

HOUSING PRESERVATION GRANT AGREEMENT

This agreement dated \_\_\_\_\_, is between \_\_\_\_\_ (name), \_\_\_\_\_ (address), the grantee, organized and operating under \_\_\_\_\_ (authorizing State statute), and the United States of America acting through the Rural Development. Rural Development agrees to grant a sum not to exceed \$ \_\_\_\_\_, subject to the terms and conditions of this agreement.; The Housing Preservation Grant (HPG) statement of activities approved by Rural Development, is attached, and shall commence within 10 days of the date of execution of this agreement by Rural Development and be completed by \_\_\_\_\_ (date).

In consideration of said grant by Rural Development to the grantee, to be made pursuant to Section 533 of the Housing Act of 1949, HPG program, the grantee will provide such a program in accordance with the terms of this grant agreement and applicable Rural Development regulations and the applicable USDA General Terms and Conditions (GT&C) effective December 31, 2025, which are incorporated herein by reference available at: <https://tinyurl.com/ybfxr5a4>.

Terms of agreement.

Rural Development and the grantee agree that:

1. All grant activities shall be limited to those authorized in this subpart.
2. This agreement shall be effective when executed by both parties.
3. The HPG activities approved by Rural Development shall commence and be completed by the date indicated above, unless earlier terminated under paragraph B, 18, of this grant agreement, or extended.
4. The grantee shall carry out the HPG activities and processes as described in the approved statement of activities which is made a part of this grant agreement. Grantee will be bound by the activities and processes set forth in the statement of activities and the further conditions set forth in this grant agreement. If the statement of activities is inconsistent with this grant agreement, then the latter will govern. A change of any activities and processes must be in writing and must be signed by the approval official.
5. The grantee shall use grant funds only for the purposes and activities approved by Rural Development in the HPG budget. Any uses not provided for in the approved budget must be approved in writing by Rural Development in advance.
6. If the grantee is a private nonprofit corporation, expenses charged for travel or per diem will not exceed the rates paid to Federal employees or (if lower) an amount authorized by the grantee for similar purposes. If the grantee is a public body,

the rates will be those that are allowable under the customary practice in the government of which the grantee is a party; if none are customary, the Rural Development rates will be the maximum allowed.

7. Grant funds will not be used for any of the following:

(a) To pay obligations incurred before the beginning date or after the ending date of this agreement;

(b) For any entertainment purposes;

(c) To pay for any capital assets, the purchase of real estate or vehicles, the improvement or renovation of the grantee's office space, or for the repair or maintenance of privately owned vehicles;

(d) Any other purpose specified in §1944.664 (g) or §1944.666 (b) of this subpart; or

(e) For administrative expenses exceeding 20 percent of the HPG grant funds.

8. The grant funds shall not be used to substitute for any financial support previously provided and currently available or assured from any other source.

9. Grantee shall provide satisfactory evidence to Rural Development that all officers of the grantees' organization authorized to receive and/or disburse Federal funds are covered by fidelity bonds in an amount not to exceed the grant amount to protect Rural Development's interests.

10. If the grant exceeds \$100,000, cumulative transfers among direct cost budget categories totaling more than 5 percent of the total budget must have prior written approval by Rural Development.

11. The grantee certifies that no person or organization has been employed or retained to solicit or secure this grant for a commission, percentage, brokerage, or contingent fee.

12. The grantee accepts responsibility for accomplishing the HPG program as submitted and included in its preapplication, application, including its statement of activities. The grantee shall also:

(a) Endeavor to coordinate and provide liaison with State and local housing organizations, where they exist.

(b) Provide continuing information to Rural Development on the status of grantee HPG programs, projects, related activities, and problems.

(c) Inform Rural Development as soon as the following types of conditions become known:

(i) Problems, delays, or adverse conditions which materially affect the ability to attain program objectives, prevent the meeting of time schedules or goals, or preclude the attainment of project work

units by established time periods. This disclosure shall be accompanied by a statement of the action taken or contemplated, new time schedules required and any Rural Development assistance needed to resolve the situation.

(ii) Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

13. The grant closeout and termination procedures will be in accordance with GT&C, and as follows:

(a) When there is reasonable evidence that the grantee has failed to comply with the terms of this grant agreement, the State Director can, on reasonable notice, suspend the grant pending corrective action or terminate the grant. In such instances, Rural Development may reimburse the grantee for eligible costs incurred prior to the effective date of the suspension or termination and may allow all necessary and proper costs which the grantee could not reasonably avoid. Rural Development will withhold further advances and grantees are prohibited from further use of grant funds, pending corrective action.

(b) Grant termination will be based on the following:

(i) Termination for cause. This grant may be terminated in whole, or in part, at any time before the date of completion, whenever Rural Development determines that the grantee has failed to comply with the terms of this agreement.

(ii) Termination for convenience. Rural Development or the grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in case of partial termination, the portion to be terminated.

(c) Rural Development shall notify the grantee in writing of the determination and the reasons for and the effective date of the suspension or termination. Except for termination for convenience, grantees have the opportunity to appeal a suspension or termination under Rural Development's appeal procedure, 7 CFR Part 11Subpart B of Part 1900 of this chapter.

14. The provisions of this grant agreement may be enforced by Rural Development, at its options and without regard to prior waivers by it or previous defaults of the grantee, by judicial proceedings to require specific performance of the terms of this grant agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Rural Development to assure compliance with the provisions of this grant agreement and the laws and regulations under which this grant is made.

15. Extension of this grant agreement, modifications of the statement of activities, or changes in the grantee's budget may

be approved by Rural Development provided, in Rural Development's opinion, the extension or modification is justified and there is a likelihood that the grantee can accomplish the goals set out and approved in the statement of activities during the period of the extension and/or modifications as specified in §1944.684 of this subpart.

16. It is understood and agreed that any assistance granted under this grant agreement will be administered subject to the limitations of Title V of the Housing Act of 1949, as amended, 42 U.S.C 1471, et. seq., and related regulations, and that all rights granted to Rural Development herein or elsewhere may be exercised by it in its sole discretion to carry out the purposes of the assistance, and protect Rural Development's financial interest.

17. The grantee will comply with the requirements in respect to rental properties and cooperatives (co-ops) and will execute an agreement with the owners or co-op as found in §§1944.662 and 1944.663 of this subpart, specifically:

(a) If the co-op or rental property owner(s) or their successors in interest fail to carry out the requirements of this grant agreement, the ownership agreement, or any requirements noted in this subpart during the applicable period, they shall make a payment to Rural Development in an amount that equals the total amount of the assistance provided by the grantee plus interest thereon (without compounding) for each year and any fraction thereof that the assistance was outstanding. The interest rate shall be that as determined by Rural Development at the time of infraction taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was initially made available.

(b) Notwithstanding any other provision of law, any assistance provided shall constitute a debt, which is payable in the case of any failure to carry out the agreement between the grantee and the rental property owner(s) or co-op and shall be secured by the security instruments provided by them to Rural Development.

18. All requirements of GT&C and this subpart concerning HPGs will be followed.

The statement of activities is attached to and made a part of this grant agreement.

Grantee has caused this grant agreement to be executed by its duly

authorized \_\_\_\_\_,

properly attested to and its corporate seal affixed by its duly

authorized \_\_\_\_\_.

Attest:

Grantee:

By: \_\_\_\_\_

\_\_\_\_\_  
(Title)

Date of Execution of Grant Agreement by Grantee:

\_\_\_\_\_

United States Of America  
Rural Development

By: \_\_\_\_\_

\_\_\_\_\_  
(Title)

Date of Execution of Grant Agreement by Rural  
Development:

\_\_\_\_\_