

OPERATING ASSISTANCE AGREEMENT

CASE NO.
PROJECT NO.

This Agreement effective on the 1st day of _____, 20____ between

(herein called "the borrower") and its successors and the United States of America acting through the Rural Housing Service or its successor pursuant to section 52 1 (a)(2)(A) of Title V of the Housing Act of 1949 (herein called "the Government") Witnesseth:

In consideration of the Mutual Covenant hereinafter set forth, the Parties hereto agree as follows:

Section 1 The Government agrees to provide operating assistance in accordance with its governing rules and regulations for the project located at _____

and known as _____. Additional attachments of Form RD 3560-51 (Part III) or Form RD 3560-55 maybe made on this Agreement when properly identified by case number, project number, dated, and duly executed.

Section 2 The borrower agrees to abide by the present and future regulations of the Government in the administration of this program.

Section 3 Borrower agrees to use due diligence in the verification and certification of tenants' incomes.

Section 4 In the selection of tenants in the project, the borrower agrees to comply with the Government priorities of selecting tenants as set forth in the applicable Rural Development regulations.

Section 5 Renegotiation, Modification. Transfer. Termination -

(a) If, at any time during the life of this Agreement the Parties find that it would be to their best interests and to the best interests of the operating assistance program, the provisions of the agreement may be modified, amended, or the entire agreement be terminated, upon written agreement of the Parties.

(b) If the Government should determine that the borrower has defaulted under any terms or conditions of the borrower's loan agreement or resolution, the note, the borrower's interest credit agreement, and supplementary or related agreements, or any related security instrument, or violates any program regulations, at its option the Government may suspend, or terminate this Agreement as of any specified date following the default.

(c) If the Government should determine that the operating subsidy is not needed because of a lack of eligible tenants in the area, the operating subsidy may be transferred to projects where such subsidy is needed.

This form and its attachments identify a type and amount of benefit received by a mortgagor. This information is required as a condition to obtain a benefit. This statement is provided pursuant to Pub. L. 96-511.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Section 6 Term of Agreement and Condition for Termination -

(a) This Agreement and attachments, Form RD 3560-51 (Part III) or RD 3560-55, to this Agreement will expire individually and automatically upon total disbursement or credit to the borrower's account, unless earlier suspended, transferred or terminated according to section 5 of this Agreement.

(b) The attachments, Form RD 3560-51 (Part III) or RD 3560-55, to this Agreement are not renewable. If need exists for operating assistance beyond the term or conditions of the attachments, the borrower may submit a Form RD 3560-25, "Initial Request for Rental/ Operating Assistance."

Section 7 Special Conditions-

The borrower agrees that RHS may attach a duly executed Form RD 3560-51 (Part III) or RD 3560-55 to this Agreement and that it becomes a part hereof, and may be identified as Section 8.

(Date)

(Borrower Name)

ATTEST: _____
(Title)

BY: _____
(Borrower Signature)

TITLE: _____

United States of America
Rural Housing Service

DATE: _____

BY: _____
(Approval Official Signature)

TITLE: _____