

RURAL HOUSING SERVICE FISCAL YEAR 2000 ALLOCATION IN THOUSANDS, SECTION 504, RURAL HOUSING GRANTS—
Continued

States	State basic formula factor	Total FY 2000 allocation
Kansas	0.0137315	288
Kentucky	0.0305527	641
Louisiana	0.0267765	561
Maine	0.0106419	223
Massachusetts	0.0099554	209
Connecticut	0.0054926	115
Rhode Island	N/A	100
Michigan	0.0326124	684
Minnesota	0.0202540	425
Mississippi	0.0278064	583
Missouri	0.0264332	554
Montana	0.0061792	130
Nebraska	0.0089255	187
Nevada	N/A	100
New Jersey	0.0085822	180
New Mexico	0.0127017	266
New York	0.0332990	698
North Carolina	0.0484037	1,015
North Dakota	N/A	100
Ohio	0.0370752	777
Oklahoma	0.0188809	396
Oregon	0.0161346	338
Pennsylvania	0.0449708	943
Puerto Rico	0.0271199	569
South Carolina	0.0267765	561
South Dakota	0.0065225	137
Tennessee	0.0302094	633
Texas	0.0734638	1,540
Utah	N/A	100
Vermont	N/A	100
New Hampshire	0.0061792	130
Virginia	0.0291795	612
Washington	0.0188809	396
West Virginia	0.0185376	389
Wisconsin	0.0230003	482
Wyoming	N/A	100
State Totals	1.000000	22,267
General Reserve	1,500
EZ/EC/Reap Earmark	600
100 Underserved Counties/Colonias	1,283
Total	25,650

[FR Doc. 99-32957 Filed 12-20-99; 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 to submit proposals in the form of "NOFA responses" for the section 538

Guaranteed Rural Rental Housing Program (GRRHP). Eligible lenders are invited to submit NOFA proposals for the development of affordable rental housing to serve rural America. Lenders may submit their application concurrently with their NOFA response. This document also describes the overall application process, including the selection of NOFA responses and the allocation of interest credits.

DATES: Fiscal Year (FY) 2000 program dollars will be divided into two selection pools: an "early selection pool" of \$40 million which will close at 4:00 PM Eastern Time on February 21, 2000 and the "standard selection pool" of \$60 million which will close at 4:00 PM Eastern Time, on May 8, 2000. See paragraph III., "Application Process" of

this NOFA for more information on this topic.

The final deadline for a FY 2000 NOFA response will be 4:00 PM Eastern Time on May 8, 2000. No NOFA responses will be accepted after 4:00 PM Eastern Time on May 8, 2000, unless that date and time is extended by Notice published in the **Federal Register**. 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 post office or private mailer does not constitute delivery. Facsimile (FAX) and postage due NOFA responses or applications will not be accepted.

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, Senior Loan Officer, 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 will be operated under the direction of Title 7 CFR Code of Federal Regulations part 3565 (7 CFR part 3565). In addition, this NOFA will identify any priorities for selection of proposed applications, and the process by which the Agency will score and rank the proposals. Information will also be included about submission forms and deadlines.

The Guaranteed Rural Rental Housing Program Origination and Servicing Handbook (HB-1-3565) is available to provide lenders and Agency personnel with the "how to" administrative guidance needed to administer the program. As a service to our customers, copies of HB-1-3565, which contains a copy of 7 CFR part 3565 in Appendix 1, 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 multifamily housing through partnerships between Rural Housing Service (RHS) and major lending sources, as well as State and local housing finance agencies and bond issuers. Qualified lenders will be authorized to originate, underwrite, and close loans for multifamily housing projects requiring new construction or

acquisition with rehabilitation of at least \$15,000 per unit. 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. In turn, RHS will guarantee the lender's loan up to 90 percent of total development cost and commits to pay up to a maximum of 90 percent of the outstanding principal and interest balance of such loan in the case of default of the loan and filing of a claim. In no event will the Agency pay more than 90 percent of the original principal amount. This means that the Agency will have a risk exposure under the GRRHP of approximately 80 percent of the total development cost. 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) 2000 budget authority provides approximately \$100 million in program dollars. All FY 2000 funds will be held in the National office. There are no set-asides or demonstration purposes for the GRRHP for FY 2000.

III. Application Process

FY 2000 budget authority will provide approximately \$100 million in program dollars. In order to better assist lenders who are currently working with an applicant, the FY 2000 program dollars will be divided into two selection pools; an "early selection pool" of \$40 million, which will close 4 p.m. Eastern Standard Time, February 21, 2000 and a "standard selection pool" of \$60 million, which will close 4 p.m. Eastern Daylight Time, May 8, 2000. Any funds not used in the early selection pool will be transferred to the standard selection pool.

To be eligible for early selection, NOFA responses must have a minimum score of 20 points and must be received prior to 4:00 PM, Eastern Standard Time on February 21, 2000. NOFA responses not scoring a minimum of 20 points, responses received after the deadline for the early pool, and responses not selected due to insufficient funds in this pool will be retained for the standard selection pool with the closing deadline of May 8, 2000. The final deadline for a FY 2000 NOFA response will be 4 p.m., Eastern Daylight Time on May 8, 2000. No exceptions will be made to the

above NOFA closing deadlines unless those deadlines are extended by notice published in the **Federal Register**.

In the event that there are insufficient funds available in either selection pool, priorities will be assigned to the NOFA responses on the basis of the criteria assigned in 7 CFR 3565.5(b) and in paragraph VI., "Selection Criteria" of this NOFA. In the event that there are insufficient funds available to fully fund the next NOFA proposal in the ranking list, the Agency will offer the lender the opportunity to accept a loan note guarantee for less than the requested amount. If the lender declines, the same offer will be made to the next lender on the ranking list, until all the funds are expended. In the event of ties, selection will be by lot.

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 with both the NOFA response and application. Lenders who submit complete applications are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. RHS will base its determination of the completeness of the application and the eligibility of the lender on the information provided in the application.

Upon notice of selection, lenders with the top ranked NOFA responses will be requested to submit the required application fee of \$2,500.00 and full application if not already submitted. When the conditions of the conditional commitment are met, the lender will submit the required information with a separate guarantee fee of 1% of the total guarantee amount.

IV. Submission Requirements

All NOFA responses for the GRRHP must meet the requirements of 7 CFR part 3565 and this NOFA. Incomplete submissions will not be considered, and the lender will be notified of the reason the response was incomplete.

Assistance can include both loan guarantees and interest credits. For at least 20 percent of the loans made under the program, RHS shall 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.

NOFA responses requesting interest credit will be ranked and scored separately using the same selection criteria for non-interest credit responses. In the event that there are insufficient funds available to fully fund the next interest credit response in the ranking list, the Agency will offer the lender the opportunity to accept a loan note guarantee for less than the requested amount. If the lender declines, the same offer will be made to the next rated response on the list until all the funds are expended. In the event of ties, selection will be by lot.

V. Sample NOFA Response

In order to expedite the review of the applications, RHS suggests using the following NOFA response guidelines. The NOFA response should be on the lender's letterhead, signed by both the lender and the applicant, and be submitted by the lender to the Agency.

Sample NOFA Response:

LENDER NAME—Lender organization name.

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—Fax number.

E-MAIL ADDRESS—E-mail address.

APPLICANT NAME—Show official name, list any trade name as "d/b/a."

APPLICANT TAX ID NUMBER—Insert number.

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—Project zip code.

PROJECT CONGRESSIONAL DISTRICT—Congressional District for project location.

EZ/EC—Is the project in EZ/EC community? (Yes or No)

COLONIA OR TRIBAL LANDS—Is the project in a Colonia or on tribal lands? (Yes or No)

PRESIDENTIAL DECLARED DISASTER AREA—Is the project in a Presidentially declared Disaster Area? (Yes or No)

POPULATION—What is the population of the community in which the project is located? (Note: Population must be in an eligible rural area as defined in HB-1-3565, paragraph 1.6, "Eligible Rural Area.")

MEDIAN INCOME FOR COMMUNITY—Provide median income for the project community.

LOAN AMOUNT—Insert the loan amount.

PERCENTAGE OF GUARANTEE—Percentage guarantee requested.

IS A GUARANTEE FOR CONSTRUCTION ADVANCES BEING REQUESTED?—(Yes or No) (Note: Agency will guarantee construction advances, only as part of a combination construction and permanent loan.)

TOTAL PROJECT DEVELOPMENT COST—Enter amount for total project.

TAX CREDITS—Are tax credits to be provided to project?

LOAN TERM—Provide the loan term. (Note: Term may be up to 40 years.)

INTEREST RATE—Provide the interest rate. (Note: Max. rate is 250 basis points over treasury bond yield. Rate must be fixed rate and fully amortizing, i.e., balloon mortgages are not eligible.)

BASIS POINTS OVER 30 YEAR

TREASURY—Insert number.

OTHER SOURCES OF FUNDS—List all funding sources.

NUMBER OF UNITS—What is the total number of units in the project?

BEDROOM MIX—Number of units by number of bedrooms.

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?—(Yes or No) (Note: If "Yes," proposal must show financial feasibility for NON-IC consideration.)

RENT—What is the proposed rent structure?

COST PER UNIT—Total development cost divided by number of units.

DEBT COVERAGE RATIO—Net Operating Income divided by debt payments.

LOAN TO VALUE—Guarantee loan divided by value.

VI. Selection Criteria

NOFA proposals will be reviewed as received. 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 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
75-84	10
70-74	15
69 or less	20

(D) Loans with interest rates less than the maximum allowable 250 basis points over the 30 Year Treasury Rate will be awarded points as follows:

Interest rate	Points
250 to 201 basis points, inclusive ..	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 percent of 3-5 bedroom units to total units. The proposals will be ranked in order of this percent 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

VII. Additional Information

A. National Environmental Policy Act (NEPA)

The lender will provide the applicant's completed Form RD 1940-20, "Request for Environmental Information," available by contacting the Rural Development State Environmental Coordinator (SEC) at any RD State office and submit it with the NOFA response. A description of any known environmental issues that may affect the project must also be included. This step is necessary in order for the NOFA response to be complete.

The Agency's environmental review of the property, as required under NEPA and 7 CFR part 1940, subpart G will be initiated as early as possible, but no later than the selection of the proposal for further processing. This environmental impact review must be completed prior to the Agency's issuance of a conditional commitment. The environmental review is considered complete when the environmental documents have been properly executed, when all applicable public notices have been published, the associated public comment periods have expired, and the Agency has taken any necessary actions to address the comments received.

Lenders have a responsibility to become familiar with Federal environmental requirements so that they can advise applicants and reduce the probability of unacceptable NOFA responses being submitted to the Agency. Lenders are also expected to cooperate in the collection of any environmental data which the Agency determines is necessary and in the resolution of potential environmental problems.

B. Surcharges for Guarantee of Construction Advances

There is no surcharge for guarantee of construction advances for FY 2000.

C. Maximum Interest Rate

The maximum allowable interest rate on a loan submitted for a guarantee is 250 basis points over the 30-year Treasury Bond Yield as published in the Wall Street Journal as of the business day prior to the business day the rate is set.

D. Program Fees for FY 2000

(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 site assessment and market analysis or preliminary feasibility fee in FY 2000.

(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 no lender application fee for lender approval in FY 2000.

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

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

(8) 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.

Dated: December 10, 1999.

Eileen M. Fitzgerald,

Acting Administrator, Rural Housing Service.

[FR Doc. 99-32958 Filed 12-20-99; 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 2000

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 5:00 p.m., local time for each Rural Development State office on February 22, 2000. 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) 745-2176, TDD (907) 745-6494, Ron Abbott

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, TDD (530) 792-5848, Millie Manzanedo

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