

§ 1000.318 When do units under Formula Current Assisted Stock cease to be counted or expire from the inventory used for the formula?

(a) Mutual Help and Turnkey III units shall no longer be considered Formula Current Assisted Stock when the Indian tribe, TDHE, or IHA no longer has the legal right to own, operate, or maintain the unit, whether such right is lost by conveyance, demolition, or otherwise, provided that:

(1) Conveyance of each Mutual Help or Turnkey III unit occurs as soon as practicable after a unit becomes eligible for conveyance by the terms of the MHOA; and

(2) The Indian tribe, TDHE, or IHA actively enforce strict compliance by the homebuyer with the terms and conditions of the MHOA, including the requirements for full and timely payment.

(b) Rental units shall continue to be included for formula purposes as long as they continue to be operated as low income rental units by the Indian tribe, TDHE, or IHA.

(c) Expired contract Section 8 units shall continue as rental units and be included in the formula as long as they are operated as low income rental units as included in the Indian tribe's or TDHE's Formula Response Form.

(d)(1) Any unit that is demolished may continue to be considered Formula Current Assisted Stock if:

(i) the recipient certifies in writing to HUD within 1 year from the date the demolition is complete that it has taken action commencing the rebuilding of the unit, and;

(ii) the construction of the unit is completed within 4 years of the date the demolition is complete.

(2) At the end of the four-year period, the unit shall not be considered Formula Current Assisted Stock unless and until the recipient notifies HUD that the unit has been completed as provided in paragraph (d)(1)(ii). If the recipient fails to complete construction of the unit within 4 years of the date that the demolition is complete, HUD shall not require the recipient to repay amounts allocated to the recipient for such unit during that period.