

NAHMA Analysis

News and Analysis of Breaking Issues in Affordable Housing



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The USDA announced \$100 Million in funding availability (NOFA) for new Rural Development Loans January 10, 2001



Here is the formal release statement on the loan program;

WASHINGTON, January 10, 2001 -- Agriculture Under Secretary Jill Long Thompson today announced that the United States Department of Agriculture will provide nearly \$100 million in guaranteed loan funds to construct approximately 2,900 rural rental housing units.

"We have a moral obligation to ensure that our citizens can access adequate housing," said Long Thompson. "It is particularly important that we continue to be the beacon of light for those older Americans and lower income working families who are struggling to find decent, safe and affordable housing."

"Housing cost in many rural areas remain high, with few options for lower income residents," said Long Thompson. "This partnership effort between USDA, financial institutions and local and state housing authorities will help to ensure that housing remains affordable for many rural Americans."

Program applications and procedures were published in the December 26, 2000 Federal Register. Interested lenders will be allowed to submit applications until January 18, 2001 and each third Thursday of the month through August 16, 2001, or until funds are exhausted. Further information on application process and deadlines can be obtained by visiting the USDA Rural Development web site at: www.rurdev.usda.gov or calling (202) 720-4323. You can also contact Tim McNeilly at 202-690-0498

The full NOFA follows

maximum grant level, if any. For FY 2001, \$8,000,000 is available for the Housing Preservation Grant Program. A set aside of \$600,000 has been established for grants located in Empowerment Zones, Enterprise Communities, and REAP Zones and \$6,600,000 has been distributed under a formula allocation to States pursuant to 7 CFR part 1940, subpart L, "Methodology and Formulas for Allocation of Loan and Grant Program Funds". Decisions on funding will be based on preapplications.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

[FR Doc. 00-32623 Filed 12-22-00; 8:45 am]

BILLING CODE 3410-XV-U

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Availability of Funding and Requests for Proposals for Guaranteed Loans Under the Section 538 Guaranteed Rural Rental Housing Program

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: This Notice of Fund Availability (NOFA or Notice) announces the timeframe and submission requirements and deadlines to submit proposals in the form of "NOFA responses" for the section 538 Guaranteed Rural Rental Housing Program (GRRHP). Eligible lenders, as defined in paragraph IX.(D) of this NOFA, are invited to submit NOFA responses for the development of affordable rental housing to serve rural America. Only responses submitted by eligible lenders, on the lender's letterhead, and signed by both the applicant and the lender will be reviewed. This Notice describes the overall NOFA response and application process, including the selection and identification of any priorities for selection of NOFA responses, and the process by which the Rural Housing Service (RHS or Agency) will score and rank the NOFA responses. Information will also be included concerning the submission requirements. Lenders may submit a complete application concurrently with the NOFA response.

DATES: The Fiscal Year (FY) 2001 program dollars will be allocated through a continuous selection process. On a monthly basis starting with the third Thursday of January (January 18, 2001) and each third Thursday of the month through August 16, 2001, or until

all funds are expended, the agency will review all NOFA responses that have been received monthly.

Lenders will submit responses that are ready to be processed to a complete application once the NOFA selection is made. NOFA responses will be reviewed for completeness and eligibility, and if so deemed, lenders will be requested to submit a full application and the required application fee of \$2,500.00 within 90 days of selection, if not already submitted.

Applications will be sent to the Rural Development State office in which the project is located. If an application is not submitted within 90 days from the date of the letter notifying the lender of the NOFA selection, the selection is subject to cancellation, thereby allowing another NOFA response that is ready to proceed with processing to be selected. A completed application may be submitted with the NOFA response. However, a completed application and application fee must be submitted by the August 16, 2001 NOFA response date. The deadline for receipt of NOFA responses is 4:00 PM, Eastern Standard or Daylight Time, whichever is then applicable, each third Thursday of the month. Lenders intending to mail a NOFA response must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by a U. S. Post Office or private mailer does not constitute delivery. Postage due NOFA responses or applications will not be accepted. NOFA responses received after the deadlines previously mentioned and before August 16, 2001, will be held for the next month's review if funds remain. The NOFA submission deadline dates are as follows:

- Thursday, January 18, 2001, 4:00 P.M. EDT/EST
- Thursday, February 15, 2001, 4:00 P.M. EDT/EST
- Thursday, March 15, 2001, 4:00 P.M. EDT/EST
- Thursday, April 19, 2001, 4:00 P.M. EDT/EST
- Thursday, May 17, 2001, 4:00 P.M. EDT/EST
- Thursday, June 21, 2001, 4:00 P.M. EDT/EST
- Thursday, July 19, 2001, 4:00 P.M. EDT/EST
- Thursday, August 16, 2001, 4:00 P.M. EDT/EST

When all funds have been exhausted, a notice will be placed in the **Federal Register** to notify the public.

ADDRESSES: Responses for participation in the program must be identified as "Section 538 Guaranteed Rural Rental Housing Program" on the envelope and

be submitted to: Director, Multi-Family Housing Processing Division, Rural Housing Service, U.S. Department of Agriculture, Room 1263 (STOP 0781), 1400 Independence Ave. SW, Washington, DC 20250-0781.

FOR FURTHER INFORMATION CONTACT:

Joyce Allen, Deputy Director, Guaranteed Loans, Multi-Family Housing Processing Division, U.S. Department of Agriculture, South Agriculture Building, Room 1271, STOP 0781, 1400 Independence Ave. SW, Washington, DC 20250-0781. E-mail: jallen@rdmail.rural.usda.gov. Telephone: (202) 690-4499. This number is not toll-free. Hearing or speech impaired persons may access that number by calling the Federal Information Relay Service toll-free at (800) 877-8339.

SUPPLEMENTARY INFORMATION: The GRRHP is operated under 7 CFR part 3565. The Guaranteed Rural Rental Housing Program Origination and Servicing Handbook (HB-1-3565) is available to provide lenders and the general public with the "how to" administrative guidance needed to administer the program. HB-1-3565, which contains a copy of 7 CFR part 3565 in Appendix 1, may be found on the Rural Development Regulation web site internet address of "http://rdinit.usda.gov/regs" or copies may be obtained from the Rural Housing Service Multi-Family Housing Processing Division at 202-720-1604. This is not a toll-free number. Hearing- or speech-impaired persons may access that number by calling the Federal Information Relay Service toll-free at (800) 877-8339.

Discussion of Notice

I. Purpose and Program Summary

On March 28, 1996, President Clinton signed the Housing Opportunity Program Extension Act of 1996, Public Law 104-120, authorizing the section 538 Guaranteed Rural Rental Housing Program (GRRHP). The program is designed to increase the supply of affordable multi-family housing through partnerships between Rural Housing Service (RHS) and major lending sources, as well as state and local housing finance agencies and bond issuers. Tax exempt financing can be used as a source of capital for the guaranteed loan. Qualified lenders will be authorized to originate, underwrite, and close loans for multi-family housing projects requiring new construction or acquisition with rehabilitation of at least \$15,000 per unit when the acquisition results in the creation of new affordable housing units. RHS may guarantee such

loans upon presentation and review of appropriate certifications, project information and satisfactory completion of the appropriate level of environmental review by RHS. Lenders will be responsible for the full range of loan management, servicing, and property disposition activities associated with these projects. The lender will be expected to provide servicing or contract for servicing of each loan it underwrites. The maximum guarantee for a permanent loan will be 90 percent of the unpaid principal and interest of the loan, and in the case of a construction loan, the maximum guarantee will be 90 percent of the work in place, or up to 90 percent of the amounts actually advanced by the lender, whichever is less. Any losses would be split on a pro-rata basis between the lender and the Agency from the first dollar lost.

II. Allocation

Fiscal year (FY) 2001 budget authority provides approximately \$100 million in program dollars. All FY 2001 funds will be held in the National office. There are no set-asides for the GRRHP for FY 2001.

III. The NOFA Response Process

Lenders should respond to the section 538 NOFA only when they have completed a preliminary underwriting analysis and are willing to make the proposed loan, subject to, among other conditions, to the issuance of a guarantee by the Agency. Unfortunately, the Agency has found that in some instances, this has not been the case. In an effort to reduce the number of unacceptable NOFA responses and judiciously commit program dollars to projects that demonstrate a readiness to proceed, the Agency will strictly adhere to the submission requirements found in chapter 4 of HB-1-3565.

In the interest of time, lenders have the option of submitting a combined NOFA response and application. However, the Agency will not give preference to a submission containing both a NOFA response and an application. Lenders who submit complete applications are encouraged, but not required, to include a checklist of the items listed in paragraph 4.9, of HB-1-3565 and to have their

applications indexed and tabbed to facilitate the review process.

NOFA responses will be reviewed for completeness and eligibility, and if so deemed, the lender will be asked to submit a full application and the required application fee of \$2,500.00. The application and fee must be submitted within 90 days of the date the lender receives the selection letter, unless the Agency has agreed to an extension because the applicant is waiting for a determination of their application for tax credits, or other sources of project funds, from an allocating governmental or quasi-governmental Agency and the applicant is scheduled to be notified after the initial 90 day time frame has expired. Applications and fees will be sent to the Rural Development State office in which the project is located. If an application is not submitted within 90 days from the date of the letter notifying the lender of the NOFA selection, the selection is subject to cancellation, thereby allowing another NOFA response that is ready to proceed with processing to be selected.

To submit a complete application, the lender will work with the Agency to complete the appropriate level of environmental review in accordance with 7 CFR part 1940, subpart G, prior to the issuance of the Conditional Commitment, loan approval, or obligation of funds, whichever occurs first. In addition, the Agency will determine that the Civil Rights Impact Analysis Certification and all other Federal requirements, including intergovernmental review (RD Instruction 1940-J) and flood insurance requirements (7 CFR part 1806 subpart B), both available in any Rural Development office, have been met prior to taking any official action on an application for a loan guarantee.

IV. Interest Credit

Assistance can include both loan guarantees and interest credits. For at least 20 percent of the loans made under the program, RHS will provide the borrower with interest credits to reduce the interest rate of the loan by a maximum of 250 basis points. However, in no instance will the lender's interest rate be reduced to lower than the Applicable Federal Rate as such term is

used in section 42(I)(2)(D) of the Internal Revenue Code of 1986.

RHS will provide interest credit on loans up to \$1.5 million. Lenders with proposals that could be viable with or without interest credits are encouraged to submit a NOFA response reflecting financial and market feasibility under both funding options. A request in the NOFA response to be considered under both options will not affect the rating of the response for interest credit selection. However, once the interest credit funds are exhausted, only those NOFA responses requesting consideration under both funding options or the Non-Interest Credit option will be further considered.

Due to limited interest credit funds and the Agency's responsibility to target and give priority to rural areas most in need, NOFA responses requesting to receive interest credit must score a minimum threshold of 70 points. The NOFA responses will be scored on the basis of the criteria as described in 7 CFR 3565.5(b) and as published in paragraph VIII of this NOFA. In the event that requests exceed available funds, the interest credit NOFA responses will be ranked and scored separately using the same selection criteria as described above. In the event of ties, selection between proposals will be by lot.

V. NOFA Response Requirements

NOFA response requirements are subject to change. It is important to note that all responses must be submitted in accordance with the terms of this NOFA, which are different from the NOFA issued in FY 2000.

Selections will be based on the lender's review of project feasibility and merit.

At a minimum, the information contained in the following sample NOFA Response must be submitted by the lender, on lender's letterhead, and be signed by both the lender and the applicant. Incomplete responses will not be considered, and the lender will be notified of the reason that the response was incomplete. The required NOFA Response information is listed as follows:

Sample NOFA Response:

BILLING CODE 3410-XY-J

Lender Name	Lender organization name.
Lender Tax Id Number	Insert number.
Lender Contact Name	Name of the lender contact for loan.
Mailing Address	Complete mailing address for lender.
Phone Number	Phone number for lender contact.

Fax Number	Insert number.
E-mail Address	Insert E-mail address.
Borrower Name And Organization Type	State whether borrower is a Limited Partnership, Corporation, Indian Tribe, etc.
Tax Classification Type	State whether borrower is full profit, not for profit, etc.
Borrower Tax Id Number	Insert number.
Borrower Address, including County	Insert Address and County.
Borrower Phone Number	Insert Number.
Principal Or Key Member	Insert name and title.
Borrower Information And Statement Of Housing Development Experience	Attach relevant information.
New Construction Or Repair/Rehab. Of At Least \$15,000/Unit.	State whether the project is new construction or repair/rehab.
Project Location Town	Town in which the project is located.
Project County	County in which the project is located.
Project State	State in which the project is located.
Project Zip Code	Insert Number.
Project Congressional District	Congressional District for project location.
Project Name	Insert project name.
Project Type	Family, Senior or Mixed.
Property Description And Proposed	See Attached.

Development Schedule	
Total Project Development Cost	Enter amount for total project.
Number Of Units	The total number of units in the project.
Cost Per Unit	Total development cost divided by number of units.
Bedroom Mix	Number of units by number of bedrooms.
Rent	Proposed rent structure.
Median Income For Community	Provide median income for the project community.
Evidence Of Site Control	Attach relevant information.
Description Of Any Environmental Issues	Attach relevant information.
Loan Amount	Insert the loan amount.
Interest Credit (IC)	Is interest credit requested for this loan (Yes or No).
If Above Is Yes, Should Proposal Be Considered Under Non-IC Selection, If IC Funds Are Exhausted?	If Yes, proposal must show financial feasibility for NON-IC consideration.
Borrower's Proposed Equity	Insert Amount.
TAX CREDITS	Are tax credit to be provided to project?
Other Sources Of Funds	List all funding sources.
Loan To Value	Guaranteed loan divided by value.
Debt Coverage Ratio	Net Operating Income divided by debt payments.
Percentage Of Guarantee	Percentage guarantee requested.
Collateral	Attach relevant information.

EZ/EC	Yes or No. Is the project in EZ/EC community?
Colonia Or Tribal Lands	Yes or No. Is the project in a Colonia or on an Indian Reservation?
Presidential Declared Disaster Area	Yes or No
Population	Must be within the 20,000 population limit set for the program.
Is A Guarantee For Construction Advances Being Requested?	Yes or No. (The Agency will guarantee construction advances, only as part of a combination construction and permanent loan).
Loan Term	Fixed rate, up to a 40 year term, must be fully amortizing. Note: Balloon mortgages are not eligible.
Basis Points Over 10 Year Treasury	Insert relevant number.

VI. Lender Submission Requirements

(A) Lender Eligibility and Approval Status: Evidence that the lender is either an approved lender for the purposes of the GRRHP or that the lender is eligible to apply for approved lender status as defined in paragraph IX.(D) of this NOFA will be submitted.

(B) Lender Certification: A commitment letter or certification by the lender that the lender will make a loan to the borrower for the proposed project, under specified terms and conditions subject to the issuance of a guarantee by the Agency. The lender certification must be on the lender's letterhead, and be signed by both the lender and the applicant, and will be submitted by the lender to the Agency.

VII. Competitive Criteria

To expedite the review of the NOFA responses, RHS suggests using the sample NOFA response checklist found in paragraph V. of this NOFA to ensure that all the submission requirements

and competitive criteria of this NOFA have been addressed.

VIII. Selection Criteria

NOFA responses will be reviewed as received on a first come first serve basis on the third Thursday of each month. In the event that demand exceeds available funds, priorities will be assigned to eligible proposals on the basis of the following criteria as described in 7 CFR 3565.5(b) and as published in this NOFA. In the event of ties, selection between proposals will be by lot. Points will be assigned as follows:

(A) Projects located in rural communities with the smallest population will receive priority. All proposals will be ranked in order of their population. The proposals will be given a point score starting with the project located in the area with the lowest population receiving 20 points, the next 19 points and so forth, until up to 20 projects have received points.

(B) The most needy communities as determined by the median income from

the most recently available census data. The proposals will be given a point score starting with the community having the lowest median income receiving 20 points, the next 19 points and so forth until up to 20 proposals have received points.

(C) Partnering and leveraging in order to develop the maximum number of housing units and promote partnerships with state and local communities, including other partners with similar housing goals. Leveraging points will be awarded as follows:

Loan to value ratio (percentage %)	Points
More than 75	10
70-75	15
Less than 70	20

(D) Loans with interest rates less than the maximum allowable 250 basis points over the 10 Year Treasury Bond Yield will be awarded points as follows (fractional basis points will be rounded to the nearest whole basis point):

Interest rate	Points
More than 200 basis points	0
200 to 151 basis points, inclusive	5
150 to 100 basis points, inclusive	10
99 to 50 basis points, inclusive	15
Less than 50 basis points	20

(E) Preference will be given to proposals having a higher percentage of 3–5 bedroom units to total units. The proposals will be ranked in order of this percentage with the proposal with the highest percent receiving 20 points, the next 19 points and so forth until up to 20 projects have received points.

(F) Proposals to be developed in a colonia, on tribal land, in an Empowerment Zone or Enterprise Community, or in a place identified in the State consolidated plan or State needs assessment as a high need community for multifamily housing (20 points).

(G) Projects will be ranked by the length of the amortization period, with the longest receiving priority as follows:

Amortization (Yrs.)	Points
40	20
At least 35	15
At least 30	10
At least 20	5
Less than 20	0

IX. Additional Information

(A). Maximum Interest Rate

The maximum allowable interest rate on a loan submitted for a guarantee is 250 basis points over the 10-year Treasury Bond Yield as published in the Wall Street Journal as of the business day prior to the business day the yield is set.

(B). Surcharges for Guarantee of Construction Advances

There is no surcharge for guarantee of construction advances for FY 2001.

(C). Program Fees for FY 2001

(1) There is an initial guarantee fee of 1% of the total guarantee amount which will be due when the loan guarantee is issued. For purposes of calculating this fee, the guarantee amount is the product of the percentage of the guarantee times the initial principal amount of the guaranteed loan.

(2) There is an annual renewal fee of 0.5% of the guaranteed outstanding principal balance charged each year or portion of the year that the guarantee is in effect. This fee will be collected prospectively on January 1, of the calendar year.

(3) There is no fee for site assessment and market analysis or preliminary feasibility in FY 2001.

(4) There is a non-refundable application fee of \$2,500 when the application is submitted following proposal selection under the NOFA.

(5) There is a flat fee of \$500 when a lender requests RHS to extend the term of a guarantee commitment.

(6) There is a flat fee of \$500 when a lender requests RHS to reopen a guarantee commitment after the period of the commitment lapses.

(7) There is a flat fee of \$1,250 when a lender requests RHS to approve the transfer of property and assumption of the loan to an eligible applicant.

(8) There is no lender application fee for lender approval in FY 2001.

(D). Eligible Lenders for section 538 Approval

The application for lender approval must be made at the same time as the first loan application. The first loan application means: (1) The first application for a loan guarantee for a new loan; or (2) The first application before ownership of any GRRHP loan is transferred to that lender. A lender must be approved before a loan guarantee is issued or a guaranteed loan is acquired.

An eligible lender must be a licensed business entity or Housing Finance Authority (HFA) in good standing in the

state or states where it conducts business; be approved by the Agency; and meet at least one of the criteria contained below. Lenders who are not eligible may participate in the program if they maintain a correspondent relationship with a lender who is eligible. An eligible lender must:

(1) Meet the qualifications of, and be approved by, the Secretary of Housing and Urban Development to make multi-family housing loans that are to be insured under the National Housing Act;

(2) Meet the qualifications and be approved by Fannie Mae or Freddie Mac to make multi-family housing loans that are to be sold to such corporations;

(3) Be a state or local Housing Finance Authority, or a member of the Federal Home Loan Bank system, with a demonstrated ability to underwrite, originate, process, close, service, manage, and dispose of multifamily housing loans in a prudent manner;

(4) Be a lender who meets the requirements for Agency approval contained in 7 CFR part 3565 subpart C and has a demonstrated ability to underwrite, originate, process, close, service, manage, and dispose of multifamily housing loans in a prudent manner; or

(5) Be a lender who meets the following requirements in addition to the other requirements of 7 CFR part 3565 subparts C and I:

(a) Have qualified staff to perform multi-family housing servicing and asset management;

(b) Have facilities and systems that support servicing and asset management functions; and

(c) Have documented procedures for carrying out servicing and asset management responsibilities.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service

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(2) toilet centered a minimum of 18 inches from side wall with grab bars or blocking;

(3) minimum 30 × 48 inch area of approach in front of all fixtures;

(4) minimum 29 inch clearance below lavatory counter with insulated piping (a removable cabinet front may be used);

(5) minimum 32 inch clearance for all door openings;

(6) minimum 18 inch space at latch side of all doors;

(7) "view" windows at a maximum 36 inch sill height;

(8) electrical receptacles at 15 to 18 inches of height;

(9) flush thresholds (maximum of 1/2 inch rise);

(10) minimum 42 inch accessible route throughout;

(11) lights switches and thermostat at 48 inch maximum height;

(12) high contrast, glare free floor surfaces and trim;

(13) minimum of one entry ramped with accessible route to parking and mailbox, or property designed to accommodate such needs at a later time;

(14) kitchen cabinets with removable panel under sink, pipes insulated, and removable fronts for work space;

(15) lever handles for sink, lavatory, and door knobs; and

(16) if the house does not have an attached garage, a minimum 8 × 8 foot accessible, attached storage space.

F. Ownership Requirements

Section 3550.58 applies with the exception of paragraphs (b), (c), (d), and (e). At the time of closing, the applicant must have fee-simple ownership.

G. Escrow Account

Section 3550.60 applies. Escrow accounts are required regardless of the loan and grant amounts.

H. Insurance

Section 3550.61 applies; however, the loss payable clause must cover the combined amount of all loans needed to obtain the housing plus the section 502 grant. Flood insurance, where applicable, is required regardless of the loan or grant amount.

I. Appraisals

Section 3550.62 applies. Appraisals are required regardless of the loan and grant amounts. The combined section 502 loan and grant, plus any prior liens, may not exceed the appraised value.

J. Maximum Loan Amount

Section 3550.63 applies, with the exception of paragraph (b)(3). The Housing and Urban Development (HUD) 203(b) limits in effect as of September 30, 1998, apply.

K. Payment Subsidy

Section 3550.68 applies, with the exception of paragraph (c). Eligible applicants will receive interest credit.

L. Deferred Mortgage Payments

Section 3550.69 is not applicable.

M. Recapture

Section 3550.162 applies; however, the section 502 grant shall be considered original equity. If the loan is repaid within its 10th year anniversary, or a penalty is imposed for a default on the grant, the balance due on the 502 grant shall be considered to be part of the outstanding balance on the 502 loan for recapture purposes.

N. Other

Sections 3550.71, 3550.73, 3550.74, and 3550.101 through 3550.150 are not applicable.

VI. Exception Authority

The Administrator, or Deputy Administrator, Single Family Housing, reserves the right to make an exception to any requirement or provision of this NOFA or address any omission that is consistent with the applicable statute upon the request of the State Director for North Carolina if he or she determines that application of the requirement or provision, or failure to take action in the case of an omission, would adversely affect the Government's financial interests.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

[FR Doc. 00-32620 Filed 12-22-00; 8:45 am]

BILLING CODE 3410-XV-U

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funding Availability (NOFA) for the Section 515 Rural Rental Housing Program for Fiscal Year 2001

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: This NOFA announces the timeframe to submit applications for section 515 Rural Rental Housing (RRH) loan funds and section 521 Rental Assistance (RA) for new construction, including applications for the nonprofit set-aside for eligible nonprofit entities, the set-aside for the most Underserved Counties and Colonias (Cranston-Gonzalez National Affordable Housing Act), and the set-aside for Empowerment Zones and Enterprise

Communities (EZ/ECs) and Rural Economic Area Partnership (REAP) communities. This document describes the methodology that will be used to distribute funds, the application process, submission requirements, and areas of special emphasis or consideration.

DATES: The closing deadline for receipt of all applications, including those for the set-asides, in response to this NOFA is 5 p.m., local time for each Rural Development State office on March 26, 2001. The application closing deadline is firm as to date and hour. RHS will not consider any application that is received after the closing deadline. Applicants intending to mail applications must provide sufficient time to permit delivery on or before the closing deadline date and time. Acceptance by a post office or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

ADDRESSES: Applicants wishing to apply for assistance must contact the Rural Development State office serving the place in which they desire to submit an application for rural rental housing to receive further information and copies of the application package. Rural Development will date and time stamp incoming applications to evidence timely receipt, and, upon request, will provide the applicant with a written acknowledgment of receipt. A listing of Rural Development State offices, their addresses, telephone numbers, and person to contact follows:

Note: Telephone numbers listed are not toll-free.

Alabama State Office, Suite 601,
Sterling Centre, 4121 Carmichael
Road, Montgomery, AL 36106-3683,
(334) 279-3455, TDD (334) 279-3495,
James B. Harris

Alaska State Office, 800 West Evergreen,
Suite 201, Palmer, AK 99645, (907)
761-7734, TDD (907) 761-8905,
Miguel Correa

Arizona State Office, Phoenix Corporate
Center, 3003 N. Central Ave., Suite
900, Phoenix, AZ 85012-2906, (602)
280-8765, TDD (602) 280-8706,
Johnna Vargas

Arkansas State Office, 700 W. Capitol
Ave., Rm. 3416, Little Rock, AR
72201-3225, (501) 301-3250, TDD
(501) 301-3279, Cathy Jones

California State Office, 430 G Street,
Agency 4169, Davis, CA 95616-4169,
(530) 792-5819 or, (530) 792-5830,
TDD (530) 792-5848, Millie
Manzanedo or, Jeff Deiss

Colorado State Office, 655 Parfet Street,
Room E100, Lakewood, CO 80215,

- (303) 236-2801 (ext. 122), TDD (303) 236-1590, "Sam" Mitchell
- Connecticut—Served by Massachusetts State Office
- Delaware and Maryland State Office, 5201 South Dupont Highway, PO Box 400, Camden, DE 19934-9998, (302) 697-4353, TDD (302) 697-4303, Pat Baker
- Florida & Virgin Islands State Office, 4440 N.W. 25th Place, Gainesville, FL 32614-7010, (352) 338-3465, TDD (352) 338-3499, Joseph P. Fritz
- Georgia State Office, Stephens Federal Building, 355 E. Hancock Avenue, Athens, GA 30601-2768, (706) 546-2164, TDD (706) 546-2034, Wayne Rogers
- Guam—Served by Hawaii State Office
- Hawaii, Guam, & Western Pacific Territories State Office, Room 311, Federal Building, 154 Waiuanue Avenue, Hilo, HI 96720, (808) 933-8316, TDD (808) 933-8321, Abraham Kubo
- Idaho State Office, Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378-5630, TDD (208) 378-5644, LaDonn McElligott
- Illinois State Office, Illini Plaza, Suite 103, 1817 South Neil Street, Champaign, IL 61820, (217) 398-5412 (ext. 256), TDD (217) 398-5396, Barry L. Ramsey
- Indiana State Office, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290-3100 (ext. 423), TDD (317) 290-3343, John Young
- Iowa State Office, 873 Federal Building, 210 Walnut Street, Des Moines, IA 50309, (515) 284-4493, TDD (515) 284-4858, Bruce McGuire
- Kansas State Office, 1200 SW Executive Drive, PO Box 4653, Topeka, KS 66604, (785) 271-2718, TDD (785) 271-2767, Gary Schumaker
- Kentucky State Office, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224-7325, TDD (859) 224-7422, Paul Higgins
- Louisiana State Office, 3727 Government Street, Alexandria, LA 71302, (318) 473-7962, TDD (318) 473-7655, Yvonne R. Emerson
- Maine State Office, 967 Illinois Ave., Suite 4, PO Box 405, Bangor, ME 04402-0405, (207) 990-9110, TDD (207) 942-7331, Dale D. Holmes
- Maryland—Served by Delaware State Office
- Massachusetts, Connecticut, & Rhode Island State Office, 451 West Street, Amherst, MA 01002, (413) 253-4333, TDD (413) 253-7068, Donald Colburn
- Michigan State Office, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324-5192, TDD (517) 337-6795, Philip Wolak
- Minnesota State Office, 410 AgriBank Building, 375 Jackson Street, St. Paul, MN 55101-1853, (651) 602-7820, TDD (651) 602-3799, Jackie Goodnough
- Mississippi State Office, Federal Building, Suite 831, 100 W. Capitol Street, Jackson, MS 39269, (601) 965-4325, TDD (601) 965-5850, Darnella Smith-Murray
- Missouri State Office, 601 Business Loop 70 West, Parkade Center, Suite 235, Columbia, MO 65203, (573) 876-0990, TDD (573) 876-9301, Gary Frisch
- Montana State Office, Unit 1, Suite B, 900 Technology Blvd., Bozeman, MT 59715, (406) 585-2515, TDD (406) 585-2562, Craig Hildreth
- Nebraska State Office, Federal Building, room 152, 100 Centennial Mall N, Lincoln, NE 68508, (402) 437-5567, TDD (402) 437-5093, Byron Fischer
- Nevada State Office, 1390 South Curry Street, Carson City, NV 89703-9910, (775) 887-1222 (ext. 13), TDD (775) 885-0633, William L. Brewer
- New Hampshire State Office, Concord Center, Suite 218, Box 317, 10 Ferry Street, Concord, NH 03301-5004, (603) 223-6046, TDD (603) 229-0536, Jim Fowler
- New Jersey State Office, Tarnsfield Plaza, Suite 22, 790 Woodland Road, Mt. Holly, NJ 08060, (609) 265-3631, TDD (609) 265-3687, George Hyatt, Jr.
- New Mexico State Office, 6200 Jefferson St., NE, Room 255, Albuquerque, NM 87109, (505) 761-4944, TDD (505) 761-4938, Carmen N. Lopez
- New York State Office, The Galleries of Syracuse, 441 S. Salina Street, Suite 357, Syracuse, NY 13202, (315) 477-6419, TDD (315) 477-6447, George N. Von Pless
- North Carolina State Office, 4405 Bland Road, Suite 260, Raleigh, NC 27609, (919) 873-2062, TDD (919) 873-2003, Eileen Nowlin
- North Dakota State Office, Federal Building, Room 208, 220 East Rosser, PO Box 1737, Bismarck, ND 58502, (701) 530-2049, TDD (701) 530-2113, Kathy Lake
- Ohio State Office, Federal Building, Room 507, 200 North High Street, Columbus, OH 43215-2477, (614) 469-5165, TDD (614) 469-5757, Gerald Arnott
- Oklahoma State Office, 100 USDA, Suite 108, Stillwater, OK 74074-2654, (405) 742-1070, TDD (405) 742-1007, Phil Reimers
- Oregon State Office, 101 SW Main, Suite 1410, Portland, OR 97204-3222, (503) 414-3325, TDD (503) 414-3387, Joyce Hein
- Pennsylvania State Office, One Credit Union Place, Suite 330, Harrisburg, PA 17110-2996, (717) 237-2281, TDD (717) 237-2261, Gary Rothrock
- Puerto Rico State Office, New San Juan Office Bldg., Room 501, 159 Carlos E. Chardon Street, Hato Rey, PR 00918-5481, (787) 766-5095 (ext. 254), TDD 1-800-274-1572, Lourdes Colon
- Rhode Island—Served by Massachusetts State Office
- South Carolina State Office, Strom Thurmond Federal Building, 1835 Assembly Street, Room 1007, Columbia, SC 29201, (803) 253-3432, TDD (803) 765-5697, Larry D. Floyd
- South Dakota State Office, Federal Building, Room 210, 200 Fourth Street, SW, Huron, SD 57350, (605) 352-1132, TDD (605) 352-1147, Dwight Wullweber
- Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203-1084, (615) 783-1300, TDD (615) 783-1397, G. Benson Lasater
- Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742-9755, TDD (254) 742-9712, Eugene G. Pavlat
- Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84147-0350, (801) 524-4324, TDD (801) 524-3309, Robert L. Milianta
- Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828-6028, TDD (802) 223-6365, Sandra Mercier
- Virgin Islands—Served by Florida State Office
- Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287-1582, TDD (804) 287-1753, Carlton Jarratt
- Washington State Office, Suite B, 1835 Black Lake Boulevard, SW, Olympia, WA 98512-5715, (360) 704-7707, TDD (360) 704-7760, Deborah Davis
- Western Pacific Territories—Served by Hawaii State Office
- West Virginia State Office, Federal Building, 75 High Street, Room 320, Morgantown, WV 26505-7500, (304) 291-4793, TDD (304) 284-5941, Sue Snodgrass
- Wisconsin State Office, 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345-7620 (ext. 7145), TDD (715) 345-7614, Sherry Engel
- Wyoming State Office, 100 East B, Federal Building, Room 1005, PO Box 820, Casper, WY 82602, (307) 261-6315, TDD (307) 261-6333, Charles Huff

FOR FURTHER INFORMATION CONTACT:

For general information, applicants may contact Linda Armour, Senior Loan Officer, Multi-Family Housing Processing Division, Rural Housing Service, United States Department of Agriculture, Stop 0781, 1400 Independence Avenue, SW, Washington, DC, 20250, telephone (202) 720-1753 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service).

SUPPLEMENTARY INFORMATION:

Programs Affected

The Rural Rental Housing program is listed in the Catalog of Federal Domestic Assistance under Number 10.415, Rural Rental Housing Loans. Rental Assistance is listed in the Catalog under Number 10.427, Rural Rental Assistance Payments.

Explanation of 90-Day NOFA Application Deadline

The Agency is using a 90-day application period to allow adequate time for our customers to complete their applications, including finding a suitable site and preparing the market study. In many cases, the process of locating a site suitable for multi-family housing is time-consuming. Factors such as environmental issues, zoning issues, and community support must be addressed. In addition, the market study required by RHS is complex. It is difficult to complete a high quality market study within a limited timeframe. Because the quality of the site and market are two of the most important ingredients for the long-term success of a multi-family development, a 90-day application period is provided.

Discussion of Notice

I. Authority and Distribution Methodology

A. Authority

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) provides RHS with the authority to make loans to any individual, corporation, association, trust, Indian tribe, public or private nonprofit organization, consumer cooperative, or partnership to provide rental or cooperative housing and related facilities in rural areas for very-low, low, or moderate income persons or families, including elderly persons and persons with disabilities. Rental assistance (RA) is a tenant subsidy for very-low and low-income families residing in rural rental housing facilities with RHS financing and may be requested with applications for such facilities.

B. Distribution Methodology

The total amount available for FY 2001 for section 515 is \$114,321,087, of which \$49,000,000 is available for new construction as follows:

- Section 515 new construction funds: \$16,980,753
- Set-aside for nonprofits: \$10,288,998
- Set-aside for Underserved Counties and Colonias: \$5,716,054
- Set-aside for EZ, EC, and REAP zones: \$14,514,195
- State Rental Assistance (RA) designated reserve: \$1,500,000

C. Section 515 New Construction Funds

For fiscal year 2001, the Administrator has determined that it would not be practical to allocate funds to States because of funding limitations; therefore, section 515 new construction funds will be distributed to States based on a National competition, as follows:

1. States will accept, review, score, and rank requests in accordance with 7 CFR part 1944, subpart E. The scoring factors are:

(a) The presence and extent of leveraged assistance for the units that will serve RHS income-eligible tenants at basic rents comparable to those if RHS provided full financing, computed as a percentage of the RHS total development cost (TDC). RHS TDC excludes non-RHS eligible costs such as a developer's fee. The required applicant contribution is not considered leveraged assistance. Leveraged assistance includes loans and grants from other sources, contributions from the applicant above the required contribution indicated by the Sources and Uses Comprehensive Evaluation (available from the Rural Development State Office) and tax abatements or other savings in operating costs provided that, at the end of the abatement period when the benefit is no longer available, the basic rents are comparable to or lower than the basic rents if RHS provided full financing. Loan proposals that include secondary funds from other sources that have been requested but have not yet been committed will be processed as follows: The proposal will be scored based on the requested funds, provided (1) the applicant includes evidence of a filed application for the funds; and (2) the funding date of the requested funds will permit processing of the loan request in the current funding cycle, or, if the applicant does not receive the requested funds, will permit processing of the next highest ranked proposal in the current year. Points will be awarded in accordance with the following table. (0 to 20 points)

Percentage of leveraging	Points
75 or more	20
70-74	19
65-69	18
60-64	17
55-59	16
50-54	15
45-49	14
40-44	13
35-39	12
30-34	11
25-29	10
20-24	9
15-19	8
10-14	7
5-9	6
0-4	0

(b) The units to be developed are in a colonia, tribal land, EZ, EC, or REAP community, or in a place identified in the State Consolidated Plan or State Needs Assessment as a high need community for multifamily housing. (20 points)

(c) In states where RHS has an ongoing formal working relationship, agreement, or Memorandum of Understanding (MOU) with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or Low-Income Housing Tax Credits) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding such State resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the total development cost. (National office initiative)

(d) The loan request includes donated land meeting the provisions of 7 CFR 1944.215(r)(4). (5 points)

2. The National office will rank all requests nationwide and distribute funds to States in rank order, within funding and RA limits. If insufficient funds or RA remain for the next ranked proposal, the Agency will select the next ranked proposal that falls within the remaining levels.

D. Applications That Do Not Require New Construction Rental Assistance (RA)

For fiscal year 2001, limited new construction RA is available. Therefore, the Agency is inviting applications to develop units in markets that do not require RA. The market study for non-RA proposals must clearly demonstrate a need and demand for the units by prospective tenants at income levels that can support the proposed rents without tenant subsidies. The proposed units must offer amenities that are typical for the market area at rents that are comparable to conventional rents in the market for similar units.

E. Set-Asides

Loan requests will be accepted for the following set-asides:

1. Nonprofit Set-Aside

An amount of \$10,288,998 has been set aside for nonprofit applicants. All loan proposals must be in designated places in accordance with 7 CFR part 1944, subpart E. A State or jurisdiction may receive one proposal from this set-aside, which cannot exceed \$1 million. A State could get additional funds from this set-aside if any funds remain after funding one proposal from each participating State. If there are insufficient funds to fund one loan request from each participating State, selection will be made by point score. If there are any funds remaining, they will revert to the National office reserve. Funds from this set-aside will be available only to nonprofit entities, which may include a partnership that has as its general partner a nonprofit entity or the nonprofit entity's for-profit subsidiary which will be receiving low-income housing tax credits authorized under section 42 of the Internal Revenue Code of 1986. To be eligible for this set-aside, the nonprofit entity must be an organization that:

(a) Will own an interest in the project to be financed and will materially participate in the development and the operations of the project;

(b) Is a private organization that has nonprofit, tax exempt status under section 501(c)(3) or section 501(c)(4) of the Internal Revenue Code of 1986;

(c) Has among its purposes the planning, development, or management of low-income housing or community development projects; and

(d) Is not affiliated with or controlled by a for-profit organization.

2. Underserved Counties and Colonias Set-Aside

An amount of \$5,716,054 has been set aside for loan requests to develop units in the 100 most needy underserved counties or colonias as defined in section 509(f) of the Housing Act of 1949.

3. EZ, EC, and REAP Set-Aside

An amount of \$14,514,195 has been set aside to develop units in EZ, EC, or REAP communities. Loan requests that are eligible for this set-aside may also be eligible for regular section 515 funds as a high-need community. The state must indicate on the list submitted to the National office if the request is eligible for the EZ, EC, and REAP set-aside and regular section 515 funds. If requests for this set-aside exceed available funds, selection will be made by point score.

II. Funding Limits

A. Individual loan requests may not exceed \$1 million. This applies to regular section 515 funds and set-aside funds. The Administrator may make an exception to this limit in cases where a State's average total development costs exceed the National average by 50 percent or more.

B. No State may receive more than \$2.5 million from regular section 515 funds. Reserve funds, including set-aside funds, are not included in this cap.

III. Rental Assistance (RA)

New construction RA will be held in the National office for use with section 515 Rural Rental Housing loans. RA may be requested by applicants, except for non-RA requests in accordance with section I.D. above.

IV. Application Process

All applications for section 515 new construction funds must be filed with the appropriate Rural Development State office and must meet the requirements of 7 CFR part 1944, subpart E and section V of this NOFA. Incomplete applications will not be reviewed and will be returned to the applicant. No application will be accepted after 5:00 p.m., local time, on the application deadline previously mentioned unless that date and time is extended by a Notice published in the **Federal Register**.

V. Application Submission Requirements

A. Each application shall include all of the information, materials, forms and exhibits required by 7 CFR part 1944, subpart E as well as comply with the provisions of this NOFA. Applicants are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. The Rural Development State office will base its determination of completeness of the application and the eligibility of each applicant on the information provided in the application.

B. Applicants are advised to contact the Rural Development State office serving the place in which they desire to submit an application for the following:

1. Application information;
2. Any restrictions on funding availability (applications that exceed the National limit of \$1 million will be returned to the applicant); and
3. List of designated places for which applications for new section 515 facilities may be submitted.

VI. Areas of Special Emphasis or Consideration

A. The selection criteria contained in 7 CFR part 1944, subpart E includes two optional criteria, one set by the National office and one by the State office. This fiscal year, the National office initiative will be used in the selection criteria as follows: In states where RHS has an ongoing formal working relationship, agreement, or Memorandum of Understanding (MOU) with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or LIHTC) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding these State Resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the total development cost. No State selection criteria will be used this fiscal year.

B. \$10,288,998 is available nationwide in a set-aside for eligible nonprofit organizations as defined in 42 U.S.C. 1485(w).

C. \$5,716,054 is available nationwide in a set-aside for the 100 most Underserved Counties and Colonias.

D. \$14,514,195 is available nationwide in a set-aside for EZ, EC, and REAP communities.

E. \$1,500,000 is available nationwide in a reserve for States with viable State Rental Assistance (RA) programs. In order to participate, States are to submit specific written information about the State RA program, i.e., a memorandum of understanding, documentation from the provider, etc., to the National Office.

Dated: December 15, 2000.

James C. Kearney,

Administrator, Rural Housing Service.

[FR Doc. 00-32621 Filed 12-22-00; 8:45 am]

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funds Availability (NOFA) for Section 514 Farm Labor Housing Loans and Section 516 Farm Labor Housing Grants for Off-Farm Housing for Fiscal Year 2001

AGENCY: Rural Housing Service (RHS), USDA.

ACTION: Notice.

SUMMARY: This NOFA announces the timeframe to submit applications for section 514 Farm Labor Housing loan funds and section 516 Farm Labor Housing grant funds for new construction and acquisition with rehabilitation of off-farm units for