

From the U.S. Code Online via GPO Access
[wais.access.gpo.gov]
[Laws in effect as of January 7, 2003]
[Document not affected by Public Laws enacted between
January 7, 2003 and February 12, 2003]
[CITE: 40USC--App.207]

TITLE 40--APPENDIX

APPALACHIAN REGIONAL DEVELOPMENT **ACT** OF 1965

TITLE II--SPECIAL APPALACHIAN PROGRAMS

Part A--New Programs

Sec. 207. Assistance for proposed low- and middle-income **housing**
projects

(a) In order to encourage and facilitate the construction or rehabilitation of **housing** to meet the needs of low- and moderate-income families and individuals, the Secretary of **Housing** and Urban Development (hereafter in this section referred to as the ``Secretary'') is authorized to make grants and loans from the Appalachian **Housing** Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or cooperative organizations and public bodies, for planning and obtaining federally insured mortgage financing or other financial assistance for **housing** construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221 of the **National Housing Act**, section 8 of the United States **Housing Act** of 1937, section 515 of the **Housing Act** of 1949, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government, in any area of the Appalachian region determined by the Commission.

(b) No loan under subsection (a) of this section shall exceed 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, application and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except that any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require payments of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

(c)(1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of those expenses, incident to planning and obtaining financing for a project, which the

Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall be made to an organization established for profit.

(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit, limited dividend, or cooperative organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any **housing** construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for assistance under this section, except that no such grant for the construction of **housing**, shall exceed 10 per centum of the cost of such project, and no such grant for the rehabilitation of **housing** shall exceed 10 per centum of the reasonable value of such rehabilitation **housing**, as determined by the Secretary.

(d) All funds allocated to the Secretary for the purposes of this section shall be deposited in a fund which shall be known as the Appalachian **Housing** Fund and shall be used as a revolving fund by the Secretary for carrying out such purposes. General expenses of administration of this section may be charged to the fund. Moneys in the fund not needed for current operation may be invested in bonds or other obligations guaranteed as to principal and interest by the United States.

(e) The Secretary or the Commission may provide, or contract with public or private organizations to provide, information, advice, and technical assistance with respect to the construction, rehabilitation, and operation by nonprofit organizations of **housing** for low or moderate income families in such areas of the region and may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section.

(f) Programs and projects assisted under this section shall be subject to the provisions cited in section 402 of this **Act**, notwithstanding such section, to the extent provided in the laws authorizing assistance for low- and moderate-income **housing**.

(Pub. L. 89-4, title II, Sec. 207, as added Pub. L. 90-103, title I, Sec. 112, Oct. 11, 1967, 81 Stat. 261; amended Pub. L. 90-448, title II, Sec. 201(f), Aug. 1, 1968, 82 Stat. 502; Pub. L. 91-123, title I, Sec. 106, Nov. 25, 1969, 83 Stat. 215; Pub. L. 92-65, title II, Sec. 208, Aug. 5, 1971, 85 Stat. 169; Pub. L. 94-188, title I, Sec. 113, Dec. 31, 1975, 89 Stat. 1082; Pub. L. 105-393, title II, Sec. 212, Nov. 13, 1998, 112 Stat. 3621.)

References in Text

Section 221 of the **National Housing Act**, referred to in subsec. (a), is classified to section 1715l of Title 12, Banks and Banking.

Section 8 of the United States **Housing Act** of 1937, referred to in subsec. (a), is classified to section 1437f of Title 42, The Public Health and Welfare.

Section 515 of the **Housing Act** of 1949, referred to in subsec. (a), is classified to 1485 of Title 42, The Public Health and Welfare.

Amendments

1998--Subsec. (b). Pub. L. 105-393, Sec. 212(a), substituted ``50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226)'' for ``80 per centum'' in first sentence.

Subsec. (c)(1). Pub. L. 105-393, Sec. 212(b), substituted ``50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226)'' for ``80 per centum''.

1975--Subsec. (a). Pub. L. 94-188, Sec. 113(1), substituted reference to section 8 of the United States **Housing Act** of 1937, section 515 of the **Housing Act** of 1949, or any other law of similar purpose administered by the Secretary or any other department, agency, or instrumentality of the Federal or State government for reference to section 235, or 236 of the **National Housing Act**.

Subsec. (c)(2). Pub. L. 94-188, Sec. 113(2), included limited dividend and cooperative organizations in the list of recipients who may receive grants and commitments for grants and advances, and inserted provisions that no grant for the rehabilitation of **housing** shall exceed 10 per centum of the reasonable value of such rehabilitation **housing** as determined by the Secretary.

Subsec. (e). Pub. L. 94-188, Sec. 113(3), inserted provision that the Secretary or the Commission may provide funds to the States for making grants and loans to nonprofit, limited dividend, or cooperative organizations and public bodies for the purposes for which the Secretary is authorized to provide funds under this section.

Subsec. (f). Pub. L. 94-188, Sec. 113(4), added subsec. (f).

1971--Pub. L. 92-65, Sec. 208(a), substituted ``low- and moderate-income **housing** projects'' for ``**housing** projects under section 221 and section 236 of the **National Housing Act**'' in section catchline.

Subsec. (a). Pub. L. 92-65, Sec. 208(b), substituted provisions authorizing grants and loans for planning and obtaining federally insured mortgage financing for **housing** construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221, 235, or 236 of the **National Housing Act**, in any area of the Appalachian region determined by the Commission for provisions authorizing grants and loans for expenses of planning and obtaining insured mortgage for **housing** construction or rehabilitation projects, under section 221 or 236 of the **National Housing Act**, in any area of the Appalachian region determined by the Commission to have significant potential for future growth.

Subsec. (b). Pub. L. 92-65, Sec. 208(b), redesignated subsec. (c) as (b), substituted ``application and mortgage commitment fees, legal fees'' for ``Federal **Housing** Administration, Government **National** Mortgage Association and Federal **National** Mortgage Association fees'', struck out references to section 221 or 236 in three places, and modified provisions relating to repayment of loans to permit cancellation of all or any part of the loan if the Secretary determines that a permanent loan cannot be obtained in any case except loans to profitmaking organizations. Former subsec. (b) redesignated (c)(1) and amended.

Subsec. (c)(1). Pub. L. 92-65, Sec. 208(b), redesignated former subsec. (b) as subsec. (c)(1), extended the 80 percent limitation to expenses incident to planning and obtaining financing for a **housing** project, and exempted par. (2) from the limitation in par. (1).

Subsec. (c)(2). Pub. L. 92-65, Sec. 208(b), added par. (2).

Subsec. (e). Pub. L. 92-65, Sec. 208(c), extended to the Commission

the authority to provide technical assistance for construction, rehabilitation, and operation by nonprofit organizations of low or moderate income **housing** units.

1969--Subsec. (e). Pub. L. 91-123 substituted provisions that authorized the Secretary to provide technical assistance for construction, rehabilitation, and operation by nonprofit organizations of low- or moderate-income **housing** units for provisions that authorized to be appropriated an amount not to exceed \$5,000,000 of the funds authorized in section 401 of this **Act** for the two-fiscal-year period ending June 30, 1969 to carry out the purposes of this section.

1968--Pub. L. 90-448, Sec. 201(f)(1), inserted ``and section 236'' in section catchline.

Subsec. (a). Pub. L. 90-448, Sec. 201(f)(2), (3), substituted ``section 221 or section 236 of the **National Housing Act**'' for ``section 221 of the **National Housing Act**'', and ``as section 221' or section 236' '' for ``as section 221''.

Subsec. (b). Pub. L. 90-448, Sec. 201(f)(2), inserted reference to section 236.

Subsec. (c). Pub. L. 90-448, Sec. 201(f)(2), (4), inserted reference to section 236 and included Government **National** Mortgage Association fees.