

condition to the contrary in section 6 or 20(i) of the District of Columbia Redevelopment Act of 1945 (act Aug. 2, 1946, ch. 736, 60 Stat. 790, as amended), or any other law, the District of Columbia Redevelopment Land Agency was authorized to plan and undertake neighborhood development programs under this part, which programs would be regarded as complying with sections 6 and 20(i) of that Act and any other provision of law, if those programs were in compliance with this part.

SUBCHAPTER III—FARM HOUSING

§ 1471. Financial assistance by Secretary of Agriculture

(a) Authorization and purposes of assistance

The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this subchapter, to extend financial assistance, through the Farmers Home Administration, (1) to owners of farms in the United States and in the Territories of Alaska and Hawaii and in the Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, and to purchase buildings and land constituting a minimum adequate site, in order to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this subchapter, and (2) to owners of other real estate in rural areas for the construction, improvement, alteration, or repair of dwellings, related facilities, and farm buildings and to rural residents, including persons who reside in reservations or villages of Indian tribes, for such purposes and for the purchase of buildings and the purchase of land constituting a minimum adequate site, in order to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations, and (3) to elderly or handicapped persons or families who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use, and (4) to an owner described in clause (1), (2), or (3) for refinancing indebtedness which—

(A) was incurred for an eligible purpose described in such clause, and

(B)(i) if not refinanced, is likely to result (because of circumstances beyond the control of the applicant) at an early date in the loss of the applicant's necessary dwelling or essential farm service buildings, or

(ii) if combined (in the case of a dwelling that the Secretary finds not to be decent, safe, and sanitary) with a loan for improvement, rehabilitation, or repairs and not refinanced, is likely to result in the applicant's continuing to be deprived of a decent, safe, and sanitary dwelling.

(5)¹ DEFINITIONS.—For purposes of this subchapter, the terms "repair", "repairs", "reha-

bitate", and "rehabilitation" include measures to evaluate and reduce lead-based paint hazards, as such terms are defined in section 4851b of this title.

(b) Definitions

(1) For the purpose of this subchapter, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this subchapter whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(2) For the purposes of this subchapter, the terms "owner" and "mortgage" shall be deemed to include, respectively, the lessee of, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.

(3) For the purposes of this subchapter, the term "elderly or handicapped persons or families" means families which consist of two or more persons, the head of which (or his or her spouse) is at least sixty-two years of age or is handicapped. Such term also means a single person who is at least sixty-two years of age or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary, to have an impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions, or if such person has a developmental disability as defined in section 15002 of this title. The Secretary shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this subchapter. Notwithstanding the preceding provisions of this paragraph, such term also includes two or more elderly (sixty-two years of age or over) or handicapped persons living together, one or more such persons living with another person who is determined (under regulations prescribed by the Secretary) to be essential to the care or well-being of such persons, and the surviving member or members of any family described in the first sentence of this paragraph who were living, in a unit assisted under this subchapter, with the deceased member of the family at the time of his or her death.

(4) For the purpose of this subchapter, the terms "low income families or persons" and

¹ So in original.

“very low-income families or persons” means those families and persons whose incomes do not exceed the respective levels established for lower income families and very low-income families under the United States Housing Act of 1937 [42 U.S.C. 1437 et seq.]. Notwithstanding the preceding sentence, the maximum income levels established for purposes of this subchapter for such families and persons in the Virgin Islands shall not be less than the highest such levels established for purposes of this subchapter for such families and persons in American Samoa, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The temporary absence of a child from the home due to placement in foster care should not be considered in considering family composition and family size.

(5)(A) For the purpose of this subchapter, the terms “income” and “adjusted income” have the meanings given by sections 3(b)(4) and 3(b)(5), respectively, of the United States Housing Act of 1937 [42 U.S.C. 1437a(b)(4), (5)].

(B) For purposes of this subchapter, the term “income” does not include dividends received from the Alaska Permanent Fund by a person who was under the age of 18 years when that person qualified for the dividend.

(6) For the purposes of this subchapter, the term “Indian tribe” means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) [25 U.S.C. 450 et seq.] or was considered an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter.

(7) For the purposes of this subchapter, the term “rural resident” shall include a family or a person who is a renter of a dwelling unit in a rural area.

(8) For the purposes of this subchapter, the term “adequate dwelling” means a decent, safe, and sanitary dwelling unit.

(c) Conditions of eligibility

In order to be eligible for the assistance authorized by subsection (a) of this section, the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage, or that he is the owner of other real estate in a rural area or a rural resident without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations, or that the applicant is an elderly or handicapped person or family in a rural area without an adequate dwelling or related facility for its own use, or that he is the owner of a farm or other real estate in a rural area who needs refinancing of indebtedness described in clause (4) of subsection (a) of this section; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the

credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill. If an applicant is a State or local public agency or Indian tribe—

(A) the provisions of clause (3) shall not apply to its application; and

(B) the applicant shall be eligible to participate in any program under this subchapter if the persons or families to be served by the applicant with the assistance being sought would be eligible to participate in such program.

(d) Additional definitions

As used in this subchapter (except in sections 1473 and 1474(b) of this title) the terms “farm”, “farm dwelling”, and “farm housing” shall include dwellings or other essential buildings of eligible applicants.

(e) Prepayment of taxes, insurance, and other expenses; advances to account of borrower: interest, time for repayment

The Secretary shall establish procedures under which borrowers under this subchapter are required to make periodic payments for the purpose of taxes, insurance, and other necessary expenses as the Secretary may deem appropriate. Notwithstanding any other provision of law, such payments shall not be considered public funds. The Secretary shall direct the disbursement of the funds at the appropriate time or times for the purposes for which the funds were escrowed. The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State where State law requires payment of interest on escrowed funds, subject to appropriations to the extent that additional budget authority is necessary to carry out this sentence. If the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay the costs in full, which advances shall be charged to the account of the borrower, bear interest, and be payable in a timely fashion as determined by the Secretary. The Secretary shall notify a borrower in writing when loan payments are delinquent.

(f) Increase in loan limits

With respect to any limitation on the amount of any loan which may be made, insured, or guaranteed under this subchapter for the purchase of a dwelling unit, the Secretary may increase such amount by up to 20 percent if such increase is necessary to account for the increased cost of the dwelling unit due to the installation of a solar energy system (as defined in subparagraph (3) of the last paragraph of section 1703(a) of title 12) therein.

(g) Avoidance of involuntary displacement of families and businesses

The programs authorized by this subchapter shall be carried out, consistent with program goals and objectives, so that the involuntary displacement of families and businesses is avoided.

(h) Eligibility of resident aliens

The Secretary may not restrict the availability of assistance under this subchapter for any

alien for whom assistance may not be restricted under section 1436a of this title.

(i) Loan packaging by nonprofit organizations as a “development cost”

For the purposes of this subchapter, the term “development cost” shall include the packaging of loan and grant applications and actions related thereto by public and private nonprofit organizations tax exempt under title 26.

(j) Program transfers

Notwithstanding any other provision of law, the Secretary shall not transfer any program authorized by this subchapter to the Rural Development Administration.

(July 15, 1949, ch. 338, title V, § 501, 63 Stat. 432; Pub. L. 87-70, title VIII, §§ 801(a), 803, June 30, 1961, 75 Stat. 186; Pub. L. 87-723, § 4(a)(1), Sept. 28, 1962, 76 Stat. 670; Pub. L. 89-117, title X, § 1001, Aug. 10, 1965, 79 Stat. 497; Pub. L. 89-754, title VIII, §§ 801, 807, Nov. 3, 1966, 80 Stat. 1282; Pub. L. 91-609, title VIII, § 802, Dec. 31, 1970, 84 Stat. 1806; Pub. L. 93-383, title V, §§ 501-503, 505(a), 520, Aug. 22, 1974, 88 Stat. 692, 693, 699; Pub. L. 95-128, title V, §§ 503, 507(a)(1), (2), (b), Oct. 12, 1977, 91 Stat. 1139-1141; Pub. L. 95-619, title II, § 248(c), Nov. 9, 1978, 92 Stat. 3235; Pub. L. 96-153, title V, §§ 502(b), 506, Dec. 21, 1979, 93 Stat. 1134, 1136; Pub. L. 96-399, title V, §§ 506, 507(a), (h), 512, Oct. 8, 1980, 94 Stat. 1669-1671; Pub. L. 98-181, title I [title V, § 502], Nov. 30, 1983, 97 Stat. 1240; Pub. L. 98-479, title I, § 105(a), title II, § 203(d)(3), Oct. 17, 1984, 98 Stat. 2226, 2229; Pub. L. 99-272, title XIV, § 14001(b)(3), Apr. 7, 1986, 100 Stat. 328; Pub. L. 100-242, title III, §§ 302(a), (b)(1), 303, 315, 316(a), Feb. 5, 1988, 101 Stat. 1893, 1894, 1897; Pub. L. 101-625, title VII, §§ 702, 703, Nov. 28, 1990, 104 Stat. 4282, 4283; Pub. L. 102-550, title VII, § 714, title X, § 1012(m), Oct. 28, 1992, 106 Stat. 3842, 3907; Pub. L. 104-193, title IV, § 441(b), Aug. 22, 1996, 110 Stat. 2276; Pub. L. 106-402, title IV, § 401(b)(8), Oct. 30, 2000, 114 Stat. 1738; Pub. L. 107-76, title VII, § 752, Nov. 28, 2001, 115 Stat. 740; Pub. L. 108-199, div. A, title VII, § 768, Jan. 23, 2004, 118 Stat. 40.)

REFERENCES IN TEXT

The United States Housing Act of 1937, referred to in subsec. (a)(4), is act Sept. 1, 1937, ch. 896, as revised generally by Pub. L. 93-383, title II, § 201(a), Aug. 22, 1974, 88 Stat. 653, and amended, which is classified generally to chapter 8 (§ 1437 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1437 of this title and Tables.

The Indian Self-Determination and Education Assistance Act, referred to in subsec. (b)(6), is Pub. L. 93-638, Jan. 4, 1975, 88 Stat. 2203, as amended, which is classified principally to subchapter II (§ 450 et seq.) of chapter 14 of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 450 of Title 25 and Tables.

Chapter 67 of title 31, referred to in subsec. (b)(6), was repealed by Pub. L. 99-272, title XIV, § 14001(a)(1), Apr. 7, 1986, 100 Stat. 327, effective Oct. 18, 1986.

AMENDMENTS

2004—Subsec. (b)(5)(B). Pub. L. 108-199 struck out “for fiscal years 2002 and 2003,” after “this subchapter.”.

2001—Subsec. (b)(5). Pub. L. 107-76 designated existing provisions as subpar. (A) and added subpar. (B).

2000—Subsec. (b)(3). Pub. L. 106-402 substituted “developmental disability as defined in section 15002 of this title” for “developmental disability as defined in section 6001(7) of this title”.

1996—Subsec. (h). Pub. L. 104-193 struck out par. (1) designation, struck out “by the Secretary of Housing and Urban Development” before “under section 1436a of this title”, and struck out par. (2) which read as follows: “In carrying out any restriction established by the Secretary on the availability of assistance under this subchapter for any alien, the Secretary shall follow procedures comparable to the procedures established in section 1436a of this title.”

1992—Subsec. (a). Pub. L. 102-550, § 1012(m), added par. (5).

Subsec. (j). Pub. L. 102-550, § 714, added subsec. (j).

1990—Subsec. (b)(4). Pub. L. 101-625, § 702, inserted at end “The temporary absence of a child from the home due to placement in foster care should not be considered in considering family composition and family size.”

Subsec. (e). Pub. L. 101-625, § 703, inserted after third sentence “The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State where State law requires payment of interest on escrowed funds, subject to appropriations to the extent that additional budget authority is necessary to carry out this sentence.”

1988—Subsec. (b)(3). Pub. L. 100-242, § 316(a), substituted “has a developmental disability as defined in section 6001(7) of this title” for “is a developmentally disabled individual as defined in section 6001(7) of this title”.

Subsec. (b)(4). Pub. L. 100-242, § 302(b)(1), inserted provisions at end relating to maximum income levels established for families and persons in the Virgin Islands to be not less than the highest such levels established for families and persons in American Samoa, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Subsec. (e). Pub. L. 100-242, § 303, amended subsec. (e) generally. Prior to amendment, subsec. (e) read as follows: “The Secretary may establish procedures whereby borrowers under this subchapter may make periodic payments for the purpose of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be disbursed by the Secretary at the appropriate time or times for the purposes for which such payments are made, and after October 1, 1977, if the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay these costs in full, which advances shall be charged to the account of the borrower and bear interest and be payable in a timely fashion not to exceed two years, as determined by the Secretary. The Secretary shall notify a borrower in writing when his loan payments are delinquent.”

Subsec. (h). Pub. L. 100-242, § 302(a), added subsec. (h).

Subsec. (i). Pub. L. 100-242, § 315, added subsec. (i).

1986—Subsec. (b)(6). Pub. L. 99-272 substituted “or was considered an eligible recipient under chapter 67 of title 31 prior to the repeal of such chapter” for “or under chapter 67 of title 31”.

1984—Subsec. (b)(4). Pub. L. 98-479, § 105(a), struck out “by the Secretary of Housing and Urban Development” before “under the United States Housing Act of 1937.”

Subsec. (b)(6). Pub. L. 98-479, § 203(d)(3), substituted “chapter 67 of title 31” for “the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512)”.

1983—Subsec. (b)(4). Pub. L. 98-181, § 502(a), amended par. (4) generally, substituting definition of low and very low-income families or persons as those whose incomes do not exceed levels established by the Secretary under the United States Housing Act of 1937 for definition of persons of low income as those whose incomes do not exceed 80 per centum of the area median income, except when it is impracticable to use such median income or variations are necessary because of other factors.

Subsec. (b)(5). Pub. L. 98-181, § 502(b), amended par. (5) generally, substituting definition of income and adjusted income as having the meanings given by sections 3(b)(4) and 3(b)(5) of the United States Housing Act of

1937 for definition of income as income from all sources of each household member, as determined in accordance with criteria prescribed by the Secretary.

1980—Subsec. (a)(2). Pub. L. 96-399, §507(a), inserted reference to persons residing in reservations or villages of Indian tribes.

Subsec. (b)(6) to (8). Pub. L. 96-399, §506, added pars. (6) to (8).

Subsec. (c). Pub. L. 96-399, §507(h), inserted “or Indian tribe” after “local public agency” in second sentence.

Subsec. (g). Pub. L. 96-399, §512, added subsec. (g).

1979—Subsec. (a)(4). Pub. L. 96-153, §506, redesignated former subpar. (B) as (B)(i) and (ii), and in subpar. (B)(i) as so redesignated, inserted reference to circumstances beyond the applicant's control, and in subpar. (B)(ii) as so redesignated, substituted reference to deprivation of decent, safe, and sanitary dwelling for reference to continuing hardship, and struck out subpar. (C) which authorized refinancing indebtedness provided the indebtedness was incurred at least 5 years prior to the application for assistance.

Subsec. (b)(4), (5). Pub. L. 96-153, §502(b), added pars. (4) and (5).

1978—Subsec. (f). Pub. L. 95-619 added subsec. (f).

1977—Subsec. (a)(3). Pub. L. 95-128, §507(a)(1), substituted “elderly or handicapped persons or families” for “elderly persons”.

Subsec. (b)(3). Pub. L. 95-128, §507(b), substituted definition of “elderly or handicapped persons or families” for prior definition of “elderly persons” as persons who are 62 years of age or over.

Subsec. (c)(1). Pub. L. 95-128, §507(a)(2), substituted “the applicant is an elderly or handicapped person or family in a rural area without an adequate dwelling or related facility for its own use” for “he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use”.

Subsec. (e). Pub. L. 95-128, §503, substituted as a second sentence “Such payments shall be disbursed by the Secretary at the appropriate time or times for the purposes for which such payments are made, and after October 1, 1977, if the prepayments made by the borrower are not sufficient to pay the amount due, advances may be made by the Secretary to pay these costs in full, which advances shall be charged to the account of the borrower and bear interest and be payable in a timely fashion not to exceed two years, as determined by the Secretary” for “Such payments shall be held in escrow by the Secretary and paid out by him at the appropriate time or times for the purposes for which such payments are made”.

1974—Subsec. (a)(1). Pub. L. 93-383, §501, inserted references to the territories and possessions of the United States and the Trust Territory of the Pacific Islands.

Subsec. (a)(4)(B). Pub. L. 93-383, §502(1), inserted provisions relating to combining of indebtedness with a loan for improvement, rehabilitation, or repairs.

Subsec. (a)(4)(C). Pub. L. 93-383, §502(2), substituted provisions relating to incursion of indebtedness by the applicant at least five years prior to his applying under this clause for provisions relating to indebtedness not held or insured by the United States or any agency.

Subsec. (a)(4)(D). Pub. L. 93-383, §502(2), struck out subpar. (D) which related to indebtedness incurred prior to enactment of clause.

Subsec. (b)(2). Pub. L. 93-383, §503, substituted “this subchapter” for “sections 1472 and 1474 of this title”.

Subsec. (c). Pub. L. 93-383, §520, inserted provisions relating to applications of a State or local public agency.

Subsec. (e). Pub. L. 93-383, §505(a), added subsec. (e).

1970—Subsec. (b)(2). Pub. L. 91-609 substituted “sections 1472 and 1473 of this title, the terms ‘owner’ and ‘mortgage’ shall be deemed to include, respectively, the lessee of” for “this subchapter, the terms ‘owner’, ‘farm’, and ‘mortgage’ shall be deemed to include, respectively, the lessee of, the land included in”. The words “, the land included in” were improvidently omitted.

1966—Subsec. (a)(1) to (3). Pub. L. 89-754, §801, struck out “previously occupied” before “buildings and land”

in cl. (1), “buildings and the purchase of land” in cl. (2), and “dwellings and related facilities” in cl. (3).

Subsec. (a)(4). Pub. L. 89-754, §807(a), added cl. (4).

Subsec. (c)(1). Pub. L. 89-754, §807(b), inserted as a condition of eligibility that the applicant be the owner of a farm or other real estate in a rural area who needs refinancing of indebtedness described in subsec. (a)(4) of this section.

1965—Subsec. (a). Pub. L. 89-117, §1001(a), authorized the extension of formal assistance to owners of farms to purchase previously occupied buildings and land constituting a minimum adequate site, to owners of other real estate in rural areas for the construction, improvement, alteration, or repair of dwellings, related facilities, and farm buildings, and to rural residents for such purposes and for the purchase of previously occupied buildings and the purchase of land constituting a minimum adequate site.

Subsec. (c). Pub. L. 89-117, §1001(b), inserted “or a rural resident” in cl. (1) after “or that he is the owner of other real estate in a rural area”.

1962—Subsec. (a)(3). Pub. L. 87-723, §4(a)(1)(A), added cl. (3).

Subsec. (b)(3). Pub. L. 87-723, §4(a)(1)(B), added par. (3).

Subsec. (c)(1). Pub. L. 87-723, §4(a)(1)(C), inserted provisions requiring the applicant for assistance to show in the alternative that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use.

1961—Subsec. (a). Pub. L. 87-70, §803(a), authorized assistance to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations.

Subsec. (b). Pub. L. 87-70, §801(a), designated existing provisions as par. (1) and added par. (2).

Subsec. (c). Pub. L. 87-70, §803(b), permitted the applicant to show that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations.

Subsec. (d). Pub. L. 87-70, §803(c), added subsec. (d).

EFFECTIVE DATE OF 1988 AMENDMENT

Pub. L. 100-242, title III, §302(b)(2), Feb. 5, 1988, 101 Stat. 1894, provided that: “The amendment made by paragraph (1) [amending this section] shall be applicable to any determination of eligibility for assistance under title V of the Housing Act of 1949 [this subchapter] made on or after the date of the enactment of this Act [Feb. 5, 1988].”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-272 effective Oct. 18, 1986, see section 14001(e) of Pub. L. 99-272.

TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

PERFORMANCE GOALS FOR FARMERS HOME ADMINISTRATION

Pub. L. 102-550, title IX, §925(b), Oct. 28, 1992, 106 Stat. 3885, provided that:

“(1) IN GENERAL.—The Secretary of Agriculture may establish performance goals for the major housing programs of the Farmers Home Administration in order to measure progress towards meeting the objectives of national housing policy.

“(2) FORM OF GOALS.—The performance goals referred to in paragraph (1) shall be expressed in terms sufficient to measure progress.

“(3) REPORT.—The Secretary of Agriculture shall prepare a report to the Congress on the progress made in attaining the performance goals for each program, citing the actual results achieved in such program for the previous year.

“(4) FAILURE TO MEET GOALS.—If a performance standard or goal has not been met, the report under paragraph (3) shall include an explanation of why the goal was not met, propose plans for achieving the performance goal, and recommend any legislative or regulatory changes necessary for achievement of the goal.”

[For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which a report required under section 925(b)(3) of Pub. L. 102-550, set out above, is listed in item 12 on page 47), see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.]

ADMISSION OF ALASKA AND HAWAII TO STATEHOOD

Alaska was admitted into the Union on Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, and Hawaii was admitted into the Union on Aug. 21, 1959, on issuance of Proc. No. 3309, Aug. 21, 1959, 24 F.R. 6868, 73 Stat. c74. For Alaska Statehood Law, see Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as a note preceding section 21 of Title 48, Territories and Insular Possessions. For Hawaii Statehood Law, see Pub. L. 86-3, Mar. 18, 1959, 73 Stat. 4, set out as a note preceding section 491 of Title 48.

§ 1472. Loans for housing and buildings on adequate farms

(a) Terms of loan

(1) If the Secretary determines that an applicant is eligible for assistance as provided in section 1471 of this title and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest. The Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability. At the borrower's option, the borrower may prepay to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 1471(e) of this title.

(2) The Secretary may extend the period of any loan made under this section if the Secretary determines that such extension is necessary to permit the making of such loan to any person whose income does not exceed 60 per centum of the median income for the area and who would otherwise be denied such loan because the payments required under a shorter period would exceed the financial capacity of such person. The aggregate period for which any loan may be extended under this paragraph may not exceed 5 years.

(3)(A) Notwithstanding any other provision of this subchapter, a loan may be made under this section for the purchase of a dwelling located on land owned by a community land trust, if the borrower and the loan otherwise meet the requirements applicable to loans under this section.

(B) For purposes of this paragraph, the term “community land trust” means a community

housing development organization as such term is defined in section 12704 of this title (except that the requirements under section 12704(6)(C) of this title and section 12704(6)(D) of this title shall not apply for purposes of this paragraph)—

(i) that is not sponsored by a for-profit organization;

(ii) that is established to carry out the activities under clause (iii);

(iii) that—

(I) acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;

(II) transfers ownership of any structural improvements located on such leased parcels to the lessees; and

(III) retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low- and moderate-income families in perpetuity; and

(iv) that has its corporate membership open to any adult resident of a particular geographic area specified in the bylaws of the organization.

(b) Provisions of loan instrument

The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm or such other security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary, except that any prepayment of a loan made or insured under section 1484 or 1485 of this title shall be subject to the provisions of subsection (c) of this section;

(3) except for guaranteed loans, contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

(c) Prepayment and refinancing provisions

(1)(A) The Secretary may not accept an offer to prepay, or request refinancing in accordance with subsection (b)(3) of this section of, any loan made or insured under section 1484 or 1485 of this title pursuant to a contract entered into after December 21, 1979, but before December 15, 1989, unless the Secretary takes appropriate action which will obligate the borrower (and successors in interest thereof) to utilize the assisted housing and related facilities for the purposes specified in section 1484 or 1485 of this title, as the case may be, for a period of—