

IV. Application Process

All applications for section 515 new construction funds must be filed with the appropriate Rural Development State Office and must meet the requirements of 7 CFR 3560.56, as well as comply with the provisions of Section V. of this Notice. Incomplete applications will not be reviewed and will be returned to the applicant. No application will be accepted after 5 p.m., local time, on the application deadline previously mentioned unless that date and time is extended by a Notice published in the **Federal Register**.

V. Application Submission Requirements

A. Each application shall include all of the information, materials, forms and exhibits required by 7 CFR 3560.56, as well as comply with the provisions of this Notice. Applicants are encouraged, but not required, to include a checklist and to have their applications indexed and tabbed to facilitate the review process. The Rural Development State Office will base its determination of completeness of the application and the eligibility of each applicant on the information provided in the application.

B. Applicants are advised to contact the Rural Development State Office serving the place in which they desire to submit an application for the following:

1. Application information; and
2. List of designated places for which applications for new section 515 facilities may be submitted.

VI. Areas of Special Emphasis or Consideration

A. The RHS encourages the use of funding from other sources in conjunction with Agency loans. This year there will be a National Office Initiative pursuant to 7 CFR 3560.56(c)(1)(iii), whereby preference points will be awarded to loan requests that meet the selection criteria as follows: In States where RHS has an on-going formal working relationship, agreement, or MOU with the State to provide State resources (State funds, State RA, HOME funds, CDBG funds, or LIHTC) for RHS proposals; or where the State provides preference or points to RHS proposals in awarding these State Resources, 20 points will be provided to loan requests that include such State resources in an amount equal to at least 5 percent of the TDC. NAHASDA funds may be considered a State Resource if the Tribal Plan for NAHASDA funds contains provisions for partnering with RHS for multifamily housing.

B. \$8,910,000 is available nationwide in a set-aside for eligible nonprofit organizations as defined in 42 U.S.C. 1485(w).

C. \$4,950,000 is available nationwide in a set-aside for the 100 most Underserved Counties and Colonias.

D. \$2,327,490 is available nationwide in an earmark for EZ, EC, and REAP zone.

E. \$990,000 is available nationwide in a reserve for States with viable State RA programs. In order to participate, States are to submit specific written information about the State RA program, i.e., a memorandum of understanding, documentation from the provider, etc., to the National Office.

Dated: March 8, 2006.

Russell T. Davis,

Administrator, Rural Housing Service.

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DEPARTMENT OF AGRICULTURE

Rural Housing Service

Notice of Funds Availability for the Section 533 Housing Preservation Grants for Fiscal Year 2006

Announcement Type: Initial Notice inviting applications from qualified applicants for Fiscal Year 2006.

Catalog of Federal Domestic Assistance Numbers (CFDA): 10.433.

SUMMARY: The Rural Housing Service (RHS) announces that it is soliciting competitive applications under its Housing Preservation Grant (HPG) program. The HPG program is a grant program which provides qualified public agencies, private nonprofit organizations, and other eligible entities grant funds to assist very low- and low-income homeowners in repairing and rehabilitating their homes in rural areas. In addition, the HPG program assists rental property owners and cooperative housing complexes in repairing and rehabilitating their units if they agree to make such units available to low- and very low-income persons. This action is taken to comply with Agency regulations found in 7 CFR part 1944, subpart N, which require the Agency to announce the opening and closing dates for receipt of preapplications for HPG funds from eligible applicants. The intended effect of this Notice is to provide eligible organizations notice of these dates.

DATES: The closing deadline for receipt of all applications in response to this Notice is 5 p.m., local time for each Rural Development State Office on May 19, 2006. 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 the United States Postal Service or private mailer does not constitute delivery. Facsimile (FAX) and postage due applications will not be accepted.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The reporting requirements contained in this Notice have been approved by the Office of Management and Budget under Control Number 0575-0115.

Program Administration

I. Funding Opportunities Description

The funding instrument for the HPG Program will be a grant agreement. The term of the grant can vary from 1 to 2 years, depending on available funds and demand. No maximum or minimum grant levels have been established at the National level. You should contact the Rural Development State Office to determine the allocation.

II. Award Information

For Fiscal Year 2006, \$10,497,716 is available for the HPG Program. The total includes \$597,716 in carryover funds. An earmark of \$594,000 has been established for grants located in Empowerment Zones, Enterprise Communities, and REAP Zones and other funds will be distributed under a formula allocation to States pursuant to 7 CFR part 1940, subpart L, "Methodology and Formulas for Allocation of Loan and Grant Program Funds." Decisions on funding will be based on pre-applications.

III. Eligibility Information

7 CFR part 1944, subpart N provides details on what information must be contained in the preapplication package. Entities wishing to apply for assistance should contact the Rural Development State Office to receive further information, the State allocation of funds, and copies of the preapplication package. Eligible entities for these competitively awarded grants include state and local governments, nonprofit corporations, Federally recognized Indian tribes, and consortia of eligible entities.

Federally recognized Indian tribes are exempt from the requirement to consult with local leaders, found in 7 CFR 1944.674, that mentions that the applicant announce the availability of

its statement of activities for review in a newspaper.

As part of the application, all applicants must also provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number. As required by the Office of Management and Budget (OMB), all grant applicants must provide a DUNS number when applying for Federal grants, on or after October 1, 2003. Organizations can receive a DUNS number at no cost by calling the dedicated toll-free DUNS number request line at 1-866-705-5711. Additional information concerning this requirement is provided in a policy directive issued by OMB and published in the **Federal Register** on June 27, 2003 (68 FR 38402-38405).

IV. Application and Submission Information

Applicants wishing to apply for assistance must make its statement of activities available to the public for comment. The applicant(s) must announce the availability of its statement of activities for review in a newspaper of general circulation in the project area and allow at least 15 days for public comment. The start of this 15-day period must occur no later than 16 days prior to the last day for acceptance of pre-applications by RHS.

Applicants must also contact the Rural Development State Office serving the place in which they desire to submit an application 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) 279-3400, TDD (334) 279-3495, James B. Harris.

Alaska State Office, 800 West Evergreen, Suite 201, Palmer, AK 99645, (907) 761-7740, TDD (907) 761-8905, Debbie Andrys.

Arizona State Office, Phoenix Courthouse and Federal Building, 230 North First Ave., Suite 206, Phoenix, AZ 85003-1706, (602) 280-8765, TDD (602) 280-8706, Johnna Vargas.

Arkansas State Office, 700 W. Capitol Ave., Rm. 3416, Little Rock, AR 72201-3225, (501) 301-3258, TDD (501) 301-3063, Clinton King

California State Office, 430 G Street, #4169, Davis, CA 95616-4169, (530) 934-4614 ext. 123, TDD (530) 792-5848, Linda Eveland.

Colorado State Office, 655 Parfet Street, Room E100, Lakewood, CO 80215, (720) 544-2923, TDD (800) 659-2656, Mary Summerfield.

Connecticut, Served by Massachusetts State Office. Delaware and Maryland State Office, 1221 College Park Drive, Suite 200, Dover, DE 19904, (302) 857-3615, TDD (302) 857-3585 Pat Baker.

Florida & Virgin Islands State Office, 4440 NW. 25th Place, Gainesville, FL 32606-6563, (352) 338-3465, TDD (352) 338-3499, Elizabeth M. Whitaker.

Georgia State Office, Stephens Federal Building, 355 E. Hancock Avenue, Athens, GA 30601-2768, (706) 546-2164, TDD (706) 546-2034, Wayne Rogers.

Hawaii State Office, (Services all Hawaii, American Samoa, Guam, and Western Pacific), Room 311, Federal Building, 154 Waiianuenue Avenue, Hilo, HI 96720, (808) 933-8305, TDD (808) 933-8321, Jack Mahan.

Idaho State Office, Suite A1, 9173 West Barnes Dr., Boise, ID 83709, (208) 378-5628, TDD (208) 378-5644, LaDonn McElligott.

Illinois State Office, 2118 West Park Court, Suite A, Champaign, IL 61821-2986, (217) 403-6222, TDD (217) 403-6240, Barry L. Ramsey.

Indiana State Office, 5975 Lakeside Boulevard, Indianapolis, IN 46278, (317) 290-3100 (ext. 423), TDD (317) 290-3343, John Young.

Iowa State Office, 210 Walnut Street Room 873, Des Moines, IA 50309, (515) 284-4493, TDD (515) 284-4858, Sue Wilhite.

Kansas State Office, 1303 SW. First American Place, Suite 100, Topeka, KS 66604-4040, (785) 271-2721, TDD (785) 271-2767, Virginia M. Hammersmith.

Kentucky State Office, 771 Corporate Drive, Suite 200, Lexington, KY 40503, (859) 224-7325, TDD (859) 224-7422, Beth Moore.

Louisiana State Office, 3727 Government Street, Alexandria, LA 71302, (318) 473-7962, TDD (318) 473-7655, Yvonne R. Emerson.

Maine State Office, 967 Illinois Ave., Suite 4, PO Box 405, Bangor, ME 04402-0405, (207) 990-9110, TDD (207) 942-7331, Bob Nadeau.

Maryland, Served by Delaware State Office. Massachusetts, Connecticut, & Rhode Island State Office, 451 West Street Suite 2, Amherst, MA 01002, (413) 253-4315, TDD (413) 253-4590, Paul Geoffroy.

Michigan State Office, 3001 Coolidge Road, Suite 200, East Lansing, MI 48823, (517) 324-5192, TDD (517) 337-6795, Ghulam R. Simbal.

Minnesota State Office, 375 Jackson Street Building, Suite 410, St. Paul, MN 55125, (651) 602-7804, TDD (651) 602-7830, Thomas Osborne.

Mississippi State Office, Federal Building, Suite 831, 100 W. Capitol Street, Jackson, MS 39269, (601) 965-4325, TDD (601) 965-5850, Darnella Smith-Murray.

Missouri State Office, 601 Business Loop 70 West, Parkade Center, Suite 235, Columbia, MO 65203, (573) 876-9303, TDD (573) 876-9480, Becky Eftink.

Montana State Office, 900 Technology Blvd, Suite B, Bozeman, MT 59771, (406) 585-

2515, TDD (406) 585-2562, Deborah Chorlton.

Nebraska State Office, Federal Building, room 152, 100 Centennial Mall N, Lincoln, NE 68508, (402) 437-5035, TDD (402) 437-5093, Sharon Kluck.

Nevada State Office, 1390 South Curry Street, Carson City, NV 89703-9910, (775) 887-1222 (ext. 25), TDD (775) 885-0633, Angilla Denton.

New Hampshire State Office, Concord Center, Suite 218, Box 317, 10 Ferry Street, Concord, NH 03301-5004, (603) 223-6046, TDD (603) 229-0536, Jim Fowler.

New Jersey State Office, 5th Floor North, Suite 500, 8000 Midlantic Drive, Mt. Laurel, NJ 08054, (856) 787-7740, TDD (856) 787-7784, George Hyatt, Jr.

New Mexico State Office, 6200 Jefferson St., NE., Room 255, Albuquerque, NM 87109, (505) 761-4944, TDD (505) 761-4938, Carmen N. Lopez.

New York State Office, The Galleries of Syracuse 441 S. Salina Street, Suite 357 5th Floor, Syracuse, NY 13202, (315) 477-6404, TDD (315) 477-6447, Tia Baker.

North Carolina State Office, 4405 Bland Road, Suite 260, Raleigh, NC 27609, (919) 873-2066, TDD (919) 873-2003, William A. Hobbs.

North Dakota State Office, Federal Building, Room 208, 220 East Rosser, PO Box 1737, Bismarck, ND 58502, (701) 530-2046, TDD (701) 530-2113, Barry Borstad.

Ohio State Office, Federal Building, Room 507, 200 North High Street, Columbus, OH 43215-2477, (614) 255-2418, TDD (614) 255-2554, Melodie Taylor-Ward.

Oklahoma State Office, 100 USDA, Suite 108, Stillwater, OK 74074-2654, (405) 742-1070, TDD (405) 742-1007, Ivan Graves.

Oregon State Office, 101 SW. Main, Suite 1410, Portland, OR 97204-3222, (503) 414-3351, TDD (503) 414-3387, Diana Chappell.

Pennsylvania State Office, One Credit Union Place, Suite 330, Harrisburg, PA 17110-2996, (717) 237-2282, TDD (717) 237-2261, Martha E. Hanson.

Puerto Rico State Office, IBM Building, Suite 601, Munoz Rivera Ave. #654, San Juan, PR 00918, (787) 766-5095 (ext. 249), TDD (787) 766-5332, Lourdes Colon.

Rhode Island, Served by Massachusetts State Office.

South Carolina State Office, Strom Thurmond Federal Building 1835 Assembly Street, Room 1007, Columbia, SC 29201, (803) 253-3432, TDD (803) 765-5697, Larry D. Floyd.

South Dakota State Office, Federal Building, Room 210, 200 Fourth Street, SW., Huron, SD 57350, (605) 352-1132, TDD (605) 352-1147, Roger Hazuka or Pam Reilly.

Tennessee State Office, Suite 300, 3322 West End Avenue, Nashville, TN 37203-1084, (615) 783-1375, TDD (615) 783-1397, Larry Kennedy.

Texas State Office, Federal Building, Suite 102, 101 South Main, Temple, TX 76501, (254) 742-9758, TDD (254) 742-9712, Julie Hayes.

Utah State Office, Wallace F. Bennett Federal Building, 125 S. State Street, Room 4311, Salt Lake City, UT 84138, (801) 524-4325, TDD (801) 524-3309, Janice Kocher.

Vermont State Office, City Center, 3rd Floor, 89 Main Street, Montpelier, VT 05602, (802) 828-6021, TDD (802) 223-6365, Heidi Setien.

Virgin Islands, Served by Florida State Office
Virginia State Office, Culpeper Building, Suite 238, 1606 Santa Rosa Road, Richmond, VA 23229, (804) 287-1596, TDD (804) 287-1753, CJ Michels.

Washington State Office, 1835 Black Lake Blvd., Suite B, Olympia, WA 98512, (360) 704-7730, TDD (360) 704-7742, Robert L. Lund.

Western Pacific Territories, Served by Hawaii State Office

West Virginia, Parkersburg West Virginia County Office, 91 Boyles Lane, Parkersburg, WV 26104, (304) 422-9070, TDD (304) 284-4836, Penny Thaxton.

Wisconsin State Office, 4949 Kirschling Court, Stevens Point, WI 54481, (715) 345-7608 (ext.151), TDD (715) 345-7614, Peter Kohnen.

Wyoming State Office, PO Box 82601, Casper, WY 82602-5006, (307) 233-6715, TDD (307) 233-6733, Jack Hyde.

FOR FURTHER INFORMATION CONTACT: For general information, applicants may contact Bonnie Edwards-Jackson, Senior Loan Specialist, Multi-Family Housing Processing Division, Rural Housing Service, United States Department of Agriculture, Stop 0781, 1400 Independence Avenue, SW., Washington, DC, 20250-0781, telephone (202) 690-0759 (voice) (this is not a toll free number) or (800) 877-8339 (TDD-Federal Information Relay Service) or via email at, Bonnie.Edwards@wdc.usda.gov.

V. Application Review Information

All applications for Section 533 funds must be filed with the appropriate Rural Development State Office and must meet the requirements of this Notice and 7 CFR part 1944, subpart N. Pre-applications determined not eligible and/or not meeting the selection criteria will be notified by the Rural Development State Office.

All applicants will file an original and two copies of Standard Form (SF) 424, "Application For Federal Assistance," and supporting information with the appropriate Rural Development State Office. A pre-application package, including SF-424, is available in any Rural Development State Office. All preapplications shall be accompanied by the following information which Rural Development will use to determine the applicant's eligibility to undertake the HPG program and to evaluate the preapplication under the project selection criteria of § 1944.679 of 7 CFR part 1944, subpart N.

(a) A statement of activities proposed by the applicant for its HPG program as appropriate to the type of assistance the applicant is proposing, including:

(1) A complete discussion of the type of and conditions for financial assistance for housing preservation, including whether the request for assistance is for a homeowner assistance program, a rental property assistance program, or a cooperative assistance program;

(2) The process for selecting recipients for HPG assistance, determining housing preservation needs of the dwelling, performing the necessary work, and monitoring/inspecting work performed;

(3) A description of the process for identifying potential environmental impacts in accordance with § 1944.672 of 7 CFR part 1944, subpart N, and the provisions for compliance with Stipulation I, A-G of the Programmatic Memorandum of Agreement, also known as PMOA, (RD Instruction 2000-FF, available in any Rural Development State Office) in accordance with § 1944.673(b) of 7 CFR part 1944, subpart N;

(4) The development standard(s) the applicant will use for the housing preservation work; and, if not the Rural Development standards for existing dwellings, the evidence of its acceptance by the jurisdiction where the grant will be implemented;

(5) The time schedule for completing the program;

(6) The staffing required to complete the program;

(7) The estimated number of very low- and low-income minority and nonminority persons the grantee will assist with HPG funds; and, if a rental property or cooperative assistance program, the number of units and the term of restrictive covenants on their use for very low- and low-income;

(8) The geographical area(s) to be served by the HPG program;

(9) The annual estimated budget for the program period based on the financial needs to accomplish the objectives outlined in the proposal. The budget should include proposed direct and indirect administrative costs, such as personnel, fringe benefits, travel, equipment, supplies, contracts, and other cost categories, detailing those costs for which the grantee proposes to use the HPG grant separately from non-HPG resources, if any. The applicant budget should also include a schedule (with amounts) of how the applicant proposes to draw HPG grant funds, i.e., monthly, quarterly, lump sum for program activities, etc.;

(10) A copy of an indirect cost proposal as required in 7 CFR parts 3015, 3016, and 3019, when the applicant has another source of federal

funding in addition to the Rural Development HPG program;

(11) A brief description of the accounting system to be used;

(12) The method of evaluation to be used by the applicant to determine the effectiveness of its program which encompasses the requirements for quarterly reports to Rural Development in accordance with § 1944.683(b) of 7 CFR part 1944, subpart N and the monitoring plan for rental properties and cooperatives (when applicable) according to § 1944.689 of 7 CFR part 1944, subpart N;

(13) The source and estimated amount of other financial resources to be obtained and used by the applicant for both HPG activities and housing development and/or supporting activities;

(14) The use of program income, if any, and the tracking system used for monitoring same;

(15) The applicant's plan for disposition of any security instruments held by them as a result of its HPG activities in the event of its loss of legal status;

(16) Any other information necessary to explain the proposed HPG program; and

(17) The outreach efforts outlined in § 1944.671(b) of 7 CFR part 1944, subpart N.

(b) Complete information about the applicant's experience and capacity to carry out the objectives of the proposed HPG program.

(c) Evidence of the applicant's legal existence, including, in the case of a private nonprofit organization, a copy of, an accurate reference to, the specific provisions of State law under which the applicant is organized; a certified copy of the applicant's Articles of Incorporation and Bylaws or other evidence of corporate existence; certificate of incorporation for other than public bodies; evidence of good standing from the State when the corporation has been in existence 1 year or more; and the names and addresses of the applicant's members, directors and officers. If other organizations are members of the applicant-organization, or the applicant is a consortium, pre-applications should be accompanied by the names, addresses, and principal purpose of the other organizations. If the applicant is a consortium, documentation showing compliance with paragraph (4)(ii) under the definition of "organization" in § 1944.656 of 7 CFR part 1944, subpart N will also be included.

(d) For a private nonprofit entity, the most recent audited statement and a current financial statement dated and

signed by an authorized officer of the entity showing the amounts and specific nature of assets and liabilities together with information on the repayment schedule and status of any debt(s) owed by the applicant.

(e) A brief narrative statement which includes information about the area to be served and the need for improved housing (including both percentage and the actual number of both low-income and low-income minority households and substandard housing), the need for the type of housing preservation assistance being proposed, the anticipated use of HPG resources for historic properties, the method of evaluation to be used by the applicant in determining the effectiveness of its efforts.

(f) Applicant must submit an original and one copy of Form RD 1940-20 prepared in accordance with Exhibit F-1 of RD Instruction 1944-N (available in any Rural Development State Office).

(g) Applicant must also submit a description of its process for:

(1) Identifying and rehabilitating properties listed on or eligible for listing on the National Register of Historic Places;

(2) Identifying properties that are located in a floodplain or wetland;

(3) Identifying properties located within the Coastal Barrier Resources System; and

(4) Coordinating with other public and private organizations and programs that provide assistance in the rehabilitation of historic properties (Stipulation I, D, of the PMOA, RD Instruction 2000-FF, available in any Rural Development State Office).

(h) The applicant must also submit evidence of the State Historic Preservation Office's, also known as SHPO, concurrence in the proposal, or in the event of nonconcurrence, a copy of SHPO's comments together with evidence that the applicant has sought the Advisory Council on Historic Preservation's advice as to how the disagreement might be resolved, and a copy of any advice provided by the Council.

(i) The applicant must submit written statements and related correspondence reflecting compliance with § 1944.674 (a) and (c) of 7 CFR part 1944, subpart N regarding consultation with local government leaders in the preparation of its program and the consultation with local and state government pursuant to the provisions of Executive Order 12372.

(j) The applicant is to make its statement of activities available to the public for comment prior to submission to Rural Development pursuant to

§ 1944.674(b) of 7 CFR part 1944, subpart N. The application must contain a description of how the comments (if any were received) were addressed.

(k) The applicant must submit an original and one copy of Form RD 400-1, "Equal Opportunity Agreement," and Form 400-4, "Assurance Agreement," in accordance with § 1944.676 of 7 CFR part 1944, subpart N.

Applicants should review 7 CFR part 1944, subpart N for a comprehensive list of all application requirements.

Selection Criteria

The Rural Development State Offices will utilize the following project selection criteria for applicants in accordance with § 1944.679 of 7 CFR part 1944, subpart N:

(a) Providing a financially feasible program of housing preservation assistance. "Financially feasible" is defined as proposed assistance which will be affordable to the intended recipient or result in affordable housing for very low- and low-income persons.

(b) Serving eligible rural areas with a concentration of substandard housing for households with very low- and low-income.

(c) Being an eligible applicant as defined in § 1944.658 of 7 CFR part 1944, subpart N.

(d) Meeting the requirements of consultation and public comment in accordance with § 1944.674 of 7 CFR part 1944, subpart N.

(e) Submitting a complete preapplication as outlined in § 1944.676 of 7 CFR part 1944, subpart N.

For applicants meeting all of the requirements listed above, the Rural Development State Offices will use weighted criteria as selection for the grant recipients. Each preapplication and its accompanying statement of activities will be evaluated and, based solely on the information contained in the preapplication, the applicant's proposal will be numerically rated on each criteria within the range provided. The highest-ranking applicant(s) will be selected based on allocation of funds available to the state.

(a) Points are awarded based on the percentage of very low-income persons that the applicant proposes to assist, using the following scale:

(1) More than 80%: 20 points.

(2) 61% to 80%: 15 points.

(3) 41% to 60%: 10 points.

(4) 20% to 40%: 5 points.

(5) Less than 20%: 0 points.

(b) The applicant's proposal may be expected to result in the following percentage of HPG fund use (excluding administrative costs) to total cost of unit preservation. This percentage reflects

maximum repair or rehabilitation with the least possible HPG funds due to leveraging, innovative financial assistance, owner's contribution or other specified approaches. Points are awarded based on the following percentage of HPG funds (excluding administrative costs) to total funds:

(1) 50% or less: 20 points.

(2) 51% to 65%: 15 points.

(3) 66% to 80%: 10 points.

(4) 81% to 95%: 5 points.

(5) 96% to 100%: 0 points.

(c) The applicant has demonstrated its administrative capacity in assisting very low- and low-income persons to obtain adequate housing based on the following:

(1) The organization or a member of its staff has 2 or more years experience successfully managing and operating a rehabilitation or weatherization type program, including Rural Development's HPG Program: 10 points.

(2) The organization or a member of its staff has 2 or more years experience successfully managing and operating a program assisting very low- and low-income persons obtain housing assistance: 10 points.

(3) If the organization has administered grant programs, there are no outstanding or unresolved audit or investigative findings which might impair carrying out the proposal: 10 points.

(d) The proposed program will be undertaken entirely in rural areas outside Metropolitan Statistical Areas, also known as MSAs, identified by Rural Development as having populations below 10,000 or in remote parts of other rural areas (i.e., rural areas contained in MSAs with less than 5,000 population) as defined in § 1944.656 of 7 CFR part 1944, subpart N: 10 points.

(e) The program will use less than 20 percent of HPG funds for administration purposes:

(1) More than 20%: Not eligible.

(2) 20%: 0 points.

(3) 19%: 1 point.

(4) 18%: 2 points.

(5) 17%: 3 points.

(6) 16%: 4 points.

(7) 15% or less: 5 points.

(f) The proposed program contains a component for alleviating overcrowding as defined in § 1944.656 of 7 CFR part 1944, subpart N: 5 points.

In the event more than one preapplication receives the same amount of points, those preapplications will then be ranked based on the actual percentage figure used for determining the points. Further, in the event that preapplications are still tied, then those pre-applications still tied will be ranked based on the percentage for HPG fund

use (low to high). Further, for applications where assistance to rental properties or cooperatives is proposed, those still tied will be further ranked based on the number of years the units are available for occupancy under the

program (a minimum of 5 years is required). For this part, ranking will be based from most to least number of years. Finally, if there is still a tie, then a lottery system will be used.

Dated: March 8, 2006.

Russell T. Davis,

Administrator, Rural Housing Service.

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