

not low income and who elect to pay more than 30 percent of their monthly gross household income for rental housing. This proposed change would be more reflective of the intent of the Uniform Act in that it assures consideration of income for low-income persons.

The proposal would rely on the U.S. Department of Housing and Urban Development's Annual Survey of Income Limits.⁵ The proposed procedures in § 24.402(b)(2)(ii) would continue to use the 30 percent of monthly gross household income, but only for displaced persons who qualify as low income. The base monthly rental would continue to be established solely on the criteria in § 24.402(b)(2).

Section 24.402(c) Downpayment Assistance Payment

For uniformity, we propose to clarify that the replacement housing payment received under § 24.402(b) may be used for a downpayment assistance payment. There is a disparity among Agencies as to the amount that can be used as the downpayment. Most State and Federal Agencies currently allow the full amount of the rent supplement to be applied to the downpayment. Some, on the other hand, follow the guidance in appendix A of this regulation which limits the amount of the downpayment to what would ordinarily be required to obtain conventional loan financing for a decent, safe and sanitary dwelling. No such limits are included in the Uniform Act.

Therefore, we propose to add language that would allow the displaced person to apply the full amount of the rent supplement to the downpayment on a decent, safe and sanitary dwelling. We also propose to slightly modify appendix A to conform to the proposed change.

Section 24.403(a) Determining Cost of Comparable Replacement Dwelling

At the request of several Federal Agencies, we are proposing that Agencies pay, as a part of the reasonable cost of a comparable replacement dwelling, the increased real estate taxes, if any, for displaced 180-day owner occupants displaced as a result of a Federal or federally-funded project. This payment would be based on the difference between the monthly real estate tax on the acquired dwelling, and the monthly real estate tax on the replacement dwelling at the time of purchase but not to exceed the monthly

real estate tax on a comparable replacement dwelling.

The benefit would be calculated over a 24-month period. If the displaced person elects to purchase a replacement dwelling where the real estate tax at the time of purchase exceeds that of the comparable replacement dwelling, the increased tax payment, if any, would be limited to the increased monthly tax cost of the comparable replacement dwelling at the time of purchase for 24 months. Should the displaced person elect to purchase a replacement dwelling for less than the cost of a comparable replacement dwelling, the increased tax calculation would be based on the 24 month increase, if any, in the real estate tax of the acquired dwelling and that of the replacement dwelling at the time of purchase.

The rationale for this proposal is that increased real estate taxes represent a real part of the cost of a replacement dwelling and are often a financial burden, particularly for displaced persons with fixed incomes, such as social security. Other situations could arise where a displaced person that purchases a new home may lose his/her grand-fathered real estate tax rate privileges and be subject to a higher real estate tax rate. The proposal would comport with the spirit and purpose of the Uniform Act, which is to treat displaced persons fairly by ensuring that they are able to relocate to a replacement dwelling that is comparable to the dwelling from which they were displaced.

Section 24.403(a)(1) Adjustment of Comparables

We propose to remove the requirement that Agencies adjust the asking price of the comparable replacement dwelling in computing replacement housing payments. Currently, this section bases a displaced person's replacement housing payment on the adjusted difference between the asking price and the selling price of a comparable replacement dwelling as determined by an Agency survey of the area. This requirement, because it can provide a replacement housing payment that is different than the price of a comparable dwelling, is burdensome and forces the displaced person to become a negotiator. This imposes an unnecessary obligation on the displaced person for which he/she probably is not qualified. Removing this requirement also would relieve the Agency of the administrative burden of conducting a market survey to determine the adjusted sales value. The procedure for determining a comparable dwelling would not change, only the current

requirement to adjust the price of the selected comparable dwelling would be eliminated. The replacement housing payment would be based on the list price of the comparable dwelling not the adjusted price. Additionally, the reference to the adjustment of comparable replacement dwellings in Appendix A would be removed.

Subpart F—Mobile Homes

Based upon the comments from our five national public listening sessions and comments from the other Agencies, we are proposing to reorganize Subpart F for clarity and ease of use. The basic content would remain unchanged.

We propose to move the required determinations to distinguish a mobile home displacement as either an acquisition of real property or as a move of personal property, to the eligibility paragraph in § 24.502.

Subpart E provides replacement housing payments for an owner occupant or tenant occupant displaced from a conventional dwelling. Subpart F provides similar payments for an owner occupant or tenant that is displaced from an acquired mobile home. However, mobile homes may instead be considered personal property and relocated, not purchased, which in turn may lead to the determination that the occupant is not displaced from his/her dwelling. The proposed reorganization merely consolidates the necessary displacement determination, locating each with the applicable payment eligibility provisions.

We propose to eliminate § 24.505 (Additional rules governing relocation payments to mobile home occupants), and consolidate its provisions into the following paragraphs in which they are more closely affiliated: § 24.501 (Applicability); § 24.502 (currently § 24.503—Replacement housing payment for 180-day mobile homeowner-occupants); and § 24.503 (currently § 24.504 —Replacement housing payment for 90-day mobile home occupants.) Also, as previously discussed in the preamble to Subpart D, we propose to consolidate the moving provisions in § 24.301(g)(8) through (g)(10).

Section 24.502(b) Replacement Housing Payment Computation for a 180-Day Owner Displaced From a Mobile Home

We propose to modify and consolidate § 24.502(b) that provides for payment of actual moving expenses with the criteria for replacement housing payments in those cases where the displacing Agency determines the homeowner is displaced from the

⁵ The Annual Survey of Income Limits can be found at the following URL: <http://www.huduser.org/datasets/il.html>.