

1965—Pub. L. 89-117 substituted “October 1, 1969” for “September 30, 1965” wherever appearing and “\$50,000,000” for “\$10,000,000” in cl. (c) as the maximum allowable appropriation for financial assistance pursuant to section 1486 of this title.

1964—Pub. L. 88-560 substituted “September 30, 1965” for “June 30, 1965” wherever appearing, redesignated cls. (c) and (d) as (d) and (e), and added cl. (c).

1961—Pub. L. 87-70 extended the period for grants and loans pursuant to section 1474 (a), (b) of this title from June 30, 1961, to June 30, 1965, and authorized appropriations of not more than \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 1476 of this title for the period beginning July 1, 1961, and ending June 30, 1965.

1956—Act Aug. 7, 1956, authorized \$50,000,000 for grants and loans from July 1, 1956, to June 30, 1961.

1955—Act Aug. 11, 1955, authorized an additional \$10,000,000 on July 1, 1955.

1954—Act Aug. 2, 1954, substituted \$10,000,000 for the authorization of \$850,000 (available July 1, 1954) which had been authorized by act June 29, 1954.

Act June 29, 1954, authorized an appropriation of \$850,000 to be available on July 1, 1954.

1952—Act July 14, 1952, authorized an appropriation of \$10,000,000 to be available on July 1, 1953.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 371 of Pub. L. 97-35, set out as an Effective Date note under section 3701 of Title 12, Banks and Banking.

##### EFFECTIVE DATE OF 1956 AMENDMENT

Amendment by act Aug. 7, 1956, effective July 1, 1956, see section 606(d) of act Aug. 7, 1956, set out as a note under section 1481 of this title.

### § 1484. Insurance of loans for housing and related facilities for domestic farm labor

#### (a) Authorization; terms and conditions

The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm or any association of farmers for the purpose of providing housing and related facilities for domestic farm labor, or to any Indian tribe for such purpose, or to any State (or political subdivision thereof), or any broad-based public or private nonprofit organization, or any limited partnership in which the general partner is a nonprofit entity, or any nonprofit organization of farmworkers incorporated within the State for the purpose of providing housing and related facilities for domestic farm labor any place within the State where a need exists. All such loans shall be made in accordance with terms and conditions substantially identical with those specified in section 1472 of this title, except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 1 per centum per annum;

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum

per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

#### (b) Utilization of farm tenant mortgage insurance fund; additions to and deposits in fund; deposits in Treasury

The Secretary shall utilize the insurance fund created by section 1005a of title 7<sup>1</sup> and the provisions of section 1005c(a), (b), and (c) of title 7<sup>1</sup> to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

#### (c) Insurance contract; obligation of United States; incontestability

Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

#### (d) Repealed. Pub. L. 96-153, title V, § 501(b), Dec. 21, 1979, 93 Stat. 1133

#### (e) Administrative expenses

Amounts made available pursuant to section 1483 of this title shall be available for administrative expenses incurred under this section.

#### (f) Definitions

As used in this section—

<sup>1</sup> See References in Text note below.

(1) the term “housing” means (A) new structures (including household furnishings) suitable for dwelling use by domestic farm labor, and (B) existing structures (including household furnishings) which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

(2) the term “related facilities” means (A) new structures (including household furnishings) suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures (including household furnishings) which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement and (C) land necessary for an adequate site; and

(3) the term “domestic farm labor” means any person (and the family of such person) who receives a substantial portion of his or her income from primary production of agricultural or aquacultural commodities, the handling of agricultural or aquacultural commodities in the unprocessed stage, or the processing of agricultural or aquacultural commodities, without respect to the source of employment, except that—

(A) such person shall be a citizen of the United States, or a person legally admitted for permanent residence, or a person legally admitted to the United States and authorized to work in agriculture;

(B) such term includes any person (and the family of such person) who is retired or disabled, but who was domestic farm labor at the time of retirement or becoming disabled; and

(C) in applying this paragraph with respect to vacant units in farm labor housing, the Secretary shall make units available for occupancy in the following order of priority:

(i) to active farm laborers (and their families);

(ii) to retired or disabled farm laborers (and their families) who were active in the local farm labor market at the time of retiring or becoming disabled; and

(iii) to other retired or disabled farm laborers (and their families).

**(g) Waiver of interest rate limitations**

The Secretary may waive the interest rate limitation contained in subsection (a)(2) and the requirement of section 1471(c)(3) of this title in any case in which the Secretary determines that qualified public or private nonprofit sponsors are not currently available and are not likely to become available within a reasonable period of time and such waiver is necessary to permit farmers to provide housing and related facilities for migrant domestic farm laborers, except that the benefits resulting from such waiver shall accrue to the tenants, and the interest rate on a loan insured under this section and for which the Secretary permits such waiver shall be no less than one-eighth of 1 per centum above the average interest rate on notes or other obligations which are issued under section 1481 of this title and have maturities comparable to such a loan.

**(h) Determination of need for assistance**

In making available assistance in any area under this section or section 1486 of this title, the Secretary shall—

(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.

**(i) Domestic farm labor housing available for other families**

Housing and related facilities constructed with loans under this section may be used for tenants eligible for occupancy under section 1485 of this title if the Secretary determines that—

(1) there is no longer a need in the area for farm labor housing; or

(2) the need for such housing in the area has diminished to the extent that the purpose of the loan, providing housing for domestic farm labor, can no longer be met.

**(j) Carbon monoxide alarm or detector**

Housing and related facilities constructed with loans under this section shall contain installed carbon monoxide alarms or detectors that meet or exceed—

(1) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

(2) any other standards as may be adopted by the Secretary, in collaboration with the Secretary of Housing and Urban Development, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.

(July 15, 1949, ch. 338, title V, § 514, as added Pub. L. 87-70, title VIII, § 804(a), June 30, 1961, 75 Stat. 186; amended Pub. L. 88-560, title V, § 502, Sept. 2, 1964, 78 Stat. 796; Pub. L. 90-448, title X, § 1004, Aug. 1, 1968, 82 Stat. 553; Pub. L. 91-609, title VIII, § 801(a)-(c), Dec. 31, 1970, 84 Stat. 1805, 1806; Pub. L. 95-128, title V, § 505, Oct. 12, 1977, 91 Stat. 1140; Pub. L. 95-557, title V, §§ 501(d), 504, Oct. 31, 1978, 92 Stat. 2111, 2112; Pub. L. 96-153, title V, § 501(b), Dec. 21, 1979, 93 Stat. 1133; Pub. L. 96-399, title V, § 507(b), Oct. 8, 1980, 94 Stat. 1670; Pub. L. 98-181, title I [title V, § 510], Nov. 30, 1983, 97 Stat. 1243; Pub. L. 100-242, title III, §§ 305(a), 316(b), Feb. 5, 1988, 101 Stat. 1895, 1897; Pub. L. 100-628, title X, § 1043(a), Nov. 7, 1988, 102 Stat. 3273; Pub. L. 104-180, title VII, § 734(e)(1), Aug. 6, 1996, 110 Stat. 1603; Pub. L. 105-276, title V, § 599C(d), Oct. 21, 1998, 112 Stat. 2661; Pub. L. 106-569, title VII, §§ 703, 708(b), Dec. 27, 2000, 114 Stat. 3013, 3018; Pub. L. 110-234, title VI, § 6205, May 22, 2008, 122 Stat. 1209; Pub. L. 110-246, § 4(a), title VI, § 6205, June 18, 2008, 122 Stat. 1664, 1971; Pub. L. 115-141, div. A, title III, Mar. 23, 2018, 132 Stat. 365; Pub. L. 116-260, div. Q, title I, § 101(f)(1), Dec. 27, 2020, 134 Stat. 2164; Pub. L. 117-328, div. AA, title VI, § 601(e)(1), Dec. 29, 2022, 136 Stat. 5546.)

AMENDMENT OF SECTION

*Pub. L. 117-328, div. AA, title VI, § 601(e)(1), (h), Dec. 29, 2022, 136 Stat. 5546, 5548, provided*

that, effective two years after Dec. 29, 2022, this section is amended by adding at the end the following:

(k) *Qualifying smoke alarms*

(1) *In general*

*Housing and related facilities constructed with loans under this section shall contain qualifying smoke alarms that are installed in accordance with applicable codes and standards published by the International Code Council or the National Fire Protection Association and the requirements of the National Fire Protection Association Standard 72, or any successor standard, in each level and in or near each sleeping area in such dwelling unit, including in basements but excepting crawl spaces and unfinished attics, and in each common area in a project containing such a dwelling unit.*

(2) *Definitions*

*For purposes of this subsection, the following definitions shall apply:*

(A) *Smoke alarm defined*

*The term “smoke alarm” has the meaning given the term “smoke detector” in section 2225(d) of title 15.*

(B) *Qualifying smoke alarm defined*

*The term “qualifying smoke alarm” means a smoke alarm that—*

*(i) in the case of a dwelling unit built before December 29, 2022, and not substantially rehabilitated after December 29, 2022—*

*(I)(aa) is hardwired; or*

*(bb) uses 10-year non rechargeable, non-replaceable primary batteries and—*

*(AA) is sealed;*

*(BB) is tamper resistant; and*

*(CC) contains silencing means; and*

*(II) provides notification for persons with hearing loss as required by the National Fire Protection Association Standard 72, or any successor standard; or*

*(ii) in the case of a dwelling unit built or substantially rehabilitated after December 29, 2022, is hardwired.*

*See 2022 Amendment note below.*

**Editorial Notes**

REFERENCES IN TEXT

Sections 1005a and 1005c(a), (b), and (c) of title 7, referred to in subsec. (b), were repealed by section 341(a) of Pub. L. 87-128, title III, Aug. 8, 1961, 75 Stat. 318 (set out as a note under section 1921 of Title 7, Agriculture), which also provided that references in other laws to the Bankhead-Jones Farm Tenant Act shall be construed as referring to appropriate provisions of section 1921 et seq. of Title 7. The fund established pursuant to section 1005a of Title 7 was renamed the Agricultural Credit Insurance Fund. See section 1929 of Title 7.

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

Another section 801(b) of Pub. L. 91-609 amended section 1460(c)(1) of this title.

AMENDMENTS

2022—Subsec. (k). Pub. L. 117-328 added subsec. (k).

2020—Subsec. (j). Pub. L. 116-260 added subsec. (j).

2018—Subsec. (f)(3)(A). Pub. L. 115-141 substituted “United States,” for “United States” and inserted “, or a person legally admitted to the United States and authorized to work in agriculture” before semicolon at end.

2008—Subsec. (f)(3). Pub. L. 110-246, § 6205, substituted “, the handling of agricultural or aquacultural commodities in the unprocessed stage, or the processing of agricultural or aquacultural commodities” for “or the handling of such commodities in the unprocessed stage” in introductory provisions.

2000—Subsec. (a). Pub. L. 106-569, § 703, substituted “limited partnership” for “nonprofit limited partnership” in first sentence of introductory provisions.

Subsec. (j). Pub. L. 106-569, § 708(b), struck out heading and text of subsec. (j). Text read as follows: “Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this subchapter or the regulations adopted pursuant to this subchapter, shall be fined not more than \$250,000 or imprisoned not more than 5 years, or both.”

1998—Subsec. (a). Pub. L. 105-276 inserted “, or any nonprofit limited partnership in which the general partner is a nonprofit entity,” after “private nonprofit organization” in first sentence.

1996—Subsec. (j). Pub. L. 104-180 added subsec. (j).

1988—Subsec. (f)(1). Pub. L. 100-242, § 316(b), struck out “and” at end.

Subsec. (f)(3). Pub. L. 100-242, § 305(a), amended par. (3) generally. Prior to amendment, par. (3) read as follows: “the term ‘domestic farm labor’ means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States, Puerto Rico, or the Virgin Islands and either (A) are citizens of the United States, or (B) reside in the United States, Puerto Rico, or the Virgin Islands after being legally admitted for permanent residence therein.”

Subsec. (i). Pub. L. 100-628 added subsec. (i).

1983—Subsec. (h). Pub. L. 98-181 added subsec. (h).

1980—Subsec. (a). Pub. L. 96-399 inserted reference to Indian tribe.

1979—Subsec. (d). Pub. L. 96-153 repealed subsec. (d) which provided for a maximum of \$38,000,000 for the aggregate amount of principal obligations of loans insured under this section.

1978—Subsec. (d). Pub. L. 95-557, § 501(d), substituted “\$38,000,000 (subject to approval in an appropriation Act)” for “\$25,000,000”.

Subsec. (g). Pub. L. 95-557, § 504, added subsec. (g).

1977—Subsec. (f)(3). Pub. L. 95-128 extended definition of “domestic farm labor” to include laborers on farms situated in Puerto Rico and the Virgin Islands and the residents of the islands after being legally admitted for permanent residence.

1970—Subsec. (a). Pub. L. 91-609, § 801(a), authorized insurance of loans to broad-based nonprofit organizations and nonprofit organizations of farmworkers incorporated within the State and provided for housing and related facilities for domestic farm labor any place within the State where need exists.

Subsec. (a)(2). Pub. L. 91-609, § 801(b), substituted “1” for “5” per centum.

Subsec. (f)(1), (2). Pub. L. 91-609, § 801(c), substituted “structures (including household furnishings)” for “structures” in cls. (A) and (B).

1968—Subsec. (f)(2). Pub. L. 90-448 included land necessary for an adequate site within the definition of “related facilities”.

1964—Subsec. (f)(3). Pub. L. 88-560 included residents of the United States after being legally admitted for permanent residence.

**Statutory Notes and Related Subsidiaries**

## EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by Pub. L. 117-328 effective 2 years after Dec. 29, 2022, see section 601(h) of div. AA of Pub. L. 117-328, set out as a note under section 1701q of Title 12, Banks and Banking.

## EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

## CONSTRUCTION OF 2022 AMENDMENT

Nothing in amendment made by Pub. L. 117-328 to be construed to preempt or limit applicability of certain State or local laws relating to smoke alarms, see section 601(i) of div. AA of Pub. L. 117-328, set out as a note under section 1701q of Title 12, Banks and Banking.

## CONSTRUCTION OF 2020 AMENDMENT

Nothing in amendment made by Pub. L. 116-260 to be construed to preempt or limit applicability of certain State or local laws relating to carbon monoxide devices, see section 101(j) of div. Q of Pub. L. 116-260, set out as a note under section 1437a of this title.

**§ 1485. Housing and related facilities for elderly persons and families or other persons and families of low income**

**(a) Direct loans; authorization; terms and conditions; revolving fund; appropriation**

The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives and Indian tribes to provide rental or cooperative housing and related facilities for elderly or handicapped persons or families of low or moderate income or other persons and families of low income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

(2) such a loan may be made for a period of up to 30 years from the making of the loan; and

(3) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that any person who is admitted as an eligible member and tenant of the cooperative may not subsequently be deprived of his membership or tenancy by reason of his no longer meeting the income eligibility requirements established by the Secretary.

There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

**(b) Insurance of loans; authorization; terms and conditions; utilization of Agricultural Credit Insurance Fund**

The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, Indian tribe, or partnership to provide rental or

cooperative housing and related facilities for elderly or handicapped persons or families or other persons and families of moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;

(3) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 1929 of title 7 and the second and third sentences of section 1928<sup>1</sup> of title 7, including the authority in section 1929(f)(1)<sup>1</sup> of title 7 to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders;

(4) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that any person who is admitted as an eligible member and tenant of the cooperative may not subsequently be deprived of his membership or tenancy by reason of his no longer meeting the income eligibility requirements established by the Secretary;

(5) loans may be made to owners who are otherwise eligible under this section to purchase and convert single-family residences to rental units of two or more dwellings; and

(6) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

(A) the Secretary determines—

(i) it is more cost-efficient and serves the tenant base more effectively to maintain the current property than to build a new property in the same location; or

(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

(B) the Secretary determines—

(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

(ii) any other criteria established by the Secretary has been met.

<sup>1</sup> See References in Text note below.