



BILLING CODE (3410-XV-U)

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Solicitation of Applications for Loan Guarantees Under the Section 538

Guaranteed Rural Rental Housing Program for Fiscal Year 2018

AGENCY: Rural Housing Service, USDA.

ACTION: Notice.

SUMMARY: The Rural Housing Service (RHS or Agency), an agency within Rural Development, announces that it is soliciting competitive lender submissions (responses) regarding proposed projects for the Section 538 Guaranteed Rural Rental Housing Program (GRRHP). The amount of program dollars available for the GRRHP will be determined by the Appropriations Act for each fiscal year that this Notice is open.

DATES: Eligible responses to this Notice will be accepted until December 31, 2021, 12:00 P.M. Eastern Time. Funding for selected responses that develop into complete applications and meet all Federal eligibility requirements will be based on the Appropriations Act for each individual fiscal year that this NOSA is open. Selected responses to this Notice that are deemed eligible for further processing after each fiscal year ends, will be funded to the extent an Appropriations Act provides sufficient funding in the fiscal year the response is selected. Approved applications are subject to the fee structure in effect when the response was selected for further processing. For example, a response that was selected under the 2016 NOSA will be subject to all fees stated in the 2016 NOSA.

ADDRESSES: Responses to this Notice may be submitted either electronically using the Section 538 electronic response form found at: <http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees> under the Forms and Resources tab or in hard copy to the appropriate Rural Development State Office where the project will be located. USDA Rural Development State Offices, their addresses, and telephone numbers may be found at: <http://www.rd.usda.gov/contact-us/state-offices>. **NOTE:** Telephone numbers listed are not toll-free. Applicants are strongly encouraged, but not required, to submit the response electronically.

Eligible lenders mailing a response or application must provide sufficient time to permit delivery to the appropriate *submission address* below on or before the closing deadline and time. Acceptance by a U.S. Post Office or private mailer does not constitute delivery. Postage due responses and applications will not be accepted.

FOR FURTHER INFORMATION CONTACT: Monica Cole, Financial and Loan Analyst, U.S. Department of Agriculture Rural Development, Guaranteed Rural Rental Housing Program, Multi-Family Housing Guaranteed Loan Division, 1400 Independence Avenue, SW, Room 1263S–STOP 0781, Washington, D.C. 20250-0781 or e-mail: monica.cole@wdc.usda.gov. Telephone: (202) 720-1251. 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 obligation of available funds, via the issuance of Conditional Commitments for loan guarantees, will be made in the following order: (1) to outstanding approved applications from prior years for which Conditional Commitments have not been issued; then (2) to applications approved under

this Notice in the order by which the request for funding obligation is received by the USDA Rural Development National Office (National Office) from the State Offices. When funding is insufficient to serve all applications approved under this Notice, they will be funded according to the priority scoring set forth in Section V of this Notice.

Expenses incurred in developing applications will be at the applicant's risk. The following paragraphs outline the timeframes, eligibility requirements, lender responsibilities, and the overall response and application processes.

Any modifications to this Notice, including cancellation, will be published in the Federal Register.

Eligible lenders are invited to submit responses for new construction and acquisition with rehabilitation of affordable rural rental housing. The Agency will review responses submitted by eligible lenders, on the lender's letterhead, and signed by both the prospective borrower and lender. Although a complete application is not required in response to this Notice, eligible lenders may submit a complete application concurrently with the response. Submitting a complete application will not have any effect on the respondent's response score.

Overview

Federal Agency: Rural Housing Service

Solicitation Opportunity Title: Guaranteed Multi-Family Housing Loans

Announcement Type: Initial Solicitation Announcement

Catalog of Federal Domestic Assistance: 10.438

Dates: Response Deadline: December 31, 2021, 12:00 P.M. Eastern Time

I. Funding Opportunity Description

The GRRHP is authorized by Section 538 of the Housing Act of 1949, as amended (42 U.S.C. 1490p-2) and operates under 7 CFR part 3565. The purpose of the GRRHP is to increase the supply of affordable rural rental housing through the use of loan guarantees that encourage partnerships between the Agency, private lenders, and public agencies.

ELIGIBILITY OF PRIOR YEAR SELECTED RESPONSES: Prior fiscal year response selections that did not develop into complete applications within the time constraints stipulated by the corresponding State Office have been cancelled. Lenders and applicants have been notified of the cancellation by the State Office. A new response for the project may be submitted subject to the conditions of this Notice.

Prior years' responses that were selected by the Agency, with a complete application submitted by the lender within 90 days from the date of notification of response selection (unless an extension was granted by the Agency), will be eligible for review, approval and FY 2018 program dollars without having to complete a FY 2018 response. A complete application includes all Federal environmental documents required by 7 CFR part 1970, subpart G, and a Form RD 3565-1, "*Application for Loan and Guarantee*".

If approved, applications that accompanied a response submitted under a prior year's notice (outstanding prior years approved applications) will be obligated in the order by which the Agency's National Office received the request for obligation from the State Offices, to the extent of available funding.

Once the outstanding prior years approved applications have been funded, the Agency will fund applications approved pursuant to this Notice in the order by which the Agency's National Office received the request for obligation from the State Offices. If funding is insufficient to serve applications pursuant to this Notice, they will be funded according to the priority scoring set forth in Section V of this Notice.

The obligation of program funds is discussed further in Section VI of this Notice.

II. Award Information

Anyone interested in submitting a response and application for funding under this program is encouraged to consult the Rural Development web site <http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees> periodically for updated information regarding the status of funding authorized for this program.

QUALIFYING PROPERTIES: Qualifying properties include new construction for multi-family housing units and the acquisition of existing structures with a minimum per unit rehabilitation expenditure requirement in accordance with 7 CFR 3565.252. The Agency does not finance acquisition only deals.

Also eligible is the revitalization, repair, and transfer (as stipulated in 7 CFR 3560.406) of existing direct Section 515 housing and Section 514/516 Farm Labor Housing (FLH) (transfer costs are subject to Agency approval and must be an eligible use of loan proceeds as listed in 7 CFR 3565.205), and properties involved in the Agency's Multifamily Preservation and Revitalization (MPR) Demonstration program. Equity payment, as stipulated in 7 CFR 3560.406, in the transfer of existing direct Section 515 and Section 514/516 FLH, is an eligible use of guaranteed loan proceeds. In order to be

considered, the transfer of Section 515 and Section 514/516 FLH and MPR projects must need repairs and undergo revitalization of a minimum of \$6,500 per unit.

ELIGIBLE FINANCING SOURCES: Any form of Federal, State, and conventional sources of financing can be used in conjunction with the loan guarantee, including Home Investment Partnerships Program (HOME) grant funds, tax exempt bonds, and Low Income Housing Tax Credits (LIHTC).

TYPES OF GUARANTEES: The Agency offers three types of guarantees which are set forth at 7 CFR 3565.52(c). The Agency's liability under any guarantee will decrease or increase, in proportion to any decrease or increase in the amount of the unpaid portion of the loan, up to the maximum amount specified in the Loan Note Guarantee. Penalties incurred as a result of default are not covered by any of the program's guarantees. The Agency may provide a lesser guarantee based upon its evaluation of the credit quality of the loan.

ENERGY CONSERVATION: All new multi-family housing projects financed in whole or in part by USDA are encouraged to engage in sustainable building development that emphasizes energy-efficiency and conservation. In order to assist in the achievement of this goal, any GRRHP project that participates in one or all of the programs included in priority 7 under the "*Scoring of Priority Criteria for Selection of Projects*" section of this Notice may receive a maximum of 25 additional points added to their project score. Participation in these nationwide initiatives is voluntary, but strongly encouraged.

INTEREST CREDIT: There will be no interest credit.

PROGRAM FEES: The following fees have been determined necessary to cover the projected cost of loan guarantees. These fees may be adjusted based on the 2018

Appropriation requirements and in future years to cover the projected costs of loan guarantees in those future years, or additional fees may be charged. The fees are as follows:

1. Initial guarantee fee. The Agency will charge an initial guarantee fee equal to one percent of the guarantee principal amount. 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. Annual guarantee fee. An annual guarantee fee of 50 basis points (1/2 percent) of the outstanding principal amount of the loan as of December 31 will be charged each year or portion of a year that the guarantee is outstanding.

3. As permitted under 7 CFR 3565.302(b)(5), there is a non-refundable service fee of \$1,500 for the review of a lender's first request to extend the term of a guarantee commitment beyond its original expiration (the request must be received by the Agency prior to the commitment's expiration). For any subsequent extension request, the fee will be \$2,500.

4. As permitted under 7 CFR 3565.302(b)(5), there is a non-refundable service fee of \$3,500 for the review of a lender's first request to reopen an application when a commitment has expired. For any subsequent extension request to reopen an application after the commitment has expired, the fee will be \$3,500.

5. As permitted under 7 CFR 3565.302(b)(4), there is a non-refundable service fee of \$1,500 in connection with a lender's request to approve the transfer of property or a change in composition of the ownership entity.

6. There is no application fee.

7. There is no lender application fee for lender approval.
8. There is no surcharge for the guarantee of construction advances.

III. Lender Eligibility Information

ELIGIBLE LENDERS: An eligible lender for the Section 538 GRRHP as required by 7 CFR 3565.102 must be a licensed business entity or Housing Finance Agency (HFA) in good standing in the State or States where it conducts business. Lender eligibility requirements are contained in 7 CFR 3565.102. Please review that section for a complete list of all of the criteria. The Agency will only consider responses from GRRHP eligible or approved lenders as described in 7 CFR 3565.102 and 3565.103 respectively.

Lenders who do not have GRRHP approved lender status and whose responses are selected will be notified by the Agency to submit a request for GRRHP lender approval within 30 days of notification. Alternately, lenders may submit a request for GRRHP approved lender status with the response. Lenders who request GRRHP approval must meet the standards in 7 CFR 3565.103.

Lenders that have received GRRHP lender approval that remain in good standing in accordance with 7 CFR 3565.105, do not need to reapply for GRRHP lender approval.

SUBMISSION OF DOCUMENTATION FOR GRRHP LENDER APPROVAL: All lenders that have not yet received GRRHP lender approval must submit a complete lender application to: Director, Multi-Family Housing Guaranteed Loan Division, U.S. Department of Agriculture Rural Development, 1400 Independence Avenue, SW, Room 1263S–STOP 0781, Washington, D.C. 20250-0781. Lender applications must be

identified as “Lender Application - Section 538 Guaranteed Rural Rental Housing Program” on the envelope.

IV. Response Submission Information

Responses to this Notice may be submitted either electronically using the Section 538 electronic response form found at: <http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees> under the Forms and Resources tab or in hard copy to the appropriate Rural Development State Office where the project will be located. USDA Rural Development State Offices, their addresses, and telephone numbers may be found at: <http://www.rd.usda.gov/contact-us/state-offices>. **NOTE:** Telephone numbers listed are not toll-free. Lenders are strongly encouraged, but not required, to submit their responses electronically.

The electronic form contains a button labeled “Send Form.” By clicking on the button, the applicant will see an e-mail message window with an attachment that includes the electronic form the applicant filled out as a data file with an .fdf extension. In addition, an auto-reply acknowledgement will be sent to the applicant when the electronic response form is received by the Agency unless the sender has software that will block the receipt of the auto-reply e-mail. The State Office will record responses received electronically by the actual date and time when all attachments are received at the State Office.

Submission of the response to this Notice does not constitute submission of the entire loan guarantee application package, which requires additional forms and supporting documentation.

Content of Responses: All responses require lender information and project specific data as set out in this Notice. Incomplete responses will not be considered for funding. Lenders will be notified of incomplete responses no later than 30 calendar days from the date of receipt of the response by the Agency. Complete responses are to include a signed cover letter from the lender, on the lender's letterhead. The lender must provide the requested information concerning the project, to establish the purpose of the proposed project, its location, and how it meets the established priorities for funding. In the case of insufficient funding for applications approved under this Notice, the Agency will fund those applications by highest ranked responses based on priority criteria.

(1) Lender Certification: The lender must certify that the lender will make a loan to the prospective borrower for the proposed project, under specified terms and conditions subject to the issuance of the GRRHP guarantee. Lender certification must be on the lender's letterhead and signed by both the lender and the prospective borrower.

(2) Project Specific Data: The lender must submit the project specific data below on the lender's letterhead, signed by both the lender and the prospective borrower:

Data Element	Information That Must Be Included
Lender Name	Insert the lender's name.
Lender Tax ID #	Insert lender's tax ID number.
Lender Contact Name	Name of the lender contact for loan.
Mailing Address	Lender's complete mailing address.
Phone #	Phone number for lender contact.
Fax #	Insert lender's fax number.
E-Mail Address	Insert lender contact e-mail address.
Borrower Name and Organization Type	State whether borrower is a Limited Partnership, Corporation, Indian Tribe, etc.
Equal Opportunity Survey	Optional Completion.
Tax Classification Type	State whether borrower is for profit, not for profit, etc.
Borrower Tax ID #	Insert borrower's tax ID number.
Borrower DUNS #	Insert DUNS number.

Borrower Address, including County	Borrower's complete address and county.
Borrower Phone #, Fax # and E-Mail Address	Insert borrower's phone number, fax number and e-mail address.
Principal or Key Member for the Borrower	Insert name and title. List the general partners if a limited partnership, officers if a corporation or members of a Limited Liability Corporation.
Borrower Information and Statement of Housing Development Experience	Attach relevant information.
New Construction, Acquisition With Rehabilitation	State whether the project is new construction or acquisition with rehabilitation.
Revitalization, Repair, and Transfer (as stipulated in 7 CFR 3560.406) of Existing Direct Section 515 and Section 514/516 FLH or MPR	Yes or No (Transfer costs, including equity payments, are subject to Agency approval and must be an eligible use of loan proceeds in 7 CFR 3565.205).
Project Location Town or City	Town or city 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 zip code where the project is located.
Project Congressional District	Congressional District for project location.
Project Name	Insert project name.
Project Type	Family, senior (all residents 55 years or older), or mixed.
Property Description and Proposed Development Schedule	Provide as an attachment.
Total Project Development Cost	Enter amount for total project.
# of Units	Insert the number of units in the project.
Ratio of 3-5 Bedroom Units to Total Units	Insert percentage of 3-5 bedroom units to total units.
Cost Per Unit	Total development cost divided by number of units.
Rent	Proposed rent structure.
Median Income for Community	Provide median income for the community.
Evidence of Site Control	Attach relevant information.
Description of Any Environmental Issues	Attach relevant information.
Loan Amount	Insert the loan amount.
Borrower's Proposed Equity	Insert amount and source.

Low Income Housing Tax Credits	<p>Have tax credits been awarded? If tax credits were awarded, submit a copy of the award/evidence of award with your response. If not, when do you anticipate an award will be made (announced)? What is the [estimated] value of the tax credits? Letters of application and commitment letters should be included, if available.</p>
Other Sources of Funds	List all funding sources other than tax credits and amounts for each source, type, rates and terms of loans or grant funds.
Loan to Total Development Cost	Guaranteed loan divided by the total development costs of project.
Debt Coverage Ratio	Net Operating Income divided by debt service payments.
Percentage of Guarantee	Percentage guarantee requested.
Collateral	Attach relevant information.
Colonia, Tribal Lands, or State's Consolidated Plan or State Needs Assessment	Colonia, on an Indian Reservation, or in a place identified in the State's Consolidated Plan or State Needs Assessment as a high need community for multi-family housing.
Is the Property Located in a Federally Declared Disaster Area?	If yes, please provide documentation (i.e., Presidential Declaration document).
Population	Provide the population of the county, city, or town where the project is or will be located.
What Type of Guarantee is Being Requested, Permanent Only (Option 1), Construction and Permanent (Option 2), or Continuous (Option 3)	Enter the type of guarantee.
Loan Term	<p>Minimum 25-year term. Maximum 40-year term (includes construction period). May amortize up to 40 years. Balloon mortgages permitted after the 25th year.</p>
Participation in Energy Efficient Programs	Initial checklist indicating prerequisites to register for participation in a particular energy efficient program. All checklists must be accompanied by a signed affidavit by the project architect stating

	that the goals are achievable. If property management is certified for green property management, the certification must be provided.
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(3) *The Proposed Borrower Information:*

- a) Lender certification that the borrower and principals are not barred or suspended from participating in State or Federal loan programs and are not delinquent on any Federal debt.
- b) Borrower’s unaudited or audited financial statements.
- c) Statement of borrower’s housing development experience.

(4) *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. The lender’s application package requesting approved lender status can be submitted with the response. If a lender has not yet been approved by the Agency submits a response and receives a Notice to Proceed from the State Office, the lender approval application must be submitted to the National Office within 30 calendar days of the lender’s receipt of the Notice to Proceed letter. The Agency will not issue a loan note guarantee until the lender is approved by the Agency.

(5) *Competitive Criteria:* Information that shows how the proposal is responsive to the priority scoring criteria specified in this Notice.

V. Application Review Information

SCORING OF PRIORITY CRITERIA FOR SELECTION: All responses received under this Notice will be scored based on the criteria set forth below to establish priority in the event there is insufficient funding. Per 7 CFR 3565.5(b), priority will be given to projects: in smaller rural communities, in the most needy communities having the highest percentage of leveraging, having the lowest interest rate, or having the highest

ratio of 3-5 bedroom units to total units. In addition, as permitted in 7 CFR 3565.5(b), in order to meet important program goals, priority points will be given for projects that include LIHTC funding and projects that are participating in specified energy efficient programs.

The eight priority scoring criteria for projects are listed below.

Priority 1 – Projects located in eligible rural communities with the lowest populations will receive the highest points.

Population Size	Points
0 - 5,000	30
5,001 - 10,000 people	15
10,001 - 15,000 people	10
15,001 - 20,000 people	5
20,001 - 35,000 people.....	0

Priority 2 – The neediest communities as determined by the median income from the most recent census data published by the United States Department of Housing and Urban Development, will receive points. The Agency will allocate points to projects

located in communities having the lowest median income. Points for median income will be awarded as follows:

Median income (dollars)	Points
Less than \$45,000	20
\$45,000 - less than \$55,000.....	15
\$55,000 - less than \$65,000.....	10
\$65,000 - less than \$75,000.....	5
\$75,000 or more.....	0

Priority 3 – Projects that demonstrate partnering and leveraging in order to develop the maximum number of units and promote partnerships with State and local communities will also receive points. Points will be awarded as follows:

Loan to Total Development Cost Ratio (percentage %)	Points
Less than 25.....	60
Less than 50 to 25.....	30
Less than 70 to 50.....	10
70 or more.....	0

Priority 4 – Responses that include equity from low income housing tax credits will receive an additional 50 points.

Priority 5 – The USDA Rural Development will award points to projects with the highest ratio of 3-5 bedroom units to total units as follows:

Ratio of 3 - 5 bedroom units to total units	Points
More than 50%.....	10
21% - 50%.....	5
Less than 21% - more than 0%.....	1

Priority 6 – Responses for the revitalization, repair, and transfer (as stipulated in 7 CFR 3560.406) of existing direct Section 515 and Section 514/516 FLH and properties involved in the Agency’s MPR Demonstration program (transfer costs, including equity payments, are subject to Agency approval and must be an eligible use of loan proceeds listed in 7 CFR 3565.205) will receive an additional 10 points. If the transfer of existing Section 515 and Section 514/516 FLH properties includes equity payments, 0 points will be awarded.

Priority 7 – Energy Efficiency

(A) Projects that are energy-efficient and registered for participation in the following programs will receive points as indicated up to a maximum of 25 points. Each program has an initial checklist indicating prerequisites for participation. Each applicant must provide a checklist establishing that the prerequisites for each program's participation will be met. Additional points will be awarded for checklists that achieve higher levels of energy efficiency certification as set forth below. All checklists must be accompanied by a signed affidavit by the project architect stating that the goals are achievable. Points will be awarded for the listed programs as follows. Because Energy Star for Homes is a requirement within other programs such as LEED and Green Communities, points will only be awarded separately for Energy Star for Homes if it is the only program in which the project is enrolled, excluding local programs that do not require participation in Energy Star for Homes:

- Energy Star for Homes – 5 points;
- Green Communities by the Enterprise Community Partners (www.enterprisefoundation.org) – 10 points;
- LEED for Homes program by the U.S. Green Building Council (www.usgbc.org) – Certified (10 points), Silver (12 points), Gold (15 points), or Platinum (25 points);
- Home Innovation's National Green Building Standard™ certification program (www.homeinnovation.com/green) – Bronze (10 points), Silver (12 points), Gold (15 points), or Emerald (25 points); or
- A State or local green building program – 2 points

(B) Projects that will be managed by a property management company that are certified green property management companies will receive 5 points.

Applicants must provide proof of certification. Certification may be achieved through one of the following programs:

- National Apartment Association, **Credential for Green Property**

Management;

www.naahq.org/EDUCATION/DESIGNATIONPROGRAMS/OTHER/Pages/default.aspx;

- National Affordable Housing Management Association, **Credential for Green Property Management;** www.nahma.org/content/greencred.html; or

- U.S. Green Building Council, Green Building Certification Institute LEED AP (any discipline) or LEED Green Associate; www.gbci.org.

(C) *Energy Generation* (maximum 5 points). Responses for new construction or purchase and rehabilitation of non-program multi-family projects which participate in the Energy Star for Homes V3 Program, Green Communities, LEED for Homes, or Home Innovation's National Green Building Standard™ are eligible to earn additional points for installation of on-site renewable energy sources. In order to receive more than 1 point for this energy generation section, an accurate energy analysis prepared by an engineer will need to be submitted with the response. Energy analysis of preliminary building plans using industry-recognized simulation software must document the projected total energy consumption of the building, the portion of the building consumption which will be satisfied through on-site generation and the building's Home Energy Rating System (HERS) score.

Projects with an energy analysis of the preliminary or rehabilitation building plans that propose a 10 percent to 100 percent energy generation commitment (where generation is considered to be the total amount of energy needed to be generated on-site to make the building a net-zero consumer of energy) will be awarded points as follows:

- (a) 0 to 9 percent commitment to energy generation receives 0 points;
- (b) 10 to 29 percent commitment to energy generation receives 1 point;
- (c) 30 to 49 percent commitment to energy generation receives 2 points;
- (d) 50 to 69 percent commitment to energy generation receives 3 points;
- (e) 70 to 89 percent commitment to energy generation receives 4 points;
- (f) 90 percent or more commitment to energy generation receives 5 points.

Priority 8 – Promise Zones/Persistent Poverty Areas:

Additional 10 points will be awarded to projects located in Promise Zones and/or Persistent Poverty Counties. A county is considered persistently poor if 20 percent or more of its population was living in poverty over the last 30 years (measured by the 1990, 2000, and 2010 decennial censuses and 2007-2011 American Community Survey 5-year estimates), as determined by the Agency.

NOTIFICATIONS: Responses will be reviewed for completeness and eligibility. The Agency will notify those lenders whose responses are selected via a “Notice to Proceed with Application Processing” letter. The Agency will request lenders without GRRHP lender approval to apply for GRRHP lender approval within 30 days upon receipt of notification of selection.

Lenders will also be invited to submit a complete application to the USDA Rural Development State Office where the project is located.

SUBMISSION OF GRRHP APPLICATIONS: The Agency will issue a “Notice to Proceed with Application Processing” (Notice to Proceed) to lenders whose responses have been selected. The Notice to Proceed instruct lenders to contact the USDA Rural Development State Office immediately following notification of selection to schedule required Agency reviews.

USDA Rural Development State Office staff will work with lenders in the development of an application package. The deadline for the submission of a complete application is 90 calendar days from the date of notification of response selection. If the application is not received by the appropriate State Office within 90 calendar days from the date of notification, the selection is subject to cancellation, thereby allowing another response that is ready to proceed with processing to be selected. The Agency may extend this 90 day deadline for receipt of an application at its own discretion.

VI. Award Administration Information

OBLIGATION OF PROGRAM FUNDS: The Agency will only obligate funds to projects that meet the requirements under 7 CFR part 3565 and this Notice, including having undergone a satisfactory environmental review in accordance with the National Environmental Protection Act (NEPA) and completed Form RD 3565-1, “Application for Loan and Guarantee”.

The Agency will select the responses that meet eligibility criteria and invite lenders, via a Notice to Proceed, to submit complete applications to the Agency, as well as a request for GRRHP approved lender status if necessary. Once a complete application is received and approved (and any request for GRRHP approved lender status is granted), the Agency’s State Office will submit a request to obligate funds to the

Agency's National Office. Obligation requests submitted to the National Office will be accumulated and placed in a queue for funding based on the order by which the obligation request was received by the National Office. In the event that multiple obligation requests are received at the same time, first priority will be given to the request for the project that has the highest percentage of leveraging (lowest Loan to Cost). If there is still a tie, priority will be given to the project in the smaller rural community.

In the event there is insufficient funding for applications approved under this Notice, the Agency will fund applications based on priority score ranking described in Section V.

CONDITIONAL COMMITMENT: Once the required documents for obligation are received and all applicable requirements have been met, including NEPA requirements, and to the extent funding is available, the USDA Rural Development State Office will issue a Conditional Commitment. The Conditional Commitment will stipulate the conditions that must be fulfilled before the issuance of a guarantee, in accordance with 7 CFR 3565.303.

ISSUANCE OF GUARANTEE: The USDA Rural Development State Office will issue a guarantee to the lender for a project in accordance with 7 CFR 3565.303. No guarantee can be issued without a complete application, review of appropriate certifications, satisfactory assessment of the appropriate level of environmental review, and the completion of any conditional requirements.

TRACKING OF AVERAGE RENTS: After the loan closes, the lender will track the initial affordable rent at each property funded under this Notice and the average

market rent in the area. The difference between these two rents will provide the lender with a measure of the impact the GRRHP has on affordable rents.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, familial/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the

form. To request a copy of the complaint form, call (866) 632-9992, submit your completed form or letter to USDA by:

Mail: U.S. Department of Agriculture
Director, Office of Adjudication
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

Fax: (202) 690-7442; or

E-Mail: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Dated: December 14, 2017.

Richard A. Davis
Acting Administrator
Rural Housing Service

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