

**49 CFR 24 Subpart E
Replacement Housing Payments**

Old Rule	New Rule Text	New Rule Appendix A
24.401 Replacement housing payment for 180-day homeowner-occupants.		
24.401(a) Eligibility.		
<p>(a) <i>Eligibility.</i> A displaced person is eligible for the replacement housing payment for a 180-day homeowner-occupant if the person:</p> <p>(1) Has actually owned and occupied the displacement dwelling for not less than 180 days immediately prior to the initiation of negotiations; and</p> <p>(2) Purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the later of the following dates (except that the Agency may extend such one year period for good cause):</p> <p>(i) The date the person receives final payment for the displacement dwelling or, in the case of condemnation, the date the full amount of the estimate of just compensation is deposited in the court, or</p> <p>(ii) The date the displacing agency's obligation under § 24.204 is met.</p>	<p>(a) <i>Eligibility.</i> A displaced person is eligible for the replacement housing payment for a 180-day homeowner-occupant if the person:</p> <p>(1) Has actually owned and occupied the displacement dwelling for not less than 180 days immediately prior to the initiation of negotiations; and</p> <p>(2) Purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the later of the following dates (except that the Agency may extend such one year period for good cause):</p> <p>(i) The date the displaced person receives final payment for the displacement dwelling or, in the case of condemnation, the date the full amount of the estimate of just compensation is deposited in the court; or</p> <p>(ii) The date the displacing Agency's obligation under § 24.204 is met.</p>	<p><i>Section 24.401(a)(2).</i> An extension of eligibility may be granted if some event beyond the control of the displaced person such as acute or life threatening illness, bad weather preventing the completion of construction, or physical modifications required for reasonable accommodation of a replacement dwelling, or other like circumstances causes a delay in occupying a decent, safe, and sanitary replacement dwelling.</p>
24.401(b) Amount of payment.		
<p>(b) <i>Amount of payment.</i> The replacement housing payment for an eligible 180-day homeowner-occupant may not exceed \$22,500. (See also § 24.404.) The payment under this subpart is limited to the amount necessary to relocate to a comparable replacement dwelling within one year from the date the displaced homeowner-occupant is paid for the displacement dwelling, or the date a comparable replacement dwelling is made available to such person, whichever is later. The payment shall be the sum of:</p> <p>(1) The amount by which the cost of a replacement dwelling exceeds the acquisition cost of the displacement dwelling, as determined in accordance with paragraph (c) of this section; and</p> <p>(2) The increased interest costs and other debt service costs which are incurred in connection with the mortgage(s) on the replacement dwelling, as determined in accordance with paragraph (d) of this section; and</p> <p>(3) The reasonable expenses incidental to the purchase of the replacement dwelling, as determined in accordance with paragraph (e) of this section.</p>	<p>(b) <i>Amount of payment.</i> The replacement housing payment for an eligible 180-day homeowner-occupant may not exceed \$22,500. (See also § 24.404.) The payment under this subpart is limited to the amount necessary to relocate to a comparable replacement dwelling within one year from the date the displaced homeowner-occupant is paid for the displacement dwelling, or the date a comparable replacement dwelling is made available to such person, whichever is later. The payment shall be the sum of:</p> <p>(1) The amount by which the cost of a replacement dwelling exceeds the acquisition cost of the displacement dwelling, as determined in accordance with paragraph (c) of this section;</p> <p>(2) The increased interest costs and other debt service costs which are incurred in connection with the mortgage(s) on the replacement dwelling, as determined in accordance with paragraph (d) of this section; and</p> <p>(3) The reasonable expenses incidental to the purchase of the replacement dwelling, as determined in accordance with paragraph (e) of this section.</p>	

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24.401(c) Price differential.		
<p>(c) <i>Price differential</i>—(1) <i>Basic computation</i>. The price differential to be paid under paragraph (b)(1) of this section is the amount which must be added to the acquisition cost of the displacement dwelling to provide a total amount equal to the lesser of:</p> <p>(i) The reasonable cost of a comparable replacement dwelling as determined in accordance with § 24.403(a); or</p> <p>(ii) The purchase price of the decent, safe, and sanitary replacement dwelling actually purchased and occupied by the displaced person.</p>	<p>(c) <i>Price differential</i>. (1) <i>Basic computation</i>. The price differential to be paid under paragraph (b)(1) of this section is the amount which must be added to the acquisition cost of the displacement dwelling and site (<i>see</i> § 24.2(a)(11)) to provide a total amount equal to the lesser of:</p> <p>(i) The reasonable cost of a comparable replacement dwelling as determined in accordance with § 24.403(a); or</p> <p>(ii) The purchase price of the decent, safe, and sanitary replacement dwelling actually purchased and occupied by the displaced person.</p>	
24.401(c)(2) Mixed-use and multifamily properties		
<p>(2) <i>Mixed-use and multifamily properties</i>. If the displacement dwelling was part of a property that contained another dwelling unit and/or space used for non-residential purposes, and/or is located on a lot larger than typical for residential purposes, only that portion of the acquisition payment which is actually attributable to the displacement dwelling shall be considered its acquisition cost when computing the price differential.</p> <p>FYI NOTE: This paragraph moved to <u>new 24.403(a)(7)</u></p>	<p>(2) <i>Owner retention of displacement dwelling</i>. If the owner retains ownership of his or her dwelling, moves it from the displacement site, and reoccupies it on a replacement site, the purchase price of the replacement dwelling shall be the sum of:</p> <p>(i) The cost of moving and restoring the dwelling to a condition comparable to that prior to the move;</p> <p>(ii) The cost of making the unit a decent, safe, and sanitary replacement dwelling (defined at § 24.2(a)(8)); and</p> <p>(iii) The current market value for residential use of the replacement dwelling site (<i>see</i> appendix A, § 24.401(c)(2)(iii)), unless the claimant rented the displacement site and there is a reasonable opportunity for the claimant to rent a suitable replacement site; and</p> <p>(iv) The retention value of the dwelling, if such retention value is reflected in the “acquisition cost” used when computing the replacement housing payment.</p> <p>FYI NOTE: These paragraphs moved <u>from old 24.401(c)(4)</u></p>	<p><i>Section 24.401(c)(2)(iii) Price differential</i>. The provision in § 24.401(c)(2)(iii) to use the current market value for residential use does not mean the Agency must have the property appraised. Any reasonable method for arriving at the market value may be used.</p>
24.401(c)(3) Insurance proceeds.		
<p>(3) <i>Insurance proceeds</i>. To the extent necessary to avoid duplicate compensation, the amount of any insurance proceeds received by a person in connection with a loss</p>		

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<p>to the displacement dwelling due to a catastrophic occurrence (fire, flood, etc.) shall be included in the acquisition cost of the displacement dwelling when computing the price differential. (Also see § 24.3.)</p> <p>FYI NOTE: This paragraph moved to <u>new 24.403(g)</u></p>		
24.401(c)(4) Owner Retention of displacement dwelling.		
<p>(4) <i>Owner retention of displacement dwelling.</i> If the owner retains ownership of his or her dwelling, moves it from the displacement site, and reoccupies it on a replacement site, the purchase price of the replacement dwelling shall be the sum of:</p> <p>— (i) The cost of moving and restoring the dwelling to a condition comparable to that prior to the move; and</p> <p>— (ii) The cost of making the unit a decent, safe, and sanitary replacement dwelling (defined at § 24.2); and</p> <p>— (iii) The current fair market value for residential use of the replacement site (see appendix A of this part, § 24.401(c)(4)(iii)), unless the claimant rented the displacement site and there is a reasonable opportunity for the claimant to rent a suitable replacement site; and</p> <p>— (iv) The retention value of the dwelling, if such retention value is reflected in the “acquisition cost” used when computing the replacement housing payment.</p> <p>FYI NOTE: These paragraphs moved to <u>new 24.401(c)(2)</u></p>		
24.401(d) Increased mortgage interest costs.		
<p>(d) <i>Increased mortgage interest costs.</i> The displacing agency shall determine the factors to be used in computing the amount to be paid to a displaced person under paragraph (b)(2) of this section. The payment for increased mortgage interest cost shall be the amount which will reduce the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment for principal and interest as that for the mortgage(s) on the displacement dwelling. In addition, payments shall include other debt service costs, if not paid as incidental costs, and shall be based only on bona fide mortgages that were valid liens on the displacement dwelling for at least 180 days prior to the</p>	<p>(d) <i>Increased mortgage interest costs.</i> The displacing Agency shall determine the factors to be used in computing the amount to be paid to a displaced person under paragraph (b)(2) of this section. The payment for increased mortgage interest cost shall be the amount which will reduce the mortgage balance on a new mortgage to an amount which could be amortized with the same monthly payment for principal and interest as that for the mortgage(s) on the displacement dwelling. In addition, payments shall include other debt service costs, if not paid as incidental costs, and shall be based only on bona fide mortgages that were valid liens on the displacement dwelling for at least 180 days prior to the</p>	<p><i>Section 24.401(d) Increased mortgage interest costs.</i> The provision in § 24.401(d) sets forth the factors to be used in computing the payment that will be required to reduce a person’s replacement mortgage (added to the downpayment) to an amount which can be amortized at the same monthly payment for principal and interest over the same period of time as the remaining term on the displacement mortgages. This payment is commonly known as the “buydown.” The Agency must know the remaining principal balance, the interest rate, and monthly principal and interest payments for the old mortgage as well as the interest rate, points and term for the new mortgage to compute the increased mortgage interest costs. If the</p>

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<p>initiation of negotiations. Paragraphs (d) (1) through (5) of this section shall apply to the computation of the increased mortgage interest costs payment, which payment shall be contingent upon a mortgage being placed on the replacement dwelling.</p> <p>(1) The payment shall be based on the unpaid mortgage balance(s) on the displacement dwelling; however, in the event the person obtains a smaller mortgage than the mortgage balance(s) computed in the buydown determination the payment will be prorated and reduced accordingly. (See appendix A of this part.) In the case of a home equity loan the unpaid balance shall be that balance which existed 180 days prior to the initiation of negotiations or the balance on the date of acquisition, whichever is less.</p> <p>(2) The payment shall be based on the remaining term of the mortgage(s) on the displacement dwelling or the term of the new mortgage, whichever is shorter.</p> <p>(3) The interest rate on the new mortgage used in determining the amount of the payment shall not exceed the prevailing fixed interest rate for conventional mortgages currently charged by mortgage lending institutions in the area in which the replacement dwelling is located.</p> <p>(4) Purchaser's points and loan origination or assumption fees, but not seller's points, shall be paid to the extent:</p> <p>(i) They are not paid as incidental expenses;</p> <p>(ii) They do not exceed rates normal to similar real estate transactions in the area;</p> <p>(iii) The Agency determines them to be necessary; and</p> <p>(iv) The computation of such points and fees shall be based on the unpaid mortgage balance on the displacement dwelling, less the amount determined for the reduction of such mortgage balance under this section.</p> <p>(5) The displaced person shall be advised of the approximate amount of this payment and the conditions that must be met to receive the payment as soon as the facts relative to the person's current mortgage(s) are known and the payment shall be made available at or</p>	<p>initiation of negotiations. Paragraphs (d)(1) through (d)(5) of this section shall apply to the computation of the increased mortgage interest costs payment, which payment shall be contingent upon a mortgage being placed on the replacement dwelling.</p> <p>(1) The payment shall be based on the unpaid mortgage balance(s) on the displacement dwelling; however, in the event the displaced person obtains a smaller mortgage than the mortgage balance(s) computed in the buydown determination, the payment will be prorated and reduced accordingly. (See appendix A, § 24.401(d).) In the case of a home equity loan the unpaid balance shall be that balance which existed 180 days prior to the initiation of negotiations or the balance on the date of acquisition, whichever is less.</p> <p>(2) The payment shall be based on the remaining term of the mortgage(s) on the displacement dwelling or the term of the new mortgage, whichever is shorter.</p> <p>(3) The interest rate on the new mortgage used in determining the amount of the payment shall not exceed the prevailing fixed interest rate for conventional mortgages currently charged by mortgage lending institutions in the area in which the replacement dwelling is located.</p> <p>(4) Purchaser's points and loan origination or assumption fees, but not seller's points, shall be paid to the extent:</p> <p>(i) They are not paid as incidental expenses;</p> <p>(ii) They do not exceed rates normal to similar real estate transactions in the area;</p> <p>(iii) The Agency determines them to be necessary; and</p> <p>(iv) The computation of such points and fees shall be based on the unpaid mortgage balance on the displacement dwelling, less the amount determined for the reduction of the mortgage balance under this section.</p> <p>(5) The displaced person shall be advised of the approximate amount of this payment and the conditions that must be met to receive the payment as soon as the facts relative to the person's current mortgage(s) are known and the payment shall be made available at or near the time of closing on the replacement dwelling in</p>	<p>combination of interest and points for the new mortgage exceeds the current prevailing fixed interest rate and points for conventional mortgages and there is no justification for the excessive rate, then the current prevailing fixed interest rate and points shall be used in the computations.</p> <p>Justification may be the unavailability of the current prevailing rate due to the amount of the new mortgage, credit difficulties, or other similar reasons.</p> <p>SAMPLE COMPUTATION</p> <p>Old Mortgage:</p> <p>Remaining Principal Balance \$50,000</p> <p>Monthly Payment (principal and interest) \$458.22</p> <p>Interest rate (percent) 7</p> <p>New Mortgage:</p> <p>Interest rate (percent) 10</p> <p>Points 3</p> <p>Term (years) 15</p> <p>Remaining term of the old mortgage is determined to be 174 months. Determining, or computing, the actual remaining term is more reliable than using the data supplied by the mortgagee. However, if it is shorter, use the term of the new mortgage and compute the needed monthly payment.</p> <p>Amount to be financed to maintain monthly payments of \$458.22 at 10% = \$42,010.18.</p> <p>Calculation:</p> <table border="0"> <tr> <td>Remaining Principal Balance.....</td> <td>\$50,000.00</td> </tr> <tr> <td>Minus Monthly Payment (principal and interest)</td> <td>42,010.18</td> </tr> <tr> <td>Increased mortgage interest costs</td> <td>7,989.82</td> </tr> <tr> <td>3 points on \$42,010.18</td> <td>1,260.31</td> </tr> <tr> <td><u>Total buydown necessary</u></td> <td><u>9,250.13</u></td> </tr> </table> <p>to maintain payments at \$458.22/ <u>month</u> 9,250.13</p> <p>If the new mortgage actually obtained is less than the computed amount for a new mortgage (\$42,010.18), the</p>	Remaining Principal Balance.....	\$50,000.00	Minus Monthly Payment (principal and interest)	42,010.18	Increased mortgage interest costs	7,989.82	3 points on \$42,010.18	1,260.31	<u>Total buydown necessary</u>	<u>9,250.13</u>
Remaining Principal Balance.....	\$50,000.00											
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<u>Total buydown necessary</u>	<u>9,250.13</u>											

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near the time of closing on the replacement dwelling in order to reduce the new mortgage as intended.	order to reduce the new mortgage as intended.	buydown shall be prorated accordingly. If the actual mortgage obtained in our example were \$35,000, the buydown payment would be \$7,706.57 (\$35,000 divided by \$42,010.18 = .8331; \$9,250.13 multiplied by .83 = \$7,706.57). The Agency is obligated to inform the displaced person of the approximate amount of this payment and that the displaced person must obtain a mortgage of at least the same amount as the old mortgage and for at least the same term in order to receive the full amount of this payment. The Agency must advise the displaced person of the interest rate and points used to calculate the payment.

24.401(e) Incidental expenses.

<p>(e) <i>Incidental expenses.</i> The incidental expenses to be paid under paragraph (b)(3) of this section or § 24.402(c)(1) are those necessary and reasonable costs actually incurred by the displaced person incident to the purchase of a replacement dwelling, and customarily paid by the buyer, including:</p> <ul style="list-style-type: none"> (1) Legal, closing, and related costs, including those for title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees. (2) Lender, FHA, or VA application and appraisal fees. (3) Loan origination or assumption fees that do not represent prepaid interest. (4) Certification of structural soundness and termite inspection when required. (5) Credit report. (6) Owner's and mortgagee's evidence of title, e.g., title insurance, not to exceed the costs for a comparable replacement dwelling. (7) Escrow agent's fee. (8) State revenue or documentary stamps, sales or transfer taxes (not to exceed the costs for a comparable replacement dwelling). (9) Such other costs as the Agency determines to be incidental to the purchase. 	<p>(e) <i>Incidental expenses.</i> The incidental expenses to be paid under paragraph (b)(3) of this section or § 24.402(c)(1) are those necessary and reasonable costs actually incurred by the displaced person incident to the purchase of a replacement dwelling, and customarily paid by the buyer, including:</p> <ul style="list-style-type: none"> (1) Legal, closing, and related costs, including those for title search, preparing conveyance instruments, notary fees, preparing surveys and plats, and recording fees. (2) Lender, FHA, or VA application and appraisal fees. (3) Loan origination or assumption fees that do not represent prepaid interest. (4) Professional home inspection, certification of structural soundness, and termite inspection. (5) Credit report. (6) Owner's and mortgagee's evidence of title, e.g., title insurance, not to exceed the costs for a comparable replacement dwelling. (7) Escrow agent's fee. (8) State revenue or documentary stamps, sales or transfer taxes (not to exceed the costs for a comparable replacement dwelling). (9) Such other costs as the Agency determine to be incidental to the purchase. 	
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24.401(f) Rental assistance payment for 180-day homeowner.

(f) <i>Rental assistance payment for 180-day homeowner.</i> A 180-day homeowner-occupant, who could be eligible for	(f) Rental assistance payment for 180-day homeowner. A 180-day homeowner-occupant, who could be eligible for	
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<p>a replacement housing payment under paragraph (a) of this section but elects to rent a replacement dwelling, is eligible for a rental assistance payment not to exceed \$5,250, computed and disbursed in accordance with § 24.402(b).</p> <p>[54 FR 8928, Mar. 2, 1989, as amended at 64 FR 7132, Feb. 12, 1999]</p>	<p>a replacement housing payment under paragraph (a) of this section but elects to rent a replacement dwelling, is eligible for a rental assistance payment. The amount of the rental assistance payment is based on a determination of market rent for the acquired dwelling compared to a comparable rental dwelling available on the market. The difference, if any, is computed in accordance with § 24.402(b)(1), except that the limit of \$5,250 does not apply, and disbursed in accordance with § 24.402(b)(3). Under no circumstances would the rental assistance payment exceed the amount that could have been received under § 24.401(b)(1) had the 180-day homeowner elected to purchase and occupy a comparable replacement dwelling.</p>	

24.402 Replacement housing payment for 90-day occupants.

24.402(a) Eligibility.		
<p>(a) <i>Eligibility.</i> A tenant or owner-occupant displaced from a dwelling is entitled to a payment not to exceed \$5,250 for rental assistance, as computed in accordance with paragraph (b) of this section, or downpayment assistance, as computed in accordance with paragraph (c) of this section, if such displaced person:</p> <p>(1) Has actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and</p> <p>(2) Has rented, or purchased, and occupied a decent, safe, and sanitary replacement dwelling within 1 year (unless the Agency extends this period for good cause) after:</p> <p>(i) For a tenant, the date he or she moves from the displacement dwelling, or</p> <p>(ii) For an owner-occupant, the later of:</p> <p>(A) The date he or she receives final payment for the displacement dwelling, or in the case of condemnation, the date the full amount of the estimate of just compensation is deposited with the court; or</p> <p>(B) The date he or she moves from the displacement dwelling.</p>	<p>(a) <i>Eligibility.</i> A tenant or owner-occupant displaced from a dwelling is entitled to a payment not to exceed \$5,250 for rental assistance, as computed in accordance with paragraph (b) of this section, or downpayment assistance, as computed in accordance with paragraph (c) of this section, if such displaced person:</p> <p>(1) Has actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and</p> <p>(2) Has rented, or purchased, and occupied a decent, safe, and sanitary replacement dwelling within 1 year (unless the Agency extends this period for good cause) after:</p> <p>(i) For a tenant, the date he or she moves from the displacement dwelling; or</p> <p>(ii) For an owner-occupant, the later of:</p> <p>(A) The date he or she receives final payment for the displacement dwelling, or in the case of condemnation, the date the full amount of the estimate of just compensation is deposited with the court; or</p> <p>(B) The date he or she moves from the displacement dwelling.</p>	
24.402(b) Rental assistance payment.		

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<p>(b) <i>Rental assistance payment</i>—(1) <i>Amount of payment.</i> An eligible displaced person who rents a replacement dwelling is entitled to a payment not to exceed \$5,250 for rental assistance. (See also § 24.404.) Such payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:</p> <p>(i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or</p> <p>(ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.</p>	<p>(b) <i>Rental assistance payment.</i> (1) <i>Amount of payment.</i> An eligible displaced person who rents a replacement dwelling is entitled to a payment not to exceed \$5,250 for rental assistance. (See § 24.404.) Such payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:</p> <p>(i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or</p> <p>(ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.</p>	

24.402(b)(2) Base monthly rental for displacement dwelling.

<p>(2) <i>Base monthly rental for displacement dwelling.</i> The base monthly rental for the displacement dwelling is the lesser of:</p> <p>(i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency—(For an owner-occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person’s income or other circumstances); or</p> <p>(ii) Thirty (30) percent of the person’s average gross household income. (If the person refuses to provide appropriate evidence of income or is a dependent, the base monthly rental shall be established solely on the criteria in paragraph (b)(2)(i) of this section. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise.); or</p> <p>(iii) The total of the amounts designated for shelter and utilities if receiving a welfare assistance payment from a</p>	<p>(2) <i>Base monthly rental for displacement dwelling.</i> The base monthly rental for the displacement dwelling is the lesser of:</p> <p>(i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency (for an owner-occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person’s income or other circumstances);</p> <p>(ii) Thirty (30) percent of the displaced person’s average monthly gross household income if the amount is classified as “low income” by the U.S. Department of Housing and Urban Development’s Annual Survey of Income Limits for the Public Housing and Section 8 Programs⁴. The base monthly rental shall be established solely on the criteria in paragraph (b)(2)(i) of this section for persons with income exceeding the survey’s “low income” limits, for persons refusing to provide appropriate evidence of income, and for persons who are dependents. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise; or,</p> <p>(iii) The total of the amounts designated for shelter</p>	<p><i>Section 24.402(b)(2) Low income calculation example.</i> The Uniform Act requires that an eligible displaced person who rents a replacement dwelling is entitled to a rental assistance payment calculated in accordance with § 24.402(b). One factor in this calculation is to determine if a displaced person is “low income,” as defined by the U.S. Department of Housing and Urban Development’s annual survey of income limits for the Public Housing and Section 8 Programs. To make such a determination, the Agency must: (1) Determine the total number of members in the household (including all adults and children); (2) locate the appropriate table for income limits applicable to the Uniform Act for the state in which the displaced residence is located (found at: http://www.fhwa.dot.gov/realestate/ua/ualic.htm); (3) from the list of local jurisdictions shown, identify the appropriate county, Metropolitan Statistical Area (MSA)*, or Primary Metropolitan Statistical Area (PMSA)* in which the displacement property is located; and (4) locate the appropriate income limit in that jurisdiction for the size of this displaced person/family. The income limit must then be compared to the household income (§ 24.2(a)(15)) which is the gross annual income received by the displaced family, excluding income from any dependent children and full-time students under the age of 18. If the household</p>
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<p>program that designates the amounts for shelter and utilities.</p>	<p>and utilities if the displaced person is receiving a welfare assistance payment from a program that designates the amounts for shelter and utilities.</p> <p>⁴ The U.S. Department of Housing and Urban Development’s Public Housing and Section 8 Program Income Limits are updated annually and are available on FHWA’s Web site at http://www.fhwa.dot.gov/realstate/ua/ualic.htm.</p>	<p>income for the eligible displaced person/family is less than or equal to the income limit, the family is considered “low income.” For example: Tom and Mary Smith and their three children are being displaced. The information obtained from the family and verified by the Agency is as follows: Tom Smith, employed, earns \$21,000/yr. Mary Smith, receives disability payments of \$6,000/yr. Tom Smith Jr., 21, employed, earns \$10,000/yr. Mary Jane Smith, 17, student, has a paper route, earns \$3,000/yr. (Income is not included because she is a dependent child and a full-time student under 18) Sammie Smith, 10, full-time student, no income. Total family income for 5 persons is: $\\$21,000 + \\$6,000 + \\$10,000 = \\$37,000$ The displacement residence is located in the State of Maryland, Caroline County. The low income limit for a 5 person household is: \$47,450. (2004 Income Limits) This household is considered “low income.” * A complete list of counties and towns included in the identified MSAs and PMSAs can be found under the bulleted item “Income Limit Area Definition” posted on the FHWA’s Web site at: http://www.fhwa.dot.gov/realstate/ua/ualic.htm.</p>
24.402(b)(3) Manner of disbursement.		
<p>(3) <i>Manner of disbursement.</i> A rental assistance payment may, at the Agency’s discretion, be disbursed in either a lump sum or in installments. However, except as limited by § 24.403(f), the full amount vests immediately, whether or not there is any later change in the person’s income or rent, or in the condition or location of the person’s housing.</p>	<p>(3) <i>Manner of disbursement.</i> A rental assistance payment may, at the Agency’s discretion, be disbursed in either a lump sum or in installments. However, except as limited by § 24.403(f), the full amount vests immediately, whether or not there is any later change in the person’s income or rent, or in the condition or location of the person’s housing.</p>	
24.402(c) Downpayment assistance payment.		
<p>(c) <i>Downpayment assistance payment—(1) Amount of payment.</i> An eligible displaced person who purchases a replacement dwelling is entitled to a downpayment assistance payment in the amount the person would receive under paragraph (b) of this section if the person rented a comparable replacement dwelling. At the discretion of the Agency, a downpayment assistance</p>	<p>(c) <i>Downpayment assistance payment—(1) Amount of payment.</i> An eligible displaced person who purchases a replacement dwelling is entitled to a downpayment assistance payment in the amount the person would receive under paragraph (b) of this section if the person rented a comparable replacement dwelling. At the Agency’s discretion, a downpayment assistance payment</p>	<p><i>Section 24.402(c) Downpayment assistance.</i> The downpayment assistance provisions in § 24.402(c) limit such assistance to the amount of the computed rental assistance payment for a tenant or an eligible homeowner. It does, however, provide the latitude for Agency discretion in offering downpayment assistance that exceeds the computed rental assistance payment, up</p>

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<p>payment may be increased to any amount not to exceed \$5,250. However, the payment to a displaced homeowner shall not exceed the amount the owner would receive under § 24.401(b) if he or she met the 180-day occupancy requirement. An Agency's discretion to provide the maximum payment shall be exercised in a uniform and consistent manner, so that eligible displaced persons in like circumstances are treated equally. A displaced person eligible to receive a payment as a 180-day owner- occupant under § 24.401(a) is not eligible for this payment. (See also appendix A of this part, § 24.402(c).)</p>	<p>that is less than \$5,250 may be increased to any amount not to exceed \$5,250. However, the payment to a displaced homeowner shall not exceed the amount the owner would receive under § 24.401(b) if he or she met the 180-day occupancy requirement. If the Agency elects to provide the maximum payment of \$5,250 as a downpayment, the Agency shall apply this discretion in a uniform and consistent manner, so that eligible displaced persons in like circumstances are treated equally. A displaced person eligible to receive a payment as a 180-day owner-occupant under § 24.401(a) is not eligible for this payment. (See appendix A, § 24.402(c).)</p>	<p>to the \$5,250 statutory maximum. This does not mean, however, that such Agency discretion may be exercised in a selective or discriminatory fashion. The displacing Agency should develop a policy that affords equal treatment for displaced persons in like circumstances and this policy should be applied uniformly throughout the Agency's programs or projects. For the purpose of this section, should the amount of the rental assistance payment exceed the purchase price of the replacement dwelling, the payment would be limited to the cost of the dwelling.</p>
24.402(c)(2) Application of payment.		
<p>(2) <i>Application of payment.</i> The full amount of the replacement housing payment for downpayment assistance must be applied to the purchase price of the replacement dwelling and related incidental expenses.</p>	<p>(2) <i>Application of payment.</i> The full amount of the replacement housing payment for downpayment assistance must be applied to the purchase price of the replacement dwelling and related incidental expenses.</p>	
24.403 Additional rules governing replacement housing payments.		
24.403(a) Determining cost of comparable replacement dwelling.		
<p>(a) <i>Determining cost of comparable replacement dwelling.</i> The upper limit of a replacement housing payment shall be based on the cost of a comparable replacement dwelling (defined at § 24.2). (1) If available, at least three comparable replacement dwellings shall be examined and the payment computed on the basis of the dwelling most nearly representative of, and equal to, or better than, the displacement dwelling. An adjustment shall be made to the asking price of any dwelling, to the extent justified by local market data (see also § 24.205(a)(2) and appendix A of this part). An obviously overpriced dwelling may be ignored. (2) If the site of the comparable replacement dwelling lacks a major exterior attribute of the displacement dwelling site, (e.g., the site is significantly smaller or does not contain a swimming pool), the value of such attribute shall be subtracted from the acquisition cost of the displacement dwelling for purposes of computing the</p>	<p>(a) <i>Determining cost of comparable replacement dwelling.</i> The upper limit of a replacement housing payment shall be based on the cost of a comparable replacement dwelling (defined at § 24.2(a)(6)). (1) If available, at least three comparable replacement dwellings shall be examined and the payment computed on the basis of the dwelling most nearly representative of, and equal to, or better than, the displacement dwelling. (2) If the site of the comparable replacement dwelling lacks a major exterior attribute of the displacement dwelling site, (e.g., the site is significantly smaller or does not contain a swimming pool), the value of such attribute shall be subtracted from the acquisition cost of the displacement dwelling for purposes of computing the</p>	

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<p>payment.</p> <p>(3) If the acquisition of a portion of a typical residential property causes the displacement of the owner from the dwelling and the remainder is a buildable residential lot, the Agency may offer to purchase the entire property. If the owner refuses to sell the remainder to the Agency, the fair-market value of the remainder may be added to the acquisition cost of the displacement dwelling for purposes of computing the replacement housing payment.</p> <p>(4) To the extent feasible, comparable replacement dwellings shall be selected from the neighborhood in which the displacement dwelling was located or, if that is not possible, in nearby or similar neighborhoods where housing costs are generally the same or higher.</p>	<p>payment.</p> <p>(3) If the acquisition of a portion of a typical residential property causes the displacement of the owner from the dwelling and the remainder is a buildable residential lot, the Agency may offer to purchase the entire property. If the owner refuses to sell the remainder to the Agency, the market value of the remainder may be added to the acquisition cost of the displacement dwelling for purposes of computing the replacement housing payment.</p> <p>(4) To the extent feasible, comparable replacement dwellings shall be selected from the neighborhood in which the displacement dwelling was located or, if that is not possible, in nearby or similar neighborhoods where housing costs are generally the same or higher.</p> <p>(5) Multiple occupants of one displacement dwelling. If two or more occupants of the displacement dwelling move to separate replacement dwellings, each occupant is entitled to a reasonable prorated share, as determined by the Agency, of any relocation payments that would have been made if the occupants moved together to a comparable replacement dwelling. However, if the Agency determines that two or more occupants maintained separate households within the same dwelling, such occupants have separate entitlements to relocation payments.</p> <p>(6) Deductions from relocation payments. An Agency shall deduct the amount of any advance relocation payment from the relocation payment(s) to which a displaced person is otherwise entitled. The Agency shall not withhold any part of a relocation payment to a displaced person to satisfy an obligation to any other creditor.</p> <p>(7) Mixed-use and multifamily properties. If the displacement dwelling was part of a property that contained another dwelling unit and/or space used for nonresidential purposes, and/or is located on a lot larger than typical for residential purposes, only that portion of the acquisition payment which is actually attributable to the displacement dwelling shall be considered the acquisition cost when computing the</p>	

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	<p>replacement housing payment.</p> <p>FYI NOTES: Paragraph (5) moved from <u>old 24.207(e)</u> Paragraph (6) moved from <u>old 24.207(f)</u>. Paragraph (7) moved from <u>old 24.401(c)(3)</u>.</p>	
24.403(b) Inspection of replacement dwelling.		
<p>(b) <i>Inspection of replacement dwelling.</i> Before making a replacement housing payment or releasing a payment from escrow, the Agency or its designated representative shall inspect the replacement dwelling and determine whether it is a decent, safe, and sanitary dwelling as defined at § 24.2.</p>	<p>(b) <i>Inspection of replacement dwelling.</i> Before making a replacement housing payment or releasing the initial payment from escrow, the Agency or its designated representative shall inspect the replacement dwelling and determine whether it is a decent, safe, and sanitary dwelling as defined at § 24.2(a)(8).</p>	
24.403(c) Purchase of replacement dwelling.		
<p>(c) <i>Purchase of replacement dwelling.</i> A displaced person is considered to have met the requirement to purchase a replacement dwelling, if the person:</p> <p>(1) Purchases a dwelling; or</p> <p>(2) Purchases and rehabilitates a substandard dwelling; or</p> <p>(3) Relocates a dwelling which he or she owns or purchases; or</p> <p>(4) Constructs a dwelling on a site he or she owns or purchases; or</p> <p>(5) Contracts for the purchase or construction of a dwelling on a site provided by a builder or on a site the person owns or purchases.</p> <p>(6) Currently owns a previously purchased dwelling and site, valuation of which shall be on the basis of current fair market value.</p>	<p>(c) <i>Purchase of replacement dwelling.</i> A displaced person is considered to have met the requirement to purchase a replacement dwelling, if the person:</p> <p>(1) Purchases a dwelling;</p> <p>(2) Purchases and rehabilitates a substandard dwelling;</p> <p>(3) Relocates a dwelling which he or she owns or purchases;</p> <p>(4) Constructs a dwelling on a site he or she owns or purchases;</p> <p>(5) Contracts for the purchase or construction of a dwelling on a site provided by a builder or on a site the person owns or purchases; or</p> <p>(6) Currently owns a previously purchased dwelling and site, valuation of which shall be on the basis of current market value.</p>	
24.403(d) Occupancy requirements for displacement or replacement dwelling.		
<p>(d) <i>Occupancy requirements for displacement or replacement dwelling.</i> No person shall be denied eligibility for a replacement housing payment solely because the person is unable to meet the occupancy requirements set forth in these regulations for a reason beyond his or her control, including:</p> <p>(1) A disaster, an emergency, or an imminent threat to the public health or welfare, as determined by the President, the Federal agency funding the project, or the</p>	<p>(d) <i>Occupancy requirements for displacement or replacement dwelling.</i> No person shall be denied eligibility for a replacement housing payment solely because the person is unable to meet the occupancy requirements set forth in these regulations for a reason beyond his or her control, including:</p> <p>(1) A disaster, an emergency, or an imminent threat to the public health or welfare, as determined by the President, the Federal Agency funding the project, or the</p>	

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displacing agency; or (2) Another reason, such as a delay in the construction of the replacement dwelling, military reserve duty, or hospital stay, as determined by the Agency.	displacing Agency; or (2) Another reason, such as a delay in the construction of the replacement dwelling, military duty, or hospital stay, as determined by the Agency.	
24.403(e) Conversion of payment.		
(e) <i>Conversion of payment.</i> A displaced person who initially rents a replacement dwelling and receives a rental assistance payment under § 24.402(b) is eligible to receive a payment under § 24.401 or § 24.402(c) if he or she meets the eligibility criteria for such payments, including purchase and occupancy within the prescribed 1-year period. Any portion of the rental assistance payment that has been disbursed shall be deducted from the payment computed under § 24.401 or § 24.402(c).	(e) <i>Conversion of payment.</i> A displaced person who initially rents a replacement dwelling and receives a rental assistance payment under § 24.402(b) is eligible to receive a payment under § 24.401 or § 24.402(c) if he or she meets the eligibility criteria for such payments, including purchase and occupancy within the prescribed 1-year period. Any portion of the rental assistance payment that has been disbursed shall be deducted from the payment computed under § 24.401 or § 24.402(c).	
24.403(f) Payment after death.		
(f) <i>Payment after death.</i> A replacement housing payment is personal to the displaced person and upon his or her death the undisbursed portion of any such payment shall not be paid to the heirs or assigns, except that: (1) The amount attributable to the displaced person's period of actual occupancy of the replacement housing shall be paid. (2) The full payment shall be disbursed in any case in which a member of a displaced family dies and the other family member(s) continue to occupy a decent, safe, and sanitary replacement dwelling. (3) Any portion of a replacement housing payment necessary to satisfy the legal obligation of an estate in connection with the selection of a replacement dwelling by or on behalf of a deceased person shall be disbursed to the estate. [54 FR 8928, Mar. 2, 1989, as amended at 64 FR 7132, Feb. 12, 1999]	(f) <i>Payment after death.</i> A replacement housing payment is personal to the displaced person and upon his or her death the undisbursed portion of any such payment shall not be paid to the heirs or assigns, except that: (1) The amount attributable to the displaced person's period of actual occupancy of the replacement housing shall be paid. (2) Any remaining payment shall be disbursed to the remaining family members of the displaced household in any case in which a member of a displaced family dies. (3) Any portion of a replacement housing payment necessary to satisfy the legal obligation of an estate in connection with the selection of a replacement dwelling by or on behalf of a deceased person shall be disbursed to the estate.	
24.403(g) Insurance proceeds.		
	(g) Insurance proceeds. To the extent necessary to avoid duplicate compensation, the amount of any insurance proceeds received by a person in connection with a loss to the displacement dwelling	

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	<p>due to a catastrophic occurrence (fire, flood, etc.) shall be included in the acquisition cost of the displacement dwelling when computing the price differential. (See § 24.3.)</p> <p>FYI NOTE: This paragraph moved from <u>old</u> 24.401(c)(3)</p>	

24.404 Replacement housing of last resort.

24.404(a) Determination to provide replacement housing of last resort.

<p>(a) <i>Determination to provide replacement housing of last resort.</i> Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, as specified in § 24.401 or § 24.402, as appropriate, the Agency shall provide additional or alternative assistance under the provisions of this subpart. Any decision to provide last resort housing assistance must be adequately justified either:</p> <p>(1) On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:</p> <ul style="list-style-type: none"> (i) The availability of comparable replacement housing in the program or project area; and (ii) The resources available to provide comparable replacement housing; and (iii) The individual circumstances of the displaced person; or <p>(2) By a determination that:</p> <ul style="list-style-type: none"> (i) There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, last resort housing assistance is necessary for the area as a whole; and (ii) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and (iii) The method selected for providing last resort housing assistance is cost effective, considering all elements which contribute to total program or project costs. (Will project delay justify waiting for less expensive comparable replacement housing to become available?) 	<p>(a) <i>Determination to provide replacement housing of last resort.</i> Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, as specified in § 24.401 or § 24.402, as appropriate, the Agency shall provide additional or alternative assistance under the provisions of this subpart. Any decision to provide last resort housing assistance must be adequately justified either:</p> <p>(1) On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:</p> <ul style="list-style-type: none"> (i) The availability of comparable replacement housing in the program or project area; (ii) The resources available to provide comparable replacement housing; and (iii) The individual circumstances of the displaced person, or <p>(2) By a determination that:</p> <ul style="list-style-type: none"> (i) There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, last resort housing assistance is necessary for the area as a whole; (ii) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and (iii) The method selected for providing last resort housing assistance is cost effective, considering all elements, which contribute to total program or project costs. 	
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24.404(b) Basic rights of persons to be displaced.		
<p>(b) <i>Basic rights of persons to be displaced.</i> Notwithstanding any provision of this subpart, no person shall be required to move from a displacement dwelling unless comparable replacement housing is available to such person. No person may be deprived of any rights the person may have under the Uniform Act or this part. The Agency shall not require any displaced person to accept a dwelling provided by the Agency under these procedures (unless the Agency and the displaced person have entered into a contract to do so) in lieu of any acquisition payment or any relocation payment for which the person may otherwise be eligible.</p>	<p>(b) <i>Basic rights of persons to be displaced.</i> Notwithstanding any provision of this subpart, no person shall be required to move from a displacement dwelling unless comparable replacement housing is available to such person. No person may be deprived of any rights the person may have under the Uniform Act or this part. The Agency shall not require any displaced person to accept a dwelling provided by the Agency under these procedures (unless the Agency and the displaced person have entered into a contract to do so) in lieu of any acquisition payment or any relocation payment for which the person may otherwise be eligible.</p>	<p><i>Section 24.404 Replacement Housing of Last Resort. Section 24.404(b) Basic rights of persons to be displaced.</i> This paragraph affirms the right of a 180-day homeowner-occupant, who is eligible for a replacement housing payment under § 24.401, to a reasonable opportunity to purchase a comparable replacement dwelling. However, it should be read in conjunction with the definition of “owner of a dwelling” at § 24.2(a)(20). The Agency is not required to provide persons owning only a fractional interest in the displacement dwelling a greater level of assistance to purchase a replacement dwelling than the Agency would be required to provide such persons if they owned fee simple title to the displacement dwelling. If such assistance is not sufficient to buy a replacement dwelling, the Agency may provide additional purchase assistance or rental assistance.</p>
24.404(c) Methods of providing comparable replacement housing.		
<p>(c) <i>Methods of providing comparable replacement housing.</i> Agencies shall have broad latitude in implementing this subpart, but implementation shall be for reasonable cost, on a case-by-case basis unless an exception to case-by-case analysis is justified for an entire project.</p> <p>(1) The methods of providing replacement housing of last resort include, but are not limited to:</p> <p>(i) A replacement housing payment in excess of the limits set forth in § 24.401 or § 24.402. A rental assistance subsidy under this section may be provided in installments or in a lump sum at the Agency’s discretion.</p> <p>(ii) Rehabilitation of and/or additions to an existing replacement dwelling.</p> <p>(iii) The construction of a new replacement dwelling.</p> <p>(iv) The provision of a direct loan, which requires regular amortization or deferred repayment. The loan may be unsecured or secured by the real property. The loan may bear interest or be interest-free.</p> <p>(v) The relocation and, if necessary, rehabilitation of a dwelling.</p> <p>(vi) The purchase of land and/or a replacement</p>	<p>(c) <i>Methods of providing comparable replacement housing.</i> Agencies shall have broad latitude in implementing this subpart, but implementation shall be for reasonable cost, on a case-by-case basis unless an exception to case-by-case analysis is justified for an entire project.</p> <p>(1) The methods of providing replacement housing of last resort include, but are not limited to:</p> <p>(i) A replacement housing payment in excess of the limits set forth in § 24.401 or § 24.402. A replacement housing payment under this section may be provided in installments or in a lump sum at the Agency’s discretion.</p> <p>(ii) Rehabilitation of and/or additions to an existing replacement dwelling.</p> <p>(iii) The construction of a new replacement dwelling.</p> <p>(iv) The provision of a direct loan, which requires regular amortization or deferred repayment. The loan may be unsecured or secured by the real property. The loan may bear interest or be interest-free.</p> <p>(v) The relocation and, if necessary, rehabilitation of a dwelling.</p> <p>(vi) The purchase of land and/or a replacement</p>	<p><i>Section 24.404(c) Methods of providing comparable replacement housing.</i> This Section emphasizes the use of cost effective means of providing comparable replacement housing. The term “reasonable cost” is used to highlight the fact that while innovative means to provide housing are encouraged, they should be cost-effective.</p>

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<p>dwelling by the displacing agency and subsequent sale or lease to, or exchange with a displaced person.</p> <p>(vii) The removal of barriers to the handicapped.</p> <p>(viii) The change in status of the displaced person with his or her concurrence from tenant to homeowner when it is more cost effective to do so, as in cases where a downpayment may be less expensive than a last resort rental assistance payment.</p> <p>(2) Under special circumstances, consistent with the definition of a comparable replacement dwelling, modified methods of providing replacement housing of last resort permit consideration of replacement housing based on space and physical characteristics different from those in the displacement dwelling (see appendix A, of this part, § 24.404), including upgraded, but smaller replacement housing that is decent, safe, and sanitary and adequate to accommodate individuals or families displaced from marginal or substandard housing with probable functional obsolescence. In no event, however, shall a displaced person be required to move into a dwelling that is not functionally equivalent in accordance with § 24.2).</p> <p>(3) The agency shall provide assistance under this subpart to a displaced person who is not eligible to receive a replacement housing payment under §§ 24.401 and 24.402 because of failure to meet the length of occupancy requirement when comparable replacement rental housing is not available at rental rates within the person's financial means, which is 30 percent of the person's gross monthly household income. Such assistance shall cover a period of 42 months. [54 FR 8928, Mar. 2, 1989, as amended at 64 FR 7132, Feb. 12, 1999]</p>	<p>dwelling by the displacing Agency and subsequent sale or lease to, or exchange with a displaced person.</p> <p>(vii) The removal of barriers for persons with disabilities.</p> <p>(2) Under special circumstances, consistent with the definition of a comparable replacement dwelling, modified methods of providing replacement housing of last resort permit consideration of replacement housing based on space and physical characteristics different from those in the displacement dwelling (<i>see</i> appendix A, § 24.404(c)), including upgraded, but smaller replacement housing that is decent, safe, and sanitary and adequate to accommodate individuals or families displaced from marginal or substandard housing with probable functional obsolescence. In no event, however, shall a displaced person be required to move into a dwelling that is not functionally equivalent in accordance with § 24.2(a)(6)(ii) of this part.</p> <p>(3) The Agency shall provide assistance under this subpart to a displaced person who is not eligible to receive a replacement housing payment under §§ 24.401 and 24.402 because of failure to meet the length of occupancy requirement when comparable replacement rental housing is not available at rental rates within the displaced person's financial means. (<i>See</i> § 24.2(a)(6)(viii)(C).) Such assistance shall cover a period of 42 months.</p>	<p>Section 24.404(c)(2) permits the use of last resort housing, in special cases, which may involve variations from the usual methods of obtaining comparability. However, such variation should never result in a lowering of housing standards nor should it ever result in a lower quality of living style for the displaced person. The physical characteristics of the comparable replacement dwelling may be dissimilar to those of the displacement dwelling but they may never be inferior. One example might be the use of a new mobile home to replace a very substandard conventional dwelling in an area where comparable conventional dwellings are not available. Another example could be the use of a superior, but smaller, decent, safe and sanitary dwelling to replace a large, old substandard dwelling, only a portion of which is being used as living quarters by the occupants and no other large comparable dwellings are available in the area.</p>