

## EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 104-65 effective Jan. 1, 1996, except as otherwise provided, see section 24 of Pub. L. 104-65, set out as an Effective Date note under section 1601 of Title 2, The Congress.

## EFFECTIVE DATE

Pub. L. 101-235, title IV, § 401(b), Dec. 15, 1989, 103 Stat. 2048, provided that: "Section 536 of the Housing Act of 1949 [this section], as added by subsection (a), shall take effect on the effective date of regulations implementing such section."

**§ 1490p-1. Office of Rural Housing Preservation****(a) Establishment**

There is established within the Farmers Home Administration an Office of Rental Housing Preservation (hereafter in this section referred to as the "Office"). The Office shall be headed by a Director designated by the Secretary of Agriculture.

**(b) Purposes**

The purposes of the Office are:

- (1) to review and process applications under section 1472(c) of this title and section 1485(t) of this title related to the preservation of rural rental housing;
- (2) to provide technical or financial assistance to any other projects needing such assistance;
- (3) to coordinate and direct all other activities related to the preservation of rural housing; and
- (4) to monitor compliance of projects prepaid or receiving incentives under the Housing Act of 1949.

(July 15, 1949, ch. 338, title V, § 537, as added Pub. L. 102-550, title VII, § 712(c), Oct. 28, 1992, 106 Stat. 3841.)

## REFERENCES IN TEXT

The Housing Act of 1949, referred to in subsec. (b)(4), is act July 15, 1949, ch. 338, 63 Stat. 413, as amended, which is classified principally to this chapter (§1441 et seq.). For complete classification of this Act to the Code, see Short Title note set out under section 1441 of this title and Tables.

**§ 1490p-2. Loan guarantees for multifamily rental housing in rural areas****(a) Authority**

The Secretary may make commitments to guarantee eligible loans for the development costs of eligible housing and related facilities, and may guarantee such eligible loans, in accordance with this section.

**(b) Extent of guarantee**

A guarantee made under this section shall guarantee repayment of an amount not exceeding the total of the amount of the unpaid principal and interest of the loan for which the guarantee is made. The liability of the United States under any guarantee under this section shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

**(c) Eligible borrowers**

A loan guaranteed under this section may be made to a nonprofit organization, an agency or

body of any State government or political subdivision thereof, an Indian tribe, or a private entity.

**(d) Eligible housing**

A loan may be guaranteed under this section only if the loan is used for the development costs of housing and related facilities (as such terms are defined in section 1485(e) of this title) that—

- (1) consists of 5 or more adequate dwellings;
- (2) is available for occupancy only by low or moderate income<sup>1</sup> families or persons, whose incomes at the time of initial occupancy do not exceed 115 percent of the median income of the area, as determined by the Secretary;
- (3) will remain available as provided in paragraph (2), according to such binding commitments as the Secretary may require, for the period of the original term of the loan guaranteed, unless the housing is acquired by foreclosure (or instrument in lieu of foreclosure) or the Secretary waives the applicability of such requirement for the loan only after determining, based on objective information, that—
  - (A) there is no longer a need for low- and moderate-income housing in the market area in which the housing is located;
  - (B) housing opportunities for low-income households and minorities will not be reduced as a result of the waiver; and
  - (C) additional Federal assistance will not be necessary as a result of the waiver; and
- (4) is located in a rural area.

**(e) Eligible lenders****(1) Requirement**

A loan may be guaranteed under this section only if the loan is made by a lender that the Secretary determines—

- (A) meets the qualifications, and has been approved by the Secretary of Housing and Urban Development, to make loans for multifamily housing that are to be insured under the National Housing Act [12 U.S.C. 1701 et seq.];
- (B) meets the qualifications, and has been approved by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, to make loans for multifamily housing that are to be sold to such corporations; or
- (C) meets any qualifications that the Secretary may, by regulation, establish for participation of lenders in the loan guarantee program under this section.

**(2) Eligibility list and annual audit**

The Secretary shall establish a list of eligible lenders and shall annually conduct an audit of each lender included in the list for purposes of determining whether such lender continues to be an eligible lender.

**(f) Loan terms**

Each loan guaranteed pursuant to this section shall—

- (1) be made for a period of not less than 25 nor greater than 40 years from the date the

<sup>1</sup>So in original. Probably should be "low- or moderate-income".