maintained, units were rented to appropriate tenants, and rents were established at appropriate levels. The owner agrees to make the documentation available for Rural Housing Service inspection upon request. The owner and any successors in interest agree to provide the following signed and dated certification to the applicable Rural Housing Service Servicing Office or other designated office within 30 days of the beginning of each calendar year until (insert date restrictive-use period ends):

(Name of Owner) certifies that (Name of Project) is being operated in compliance with the restrictive-use provisions contained in (applicable release document) and the Restrictive-Use Agreement which sets forth certain requirements for operation of the project for the benefit of low- and moderate-income people in conformance with applicable RHS regulations. (Name of Owner) understands that failure to operate the project in conformance with the restrictive-use provisions may cause a tenant or the United States to seek enforcement of the provisions.

Date: _____
 Owner: _____
 By: _____
 (Title)

(g) *Loans with current restrictive-use provisions (all loans were obligated and applicable servicing actions took place for the project over 20 years prior to prepayment).* These provisions are used when the loan is currently under restrictive-use provisions and the owner enters into an agreement to immediately attempt to offer the project for sale to a nonprofit organization or public Rural Housing Service in accordance with § 3560.659. The borrower will also be required to execute the Restrictive-Use Agreement herein contained. The owners and any successors in interest agree to immediately offer to sell the housing and related facilities to a qualified nonprofit organization or public Rural Housing Service, as determined by the Rural Housing Service.

(Name of Borrower), herein referred to as owner, and any successors in interest agree to immediately attempt to sell the (Name of Project), herein referred to as housing and related facilities to a qualified nonprofit

organization or public Rural Housing Service, as determined by the Rural Housing Service, in accordance with the provisions of 7 CFR part 3560, subpart N. The owner agrees to use the housing as required in 7 CFR, part 3560, subpart N, or other regulations then in existence during the sales period for the purpose of housing low- and moderate-income people eligible for occupancy. A tenant or applicant for housing may seek enforcement of this provision, as well as the United States. Prior to a sale to a nonprofit organization or public Rural Housing Service, no eligible person occupying or wishing to occupy the housing shall be required to vacate or be denied occupancy without cause. Rents, other charges, and conditions of occupancy will be established to meet these conditions such that the effect will not differ from what would have been had the project remained in the RHS program. The owner also agrees to keep a notice posted at the housing project in a place available for tenant inspection, for the remainder of the sales period, stating that the housing project is to be used in accordance with sections 514 and 515 of title V of the Housing Act of 1949, and that management practices and rental rates for tenants as of the date of the prepayment will be consistent with those necessary to maintain the housing project for low- and moderate-income tenants. A tenant, as well as the Rural Housing Service, may seek enforcement of this provision.

Furthermore, the owner agrees to be bound by the applicable provisions of 7 CFR part 3560, subpart N, and specific to tenant rights and relations for the duration of the sales period. The owner agrees to be responsible for ensuring that rental procedures, verification and certification of income and employment, lease agreements, rent or occupancy charges, and termination and eviction remain consistent with the provisions contained in 7 CFR part 1930, subpart C, and to adhere to applicable local, state, and Federal laws. The owner agrees to obtain Rural Housing Service concurrence with any changes to the preceding rental procedures that may deviate from those approved at the time of prepayment, prior to implementing the changes. Any changes proposed must be consistent with the objectives of the program and the regulations. Documentation, including annual income recertifications, shall be maintained to evidence compliance in the event there is a future complaint or audit. The owner must be able to document that acceptable waiting lists were maintained, units were rented to appropriate tenants, and rents were established at appropriate levels. The owner agrees to make the documentation available for Rural Housing Service inspection upon request. The owner and any successors in interest agree to provide the following signed and dated certification to the applicable RHS Servicing Office or other designated office within 30 days of the beginning of each calendar year until a sale to nonprofit organization or public Rural Housing Service takes place:

(Name of Owner) certifies that (Name of Project) is being operated in compliance with the restrictive-use provisions contained in (applicable release document) and the