



United States Department of Agriculture
Rural Development
Vermont/New Hampshire

USDA RURAL DEVELOPMENT VERMONT/NEW HAMPSHIRE

NEW CONSTRUCTION SINGLE FAMILY (DETACHED)

SECTION 502 DIRECT LOAN PROGRAM

April 2009

<http://www.rurdev.usda.gov/vt>
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Rural Development
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WELCOME AND OVERVIEW INFORMATION SHEET FOR CONTRACTORS—USDA RURAL DEVELOPMENT DIRECT HOME LOAN PROGRAM

Welcome! We are happy that you have chosen to build a home for an eligible applicant that will be obtaining construction and permanent financing using a Direct Loan offered by USDA, Rural Development (RD). We hope this construction package will make your job easier in providing information needed for approval. If you are a first-time builder with the program, we highly recommend that you meet with us in person so we can have a mutual understanding of the program requirements.

- **What type of home can be built for the applicant?**
RD allows stick-built, modular, and new Manufactured Housing (MH). MH units financed require the Dealer to be a RD approved Dealer-Contractors for sale and complete installation of the unit. Housing typically must be modest in size generally 1000 to 1400 square feet, or meet the needs of the household size. The Direct Program has Area Loan limits that can be advanced by by RD
- **What is the process to get plans approved?**
This package includes a list of items needed to obtain a plan review. When you have it completed, submit it our Area office for review. Our office staff will also conduct a site visit and will need a plot plan and legal description for this visit.
- **What's next?**
After the plans and specs, cost estimates, and appraisal have been approved and loan commitments are ready to be provided to the applicant, our office will schedule a pre-construction conference and arrange for contract signing.
- **Does RD require inspections during construction?**
Yes. A minimum of three inspections are required. The first is prior to backfill of the foundation when waterproofing and drains are in place. The second (stick built) is after rough plumbing and electrical work has been completed just prior to drywall. The second for modular or MH units is after the house is delivered and set onto the foundation. The third and final is when the house is 100% complete and all local and state approvals have been received.
- **How do I get money during construction?**
Partial payments are made to the contractor according to the contract terms. Contractors should make requests for payments using Exhibit E 1924-A NH/VT Instruction. The site purchase is covered 100% at the initial loan closing.

<http://www.rurdev.usda.gov/vt>

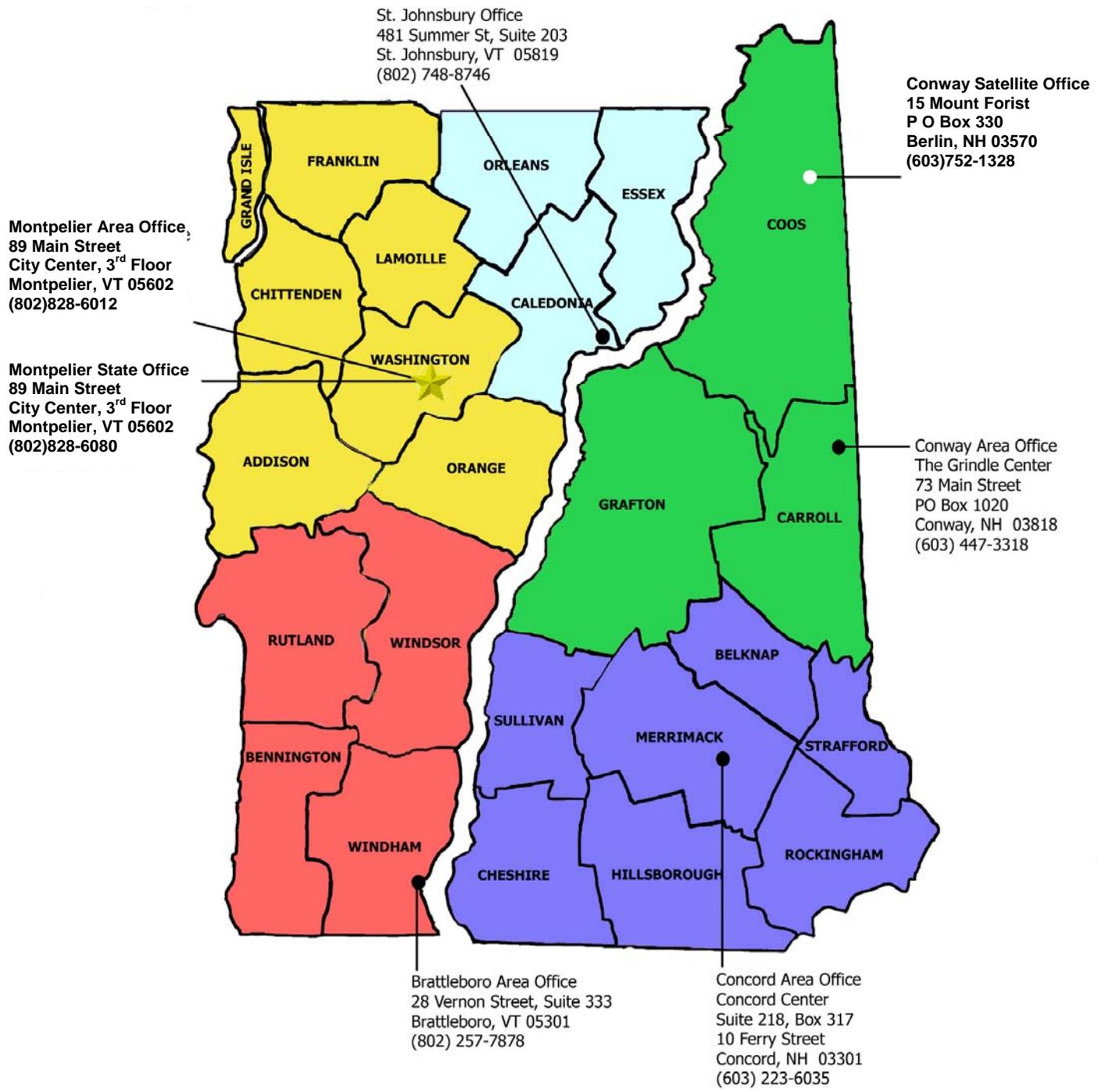
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April 2009

Area Office Locations





<http://www.rurdev.usda.gov/>

Rural Development Housing Facts

HOME OWNERSHIP LOANS FOR VERY LOW AND LOW-INCOME HOUSEHOLDS (Sec 502 Direct Loan Program)

Purpose

To assist lower-income families to purchase, build, and/or rehabilitate a single-family home or condominium. Loan payments are subsidized based on all household income. A down payment is not required. Applicants must be unable to obtain a loan from a bank or other conventional sources. In some cases, refinancing is allowed if there is demonstrated hardship.

Type of Assistance

Funds may be used for the cost of an existing or new home repairs and closing costs, such as attorney fees and the appraisal. Loans can be up to 100% of the market value of the property. Loan funds for repairs or new construction will be escrowed with Rural Development to complete improvements after a loan is closed. Dwellings financed must be modest in cost (not to exceed state-published limits) and located in eligible rural areas where populations are generally less than 20,000. Properties financed must have either a warranty deed or a long-term lease. Mobile homes are ineligible unless it is a new unit. Loans are made at the interest rate(s) specified by Rural Development and are repaid over a period of up to 33 years.

Eligible Applicants

- Be unable to secure the necessary credit from other sources at prevailing rates and terms.
- Be a citizen of the U.S. or a non-citizen who qualifies as a legal alien.
- Have adequate and dependable income to meet financial obligations and family living expenses.
- Have a credit history that reflects a reasonable willingness and ability to meet financial obligations when due.

Eligible Loan Purposes

- Purchase, Construction, and/or repair of a home
- Weatherization
- To buy a site and construct a dwelling for the applicant's own use
- Refinancing for demonstrated hardships or major repair needed

Application Process

Applicants may file an application at the local Rural Development office. **For additional information and the nearest office serving you, please contact our Montpelier, Vermont State Office at 802-828-6068.**

“USDA is an Equal Opportunity Lender, Provider, and Employer.”

To File a Complaint of Discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD.)



New Construction (Stick-Built or modular) checklist

Lot Inspection:

- Provide a completed Purchase and sales agreement/contract signed by the seller and purchaser.
- Provide a map to locate the property and legal description.
- For On-site sewage disposal, provide a copy of the on-site septic design and approval. If design/approval has not been completed, the sales contract must note that purchase is based on the lot obtaining an approved septic design. Prior to final approval, a septic design must be provided to Rural Development for final lot acceptance.
- Town water/sewage—be sure to address in your cost proposal connection costs and any local hookup and impact fees as applicable.

Real Estate Appraisal and Plan Review:

- Complete Plot Plan showing the location of the dwelling on the lot with set backs. (You may use the on-site sewage disposal design if all information is outlined).
- Copy of approved septic design or town sewage connection approval.
- Copy of complete building plans for review and appraisal (3 Complete Sets)
Plans Include;
 - Site Plan
 - Floor Plan (Showing dimensions of rooms, landings, doors, and windows.)
 - Foundation Plan
 - Elevations: front, rear, Right, and left side
 - Framing Cross Section Plan (Showing Structural)
 - Electrical & Plumbing Plan
 - Heating Layout Plan
- Dwelling Specifications Form 1924-2 or VT/NH Dwelling Spec Guide-Exhibit B
- Plan Certification (Form 1924-25) for State adopted codes including:
 - Building system (IRC) for Residential, Electrical (NFPA), Plumbing (ICC), Fire Prevention (NFPA) and energy codes (IECC).

(A plan certifier may be a licensed Architect, Engineer, Code Certifier, Building Official, or a National Code Organization that provides plan certifications).
- Copy of Building Permit and driveway permit (as applicable).
- Cost Proposal



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New Construction checklist (Manufactured Housing-Mobile home)

Lot Inspection:

- Provide a completed Purchase and sales agreement for the lot signed by the seller and purchaser.
- Provide a map to locate the property.
- Provide a copy of the on-site septic design and approval.
- Town water/sewer: Be sure to address in your cost proposal connection costs and any local hookup and impact fees as applicable.

Real Estate Appraisal and Plan Review:

- Complete Plot Plan showing the location of the dwelling on the lot with set backs. (You may use the on-site sewage disposal design if all information is outlined).
- Copy of approved septic design or town sewage connection approval.
- Schematic or floor plan.
- Permanent foundation design: (Check One)
 - Full Foundation
 - 4 ft. Frost Walls and Slab.
 - Engineered Frost Free Protected Slab.
 - Other Engineered System _____
- Dwelling Specifications 1924-2 or VT Exhibit B (VT/NH Inst 1924-A)
- Copy of Building Permit and driveway permit (as applicable).
- Certificate of Origin from the Manufacturer and include certificate of thermal performance standards for zone III and unit that meets Federal Manufactured Home Construction and Safety Standards (FHMLSS).
- Itemized cost breakdown of the total package including: Base unit with options, site development/foundation, permanent perimeter enclosure, installation and tie-downs, utility hookups, entrances, steps, outbuildings/carports, decks, etc, water/sewer, and credits for wheels and axles which need to be removed.

Please note: Dealer-contractors. No loans will be made on a manufactured home sold by any entity that is not an approved dealer-contractor that will provide complete sales, service, and site development services. Contact our Area Office if the contractor is not an approved Dealer-contractor.



<http://www.rurdev.usda.gov/vt/>
802-828-6000

Rural Development Housing Facts

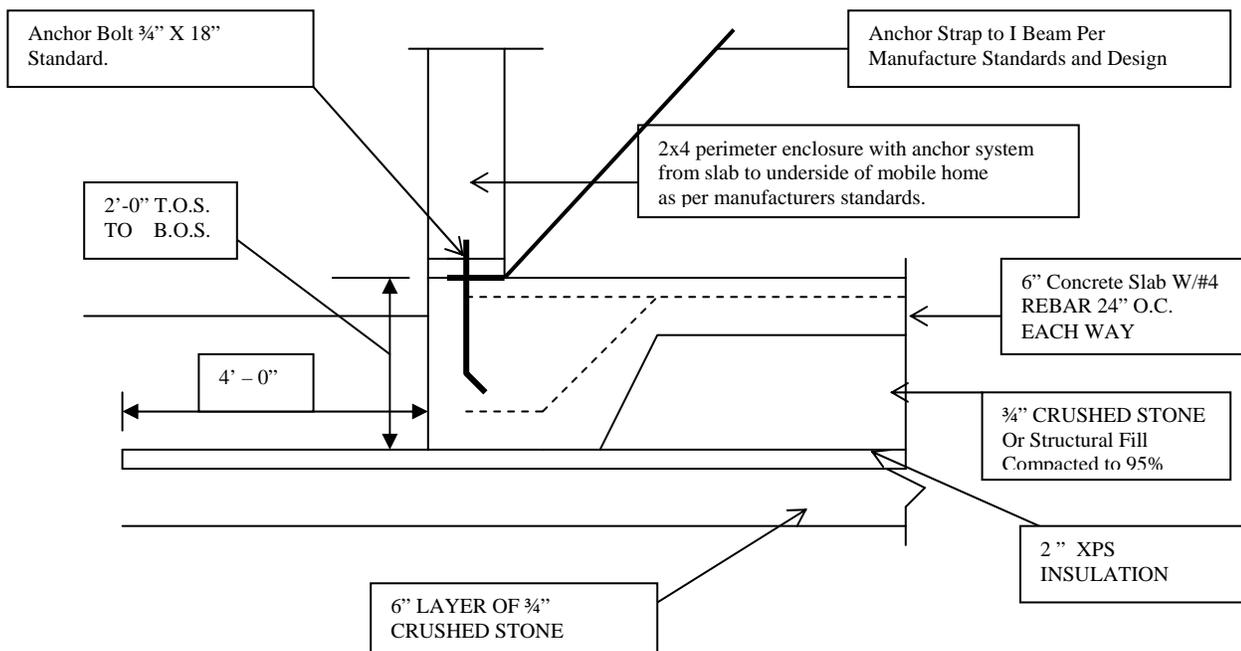
USDA RURAL DEVELOPMENT MANUFACTURED HOUSING FOUNDATION SYSTEMS

FOUNDATIONS:

The following types of foundations are considered permanent:

- Full Foundation
- Poured concrete slab on grade with a frost wall.
- Engineered floating unheated slab system (FPSF) design meeting the local authority having jurisdiction for frost susceptible areas.
- Poured reinforced concrete support columns installed below frost line engineered to support the building loads.

UNHEATED FPSF FOUNDATION SYSTEM (example only)



DWELLING SPECIFICATION GUIDE

Applicant _____
 Contractor _____
 Property Address _____

Instructions

The following specifications are part of the contract documents between the applicant and contractor stated above and may be substituted for the RD 1924-2 Specification form. This specification is for clarification where choices exist and to allow for applicant and contractor selections and Rural Development recommendations. The codes required for single family homes will meet the standards established by the VT/NH State Instruction as outlined in 1924.5 of the Instruction.

When selecting a choice, place an X in the space opposite the specifications for the dwelling.

I. TYPE:

MODULAR/PRECU/STICK (Choose ONE Below)

- Modular housing is a housing unit, which is built entirely off-site and delivered to the site by truck. Plans and specs must have prior State Office review and approval. Plans must also be approved at the local level.
- Precut housing has major structural components built off-site and delivered to the site by truck. Plans and specs must have prior State Office review and approval.
- Stick-built housing is built entirely on the site

SIZE: Specify _____

II. FOUNDATION WALLS:

- Concrete reinforced – Specify _____
- Concrete no reinforcing _____
- Foundation coating / waterproofing _____.
- Foundation Anchors per code.
- Other – Specify _____

SLAB: (Note: Minimum thickness is 4")

- Concrete no reinforcing
- Frost protection will be concrete wall to prevailing frost line
- Other frost protection – Specify _____
- 6 mil. Polyethylene under slab
- Fill Under the Slab --(Required 1/2" Stone unless conditions allow other.
- Footer to have keyway _____ dowel pins _____
- Engineered Frost Free Protected Slab for a Manufactured Home.

VT/NH Instruction 1924-A
Exhibit B
Page 2

DRAIN TILE:

- One line (dry lot only) continuous either inside the footing or outside, below the slab elevation pitching to a positive outfall. Bedded with stone.
- Two lines running both inside and outside the footing as specified above.

Note: Location of the exterior lines is to be below the slab elevation.

IF YOU ARE CONSTRUCTING A MANUFACTURED HOME SKIP TO SECTION VI & XI

Section VI – Outline for Exterior & Interior Steps / Section XI Plumbing Pages 4, 6, 7

III. FRAMING:

Note: All dimension lumber to be grade stamped and kiln dried with not more than 19 percent moisture content.

COLUMNS:

- Columns will be cut to fit and spaced per plan
- Specify – Material _____ Type _____
- Other – Specify _____

FLOOR SYSTEM:

- 2" x 8" floor joist 16" O.C.
- 2" x 10" floor joist 16" O.C.
- Other – Specify _____
- 1/2" CDX plywood subfloor with 5/8" underlayment
- Particle board where carpet and p.t.s. where inlaid
- Single floor method of 3/4" T & G p.t.s. plywood, or O.S.B., glued and nailed and 1/4" underlayment grade plywood where inlaid
- Other – Specify _____

WALL SYSTEM:

- 2" x 4" studs 16" O.C.
- 2" x 6" studs 16" O.C. _____ 24" O.C. _____
- Sheathing to be 1/2" CDX plywood
- Sheathing to be 7/16" O.S.B. or Aspenite
- Other – Specify _____

BUILDING PAPER:

- Felt # 15
- Air Barrier
- Other

ROOFING SYSTEM:

- Rafters: Size: _____, Spacing: _____
- Manufactured trusses 24" O.C.
- Other – Specify _____
- Sheathing to be 1/2" CDX plywood w/H Clips.
- Other – Specify _____

Note: Modification of trusses not allowed without manufacturer's written approval with copy to Rural Development and owner.

SHINGLES:

- Asphalt – Manufacturer _____ Type _____
- Fiberglass – Manufacturer _____ Type _____
- Warranty – 20 years _____ 25 years _____ Other _____
- Steel Roofing – Manufacturer _____ Color _____ Warranty _____

DRIP EDGE:

- Aluminum
- Galvanized (Note: To be continuous along eaves and up rakes)
- Ice and watershield products – Manufacturer _____

VENTILATION:

- To be continuous; eave ventilation and ridge ventilation
- Other – Specify _____

IV. DOORS:**EXTERIOR:**

- Metal insulated with hardware 3'-0" x 6'-8" main and 2'-8" x 6'-8" rear
 - Manufacturer _____
- Other – Specify _____

STORMS:

- Metal – Thickness _____
- Wood – Thickness _____

INTERIOR:

- Luan plywood, hollow core
- Prefinished hardwood, hollow core
- Metal, bi-fold
- Other – Specify _____

V. **WINDOWS** U Value .47 or Less

- Double hung – Manufacturer _____, R-Factor: _____
- Casement – Manufacturer _____, R-Factor: _____
- Other – Specify _____, R-Factor: _____

Note: All windows with movable sash will be provided with screens.

FRAME:

- Wood sash either painted or stained
- Vinyl clad sash and frames
- Other – Specify _____

VI. **STAIRS:**

EXTERIOR:

- Pressure treated wood treads and platform, risers and rails treated to prevent rot
- Concrete treads, risers and platforms
- Railing – Specify material _____ Location _____
- Other – Specify _____

INTERIOR:

- Treads – Specify material _____
- Risers – Specify material _____
- Railings – Specify material _____ No. _____

Note: Maximum spacing of vertical rails is so that no objects larger than 4” in diameter can pass through them. Basement stairs shall meet this standard.

VII. **INSULATION:**

FILL IN THE TABLE

	Material	Thickness	Installation	V.B.	“R”	RD Req.
Walls						19
Ceilings						38
Box Sill						19
Basement						11
Floor						N/R

Note: Basement wall insulation to extend down at least 24” below finished grade.

VIII. **SIDING:**

- Material – Manufacturer _____ Warranty _____
- Exposure- Specify _____
- Nails – Specify type and size _____

Note: Siding that requires painting or staining will receive a minimum of one coat of primer and one coat paint or stain.

IX. **FINISHES:**

FILL IN THE TABLE

	Type	Kit	Liv	Bath	Hall	M. Bed	Bed	Bed	Other
Walls									
Ceilings									
Floor									

Window Trim:

Profile: _____, Material: _____, Size: _____

Door Trim:

Profile: _____, Material: _____, Size: _____

Base Trim:

Profile: _____, Material: _____, Size: _____

CARPET:

Note: To meet UM44D with required backstamp by the manufacturer.

	Allowance	Weight	Cushion Thickness	Manufacturer
Carpet				
Inlaid				
Other				

X. **CABINETS:**

Manufacturer _____

Specify Material _____

List Manufacturer for each of the following:

Medicine Cab. _____ Bath Fan _____ Size _____ Lavatory _____

Range Hood _____ Size _____ Toilet _____ Tub/Shower _____

Vanity _____ Counter _____ Profile _____

Kitchen Sink _____ Size _____ Other _____

Note: All fans must be ducted to the exterior.

Note: Shower rod and paper holder to be supplied by contractor.

VT/NH Instruction 1924-A
Exhibit B
Page 6

X. APPLIANCES:

Specify brands and sizes.

Range _____ Refrigerator _____

Dishwasher _____

XI. PLUMBING:

- Septic System – Specify tank size _____ (Min. 1,000 gal.) Filter Type _____
- Town Sewer
- Drilled Well
- Public Water
- Water Heater – Specify size _____ Type _____

XII. HEATING:

Type _____ Model _____ Size _____ Zones _____ Manufacturer _____

Wood Stove – Specify manufacturer, model and size _____

Chimney – Specify material and size _____

Note: Metal chimneys are not approved for wood stove installation.

Note: Attach heating brochure.

XIII. ELECTRICAL:

- 100 amp service entrance minimum (_____ amp service provided?)
- Lights – Specify number of fixtures _____ Allowance _____
- Other – Specify _____

XIV. LANDSCAPING:

- Landscaping Provided by Owner with topsoil provided by the contractor.

LAWN:

- Loam all disturbed areas to 4" thick and seed with good lawn mix having at least 85 percent perennial type grasses such as Kentucky bluegrass.

FERTILIZER:

- Specify mixture _____ Spread to recommended coverage.

DRIVE:

- Gravel surface, 10' wide, flared to 15' at the street with 12" gravel base.

PLANTINGS:

- Specify number of shrubs and trees _____ Allowance _____

Note: All disturbed areas shall be cleaned up of all debris, stumps, boulders, and brush, and excess cuts and fills will be avoided. Final grade will be 4" below cellar windows and a min. of 8" below siding. A slope at 5-10 percent away from foundation for at least 10'.

XV. **MISCELLANEOUS:**

Describe any materials, equipment, or construction items not shown elsewhere or use to provide additional information where the space provided was inadequate. Attach additional sheets as necessary.

Date _____

Signature _____

Borrower

Date _____

Signature _____

Contractor

Plan Certifier

Certification Number:

Date _____

Reviewed by: _____

General Conditions for New Construction:

- *A full foundation will have an area entrance (Bulkhead) or walkout. An insulated basement door is required for each type of installation.*
- *The bulkhead entrance will have a three-way electrical switch connected with the lighting within the basement area and stairway.*
- *Fill under basement slabs shall be ½ inch stone unless conditions allow for gravel.*
- *All piping under floor insulation in the basement area shall be insulated.*
- *The boiler shall be vented with outside combustion air per the mechanical code.*
- *All bathrooms shall be ventilated with a fan to the outside installed on a timer to provide full ventilation on a continuation basis. (VT Code)*
- *All bedrooms, hall, basement, attached garages, and second floor areas shall have smoke alarms which are direct wired with battery backup.*
- *Garages which are attached must be separated with gypsum between the house and garage and have a fire rated door installed per code. Garage drainage slope will be a minimum of 3 inch drop with a 3 inch step in garage under conditions. (Exception to Code requirements IRC and CABO by Fire Marshal only.)*
- *Roof snow loads must meet the standards of the state.*

oOo

Notes page:

Based upon this review, to the best of my/our knowledge, information, and belief, these documents comply with the:

_____ and
(name and edition of the applicable development standard)

(name and edition of the applicable energy standards/requirements in accordance with RD Instruction 1924-A, Exhibit D)

designated as the applicable Rural Development or Farm Service Agency development standards for this project.

I understand the purpose of this certification is to induce United States Government to finance the construction of the above project and plan. I further understand that false certification constitutes a violation of 18 U.S.C. Section 1001 punishable by fine and/or imprisonment and, in addition, may result in debarment from participating in future government programs.

(Signature)

(Date)

(Type or print name)

(Professional Registration No.)

(Title)

(Expiration Date if applicable)

(Area Code + Telephone Number)

Position 6

FORM APPROVED
OMB NO. 0575-0042

USDA - RD
Form RD 1924-6
(Rev. 8-93)

CONSTRUCTION CONTRACT

State _____

County _____

This Contract, made this _____ day of _____, 20____, by _____ of _____ (hereinafter called the "Owner"), and _____ of _____ (hereinafter called the "Contractor").

WITNESSETH that the parties hereto agree as follows:

(A) The Contractor will furnish materials and perform the work for:

for the consideration of _____ dollars (\$ _____), in accordance with the "General Conditions" shown in this contract and the specifications and the drawings as follows:

(B) The Contractor will start work by _____, 20____, and will complete the work by _____, 20____ (See paragraph III of General Conditions).

(C) The Owner will make payments as follows. (Check proper payment clause and effectively xxxxxxxx out all of the clauses not applicable.)

- 1. ONE LUMP SUM will be made for the whole contract, upon acceptance by the owner and Rural Development of all work required hereunder and compliance by contractor with all the terms and conditions of this contract.
- 2. PARTIAL PAYMENTS NOT TO EXCEED 60 PERCENT of the value of the work in place (less the aggregate of previous payments) will be made at intervals of _____. The value of work in place shall be as estimated by the contractor and approved by Rural Development. Prior to receiving any partial payment, the contractor must furnish the owner with a statement showing the total amount owed to date for materials and labor procured under this contract and, if required by the owner or Rural Development, must also submit evidence showing that previous partial payments were properly applied and that the current payment will be properly applied. Upon completion of the whole contract and acceptance of the work as required hereunder, by the owner and Rural Development, and compliance by the contractor with all terms and conditions of this contract, the amount due the contractor will be paid.
- 3. PARTIAL PAYMENTS IN THE AMOUNT OF 90 PERCENT of the value of the work in place and of the value of the materials suitably stored at the site (less the aggregate of previous payments) will be made at intervals of _____. The value of the work and materials in place or on site shall be as estimated by the contractor and approved by the owner and Rural Development. Upon acceptance by the owner and Rural Development of all work required hereunder and compliance by the contractor with all terms and conditions of this contract, the amount due the contractor will be paid. The contractor shall, before the owner signs the contract, deliver to the owner a surety bond in the amount of the contract.

(D) The items described below (the Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity required by Executive Order 11246, the Equal Opportunity Clause published at 41 CFR 60-1.4 (a) and (b), and the Standard Federal Equal Employment Opportunity Construction Contract Specifications required by Executive Order 11246) apply, during the performance of this contract, if the contract exceeds \$10,000 (This also includes subsequent loans and grants, or contract change orders made during the construction period of the original contract, which will cause the total to exceed \$10,000.) to the following: (1) All contractors or subcontractors who hold any Federal or federally assisted construction contract, (2) All grants, contracts and loans (direct, insured, or guaranteed) let by Rural Development, and (3) All construction work performed by construction contractors and subcontractors for Federal nonconstruction contractors and subcontractors if the construction work is necessary in whole or in part to the performance of a nonconstruction contract or subcontract. The items are applicable to all of a contractor's or subcontractor's employees who are engaged in "on site" construction including those construction employees who work on a non-Federal or non-federally assisted construction site. The items, however, will not preempt state or local government regulations of the construction industry, and will not relieve contractors and subcontractors of the obligations they may have under other affirmative action or equal opportunity programs.

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS (EX. O. 11246)

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.

d. "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North American and maintaining identifiable and participation or community identification).

2. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractors failure to take good faith efforts to achieve the Plan goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. The Contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction projects. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organization's responses.

c. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source of community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall

provide notice of these programs to the sources complied under 7b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc., by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and recruitment and training organizations serving the Contractor's recruitment area and environment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to the organizations such as above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through p). The effort of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through p of these Specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female work force participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been

established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

10. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at

least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work will be performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (E.G., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

(E) The contractor will determine if this contract is subject to a Hometown Plan. Check this block if contract is subject to a Hometown Plan. Effectively xxxxx out this provision if it is not. This contract is subject to the

_____ Plan. The applicable conditions are attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the date first above written.

(Contractor)

(Owner)

GENERAL CONDITIONS

I. **CHANGES IN WORK.**- The Owner may at any time, with the approval of the official designated by Rural Development (hereinafter called the Representative), make changes in the drawings and specifications, within the general scope thereof. If such changes cause an increase or decrease in the amount due under this contract or in the time required for its performance, an equitable adjustment will be made, and this contract will be modified accordingly by a "Contract Change Order". No charge for any extra work or material will be allowed unless the same has been ordered on such contract change order by the Owner with the approval of the Representative, and the price therefore stated in the order.

II. **INSPECTION OF WORK.**- All materials and workmanship will be subject to inspection, examination, and test, by the Representative, who will have the right to reject defective material and workmanship or require its correction.

III. **COMPLETION OF WORK.** -If the Contractor refuses or fails to complete the work within the time specified in paragraph B of this contract, or any extension thereof, the Owner may, with the approval of the Representative, terminate the Contractor's right, to proceed. In such event the Owner may take over the work and prosecute the same to completion by contract or otherwise and the Contractor will be liable for any excess cost occasioned the Owner thereby; and the Owner may take possession of and utilize in completing the work such materials and equipment as may be on the site of the work and necessary therefore. If the Owner does not terminate the right of the Contract to proceed, the Contractor will continue the work, in which event, actual damages for delay will be impossible to determine, and in lieu thereof, the Contractor may be required to pay to the Owner the sum of

\$ _____ as liquidated damages for each calendar day of delay, and the Contractor the will be liable for the amount thereof: Provided, however, that the right of the contractor to proceed will not be terminated because of delays in the completion of the completion of the work due to unforeseeable causes beyond the Contractor's control and without Contractor's fault or negligence.

IV. **RELEASES.** -Prior to final payment, the Contractor will submit evidence that all payrolls, material bills, and other indebtedness connected with the work have been paid as required by the Owner or the Representative.

V. **OBLIGATION TO DISCHARGE LIENS.** -Acceptance by the Owner and the Representative of the completed work performed by the Contractor and payment therefore by the Owner will not relieve the Contractor of obligation to the Owner (which obligation is hereby acknowledged) to discharge any and all liens for the benefit of subcontractors, laborers, material- person, or any other persons performing labor upon the work or furnishing material or machinery for the work covered by this contract, which have attached to or may subsequently attach to the property, or interest of the Owner.

VI. **NOTICES AND APPROVAL IN WRITING.**- Any notice, consent, or other act to be given or done hereunder will be valid only if in writing.

VII. **ADDITIONAL REQUIREMENTS.**- The Contractor, in the performance of this contract, will comply with all applicable Equal Opportunity requirements. The provisions of RD Instruction 1901-F concerning the protection of historical and archaeological properties and the provisions of RD Instruction 1940-G concerning environmental requirements apply. The contractor understands that should any archaeological resources be discovered during the construction process, the contractor will notify the owner and cease further construction activity that could affect the resource until the Owner has consulted with Representative and the Contractor is informed of any steps to be taken or told to proceed with construction.

VIII. **CLEANING UP.**- The contractor shall keep the premises free from accumulation of waste material and rubbish and at the completion of the work shall remove from the premises all rubbish, implements and surplus materials and leave the building broom-clean.

IX. **BUILDERS WARRANTY.**- Upon completion of the work the contractor will; (Check proper warranty clause and effectively xxxxxxxx out the inapplicable clause.)

execute Form RD 1924-19, "Builders Warranty"

provide an RD - approved 10-year home warranty policy in accordance with Section 1924.9 and Exhibit L of

RD Instruction 1924-A.

Notes page:

Form RD 1924-7
(Rev. 2-97)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT AND
FARM SERVICE AGENCY

CONTRACT CHANGE ORDER

ORDER NO.
DATE
STATE
COUNTY

CONTRACT FOR _____

OWNER _____

To _____

(Contractor)

You are hereby requested to comply with the following changes from the contract plans and specifications:

Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE in Contract Price	INCREASE in Contract Price
	\$ _____	\$ _____
TOTALS	\$ _____	_____
NET CHANGE IN CONTRACT PRICE	\$ _____	_____

JUSTIFICATION:

The amount of the Contract will be (Decreased) (Increased) By The Sum Of: _____ Dollars (\$ _____).

The Contract Total Including this and previous Change Orders Will Be: _____ Dollars (\$ _____).

The Contract Period Provided for Completion Will Be (Increased) (Decreased) (Unchanged) : _____ Days.

This document will become a supplement to the contract and all provisions will apply hereto.

Requested _____ (Owner) _____ (Date)

Recommended _____ (Owner's Architect/Engineer) _____ (Date)

Accepted _____ (Contractor) _____ (Date)

Approved by Agency _____ (Name and Title) _____ (Date)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-01042. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- ORIGINAL-BORROWER'S CASE FOLDER
- COPY-CONTRACTOR
- COPY-BORROWER

Notes page:

BUILDER'S WARRANTY

Names and Address of Purchasers or Owners

Property

For good and valuable consideration, the undersigned Warrantor hereby warrants to the Purchasers or Owners identified above and to the successors or transferees, all of whom are hereinafter referred to as Owners that:

The building, including appurtenances located on the property identified above, is constructed or improved in substantial conformity with the drawings and specifications which have been accepted in writing by the respective USDA Agency. This warranty applies to all workmanship, materials, and the installation of equipment (including, but not limited to, the heating system, water heater, ranges and refrigerator).

The Owners shall give written notice to the Warrantor promptly after the discovery of any defective condition. Such written notice must be given to the Warrantor during the period of warranty. The period of warranty shall be (a) in the case of new construction or rehabilitation, one year from the date of initial occupancy of the completed or rehabilitated building, or (b) in the case of improvements made to an existing building owned by the Owners prior to the improvements being made, one year from the date of the completion of the work.

It is agreed and understood that this warranty shall apply only to those defective conditions of which the Warrantor has been given written notice during the period of warranty.

Warrantor further agrees that warrantor will take any necessary actions to correct such defective conditions within _____ days

of receipt of written notice. If such action is not taken within _____ days, the Owners may, at their option, contract with another party for the correction of the defects. Warrantor agrees to pay any expenses incurred by the Owners to correct defects covered by this warranty.

This warranty shall be in addition to, and in no way reduce, all other rights and privileges which such Owners may have under any other law or instrument, and shall be binding on the Warrantor notwithstanding any provision to the contrary contained in the contract of purchase or any other instrument executed by the Owners.

This warranty is executed, in part, for the purpose of inducing the United States Department of Agriculture, (USDA) to make, insure, or guarantee a loan on the Property.

If this warranty is signed by anyone other than the Warrantor, the person signing for the Warrantor represents and certifies that the person is authorized to execute same by the Warrantor and by the person's signature the Warrantor is bound under the terms and conditions of this warranty

NOTES: A- The warrantor must complete all three copies except dates, meet with owner to agree on notification period, sign and give to the Owner with the final request for payment.

Owner must meet with Warrantor to agree on warranty notification period and to date and sign the warranty, owner must retain original, and forward one copy to contractor, and one to the respective USDA Agency with the final request for payment.

B. This warranty shall be required in all cases involving new construction or rehabilitation of buildings including those built under contract, those built for sale without the respective USDA Agency's required construction inspections and those under conditional commitment procedures.

WARNING

Section 100 I of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully ... makes any false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$250,000 or imprisoned not more than five years, or both."

According to the Paperwork Reduction Act of 1995, an agency may not conductor sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

In addition to the preceding warranty, the following items are covered by a company warranty or guarantee as follows:

Item	Serial & Model No.	Name and Address of Company	No. Yrs. or Mos. of Warranty
Heating System			
Kitchen Range			
Water Heater			
Refrigerator			
Manufactured Home			
Other			
Other			

NOTICE TO OWNERS: ANY NOTICE OF DEFECTIVE WORKMANSHIP, MATERIALS OR NONCONFORMITY MUST BE DELIVERED TO THE WARRANTOR NO LATER THAN

(Warrantor shall insert date one (1) year from initial occupancy, date of conveyance of title or date of completion, whichever is applicable.) All plastic pipe used in this job will carry a 5 -year warranty from the date shown by the Warrantor above.

We have furnished the above company warranties or guarantees to the Owners for their use. If this warranty covers a manufactured home, we certify that the manufactured home property substantially complies with the plans and specifications and the manufactured home sustained no hidden damage during transportation and, if manufactured in separate sections, that the sections were properly joined and scaled according to the manufacturer's specifications.

The Warrantor has signed this warranty this _____ day of _____

_____ , _____

(Warrantor's Address)

Warrantor (Signature & Title) (SEAL)

Receipt of this warranty is acknowledged this _____ day of _____ , _____

Owner(s)

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Organization Name

PR/Award Number or Project Name

Name(s) and Title(s) of Authorized Representative(s)

Signature(s)

Date

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participant,” “person,” “primary covered transaction,” “principal,” “proposal,” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- 7* A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

EQUAL OPPORTUNITY AGREEMENT

This agreement, dated _____ between _____

(herein called "Recipient" whether one or more) and United States Department of Agriculture (USDA), pursuant to the rules and regulations of the Secretary of Labor (herein called the 'Secretary') issued under the authority of Executive Order 11246 as amended, witnesseth:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000 - unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965.

1. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause":

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.
- (b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- (c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of all rules, regulations and relevant orders of the Secretary of Labor.
- (e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA Civil Rights Office, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by Law.
- (g) The contractor will include the provisions of paragraph 1 and paragraph (a) through (f) in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the USDA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collections is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- 2. To be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the organization so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
- 3. To notify all prospective contractors to file the required 'Compliance Statement', Form RD 400-6, with their bids.
- 4. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt federal and federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.
- 5. To assist and cooperate actively with USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and rules, regulations, and relevant orders of the Secretary, that will furnish USDA and the Secretary such information such as , but not limited to, Form AD-560, Certification of Nonsegregated Facilities, to submit the Monthly Employment Utilization Report, Form CC-257, as they may require for the supervision of such compliance, and that it will otherwise assist USDA in the discharge of USDA's primary responsibility for securing compliance.
- 6. To refrain from entering into any contract or contract modification subject to such Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by USDA or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive Order.
- 7. That if the recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the organization under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such organization; and refer the case to the Department of Justice for appropriate legal proceedings.

Signed by the Recipient on the date first written above.

Recipient

Recipient

(CORPORATE SEAL)

Name of Corporate Recipient

Attest:

Secretary

By _____
President

COMPLIANCE STATEMENT

This statement relates to a proposed contract with _____

(Name of borrower or grantee)

who expects to finance the contract with assistance from either the Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS), or the Rural Utilities Service (RUS) or their successor agencies, United States Department of Agriculture (whether by a loan, grant, loan insurance, guarantee, or other form of financial assistance). I am the undersigned bidder or prospective contractor, I represent that:

- 1. I have, have not, participated in a previous contract or subcontract subject to Executive 11246 (regarding equal employment opportunity) or a preceding similar Executive Order.
- 2. If I have participated in such a contract or subcontract, I have, have not, filed all compliance reports that have been required to file in connection with the contract or subcontract.

If the proposed contract is for \$50,000 or more and I have 50 or more employees, I also represent that:

- 3. I have, have not previously had contracts subject to the written affirmative action programs requirements of the Secretary of Labor.
- 4. If I have participated in such a contract or subcontract, I have, have not developed and placed on file at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor.

I understand that if I have failed to file any compliance reports that have been required of me, I am not eligible and will not be eligible to have my bid considered or to enter into the proposed contract unless and until I make an arrangement regarding such reports that is satisfactory to either the RHS, RBS or RUS, or to the office where the reports are required to be filed.

I also certify that I do not maintain or provide for my employees any segregated facilities at any of my establishments, and that I do not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I certify further that I will not maintain or provide for my employees any segregated facilities at any of my establishments, and that I will not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I agree that a breach of this certification is a violation of the Equal Opportunity clause in my contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and wash rooms, restaurants and other eating areas time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. I further agree that (except where I have obtained identical certifications for proposed subcontractors for specific time periods) I will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that I will retain such certifications in my files; and that I will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods): (See Reverse).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays the valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR
CERTIFICATIONS OF NON-SEGREGATED FACILITIES**

A certification of Nonsegregated Facilities, as required by the May 9, 1967, order (32F.R. 7439, may 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a subcontract exceeding \$ 10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Date _____

(Signature of Bidder or Prospective Contractor)

Address (including Zip Code)

Form RD 400-3
(Rev. 2-98)

UNITED STATES DEPARTMENT OF AGRICULTURE

NOTICE TO CONTRACTORS AND APPLICANTS

Attached is a nondiscrimination poster. In accordance with the terms of your construction contract with _____;

(Name of Borrower or Recipient of Grant)

the poster is to be displayed in all employment offices, on bulletin boards, and in other conspicuous places available to employees and applicants for employment. The poster must be displayed in the same manner by your subcontractors who are subject to the equal opportunity provisions of your contract, and you are required to furnish them with such posters. Additional copies of the posters may be obtained from this office.

Any reference to Federal Government contract or contractors in the standard forms or posters is to be interpreted to include any contract for construction work financed in whole or in part with a United States Department of Agriculture (USDA) loan or grant.

"Subcontractors" as used herein means any subcontractor holding a subcontract which calls for supplies or services required for the performance of the prime contract except subcontracts which either (1) do not exceed \$10,000 (\$100,000 if for standard commercial supplies or raw materials) or (2) are below the second tier and do not call for construction work at the site of construction, including any temporary location or facility established by the subcontractor specifically to meet the demands of his subcontract.

A USDA official may conduct compliance reviews of contracts covered by Executive order 11246, as amended. You will be notified if such a review is scheduled.

Date

USDA official

Name of Contractor

Address of Contractor

Notes page:

Date _____

Dear Sir:

I hereby acknowledge the receipt of _____ dollars
(\$ _____) in full payment of my contract dated _____ for improvement work which I did for you and
which is described in my contract.

I certify that I have paid in full for all materials purchased and all labor employed in the performance of this contract, and that there
are no claims against me under this contract on account of injuries sustained by workers employed by me or by subcontractors
thereunder. I hereby release you from any claims arising by virtue of this contract.

I am attaching Form RD 1924-10, "Release by Claimants," signed by all persons from whom I have purchased materials and by all
subcontractors and all persons employed in connection with my contract with the above-named borrower.

WARNING

**The statements and representations made above are made in connection with construction financed in whole or
in part by the United States Department of Agriculture (USDA). The statements and representations will be
used to determine the release of USDA provided funds. The making of any false statement or misrepresentation
herein may be a crime punishable under Title 18 U.S.C. § 1001 which provides in part: "Whoever, in any matter
within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or
covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or
representations, or makes or uses any false writing or statement or entry, shall be fined under [title 18 of the United
States code] or imprisoned not more than five years, or both.**

Sincerely,

Contractor

Position 6

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0042. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

**CONTRACTOR PAYMENT REQUISITION FORM
SINGLE FAMILY HOUSING CONSTRUCTION**

Circle Items Completed:

<u>SHELL</u>	<u>46%</u>
Excavation, clearing, drains and backfill	4%
Foundation, Incl. Footer and damp proofing	7%
Cellar Slab	2%
Floor Framing	4%
Ext. Wall Framing	4%
Interior Partitions and Stairs	3%
Roof Framing	4%
Roofing	4%
Siding and Related Trim	7%
Windows and Doors	4%
Insulation	2%
Chimney	1%

<u>FINISH</u>	<u>26%</u>
Dry Wall	5%
Int. Finishes Paint and Stain	2%
Exterior Paint and Stain	1%
Finish Trim and Doors	5%
Cabinets and Counter Top	5%
Finish Flooring	5%
Landscaping	2%
Steps	1%

MECHANICAL 28%

Percent Complete _____%

Electrical, Rough In	3%
Plumbing, Rough In	2%
Heating System	7%
Septic System	6%
Well, Complete with tank	5%
Finish Electrical	2%
Finish Plumbing	3%

_____ \$ _____
Contract Amount X Percent Complete X ()% = Total to date due contractor

- _____
Minus amount previously received

_____ Amount of this payment requisition

CONTRACTOR

BORROWER

RURAL DEVELOPMENT

Date

Any modification of these percentages must be agreed on by the borrower and contractor before the start of construction AND approved by Rural Development.

**CONTRACTOR PAYMENT REQUISITION FORM
SINGLE FAMILY HOUSING CONSTRUCTION
MODULAR/MANUFACTURED HOUSING**

Circle Items Completed:

<u>SITE PREPARATION</u>	14%
Excavation, clearing, drains and backfill	4%
Foundation, Incl. Footer and damp proofing	7%
Cellar Slab	3%
*(If designed using "Frost-Free" protected engineered slab use 10%)	

<u>OTHER</u>	21%
Heating System	5%
Septic System	6%
Town Water Hook up or Well complete with tank	5%
Finish Electrical	1%
Finish Plumbing	1%
Landscaping	2%
Steps	1%

HOME DELIVERY 65%
Home set on the slab/foundation and weather protected with roofing installed.

Percent Complete _____%

_____ \$ _____
Contract Amount X Percent Complete X ()% = Total to date due contractor

- _____
Minus amount previously received

Amount of this payment requisition

CONTRACTOR

BORROWER

RURAL DEVELOPMENT

Date

Any modification of these percentages must be agreed on by the borrower and contractor before the start of construction AND approved by Rural Development.

**VERMONT / NEW HAMPSHIRE
USDA RURAL DEVELOPMENT
PRECONSTRUCTION CONFERENCE GUIDE**

(Over \$10,000.00)

1. NO CONSTRUCTION IS TO BEGIN PRIOR TO THE LOAN CLOSING.
2. The contract is between the Borrower and the Contractor and although USDA Rural Development is interested in the proper execution of the contract, the agency is not a party to the contract, nor do we incur any responsibility or liability.
3. The Contractor is obligated under the terms of the contract to do the work in accordance with the drawings, specifications, the most current codes published, and other contract documents and to comply with the provisions contained in the construction contract. The plans and specifications have been signed by the Contractor, the Borrower and USDA Rural Development and disbursed
4. Any changes to the plans and specifications must be certified by the designer and the plan certifier in the modifications section using the Plan Certification listed in item #11. USDA Rural Development will review and approve any changes using the Contract Change Order, as listed in item #11 prior to any changes being implemented. Additional costs will be borne by the Borrower.
5. Periodic and final inspections will be made by USDA Rural Development to protect the security interest of the Government. The Borrower is responsible for making all inspections necessary to adequately protect their interest. The Contractor and borrower are responsible for notifying USDA Rural Development that work is ready for inspection five working days prior to the date of the inspection. Inspections required are as follows:
 - A. Prior to backfilling of the foundation.
 - B. Prior to sheetrocking.
 - C. Prior to making interim payments on the contract.
 - D. Final inspection.
6. The time for completion of construction and liquidated damages are as follows:
 - A. Contract start date _____
 - B. Contract completion date _____
 - C. Liquidate damages per day _____
7. The contract must be 100% complete prior to final payment (dwelling and all lot improvements). If weather conditions are such that it is impossible to fulfill the entire contract or punch list items remain, funds will be withheld at the rate of 150% of the value of the remaining work.

- 8. The following permits and approval forms will be presented by the Contractor prior to the final payment and occupancy of the dwelling by the Borrower:
 - A. Approval for operation of the sewage disposal system.
 - B. Completed and acceptable water test.
 - C. Completed punch-list.
 - D. Occupancy permit if applicable.

- 9. The builders warranty is to be completed by the Contractor prior to the final inspection. A final inspection is to be completed and signed by the Contractor, Borrower, and USDA Rural Development.

- 10. The "Release By Claimants" and the "Certificate of Contractor's Release" will be Discussed and submitted as part of the final payment request.

- 11. The following documents have been completed and disbursed:
 - 1. RD Form 400-1, Equal Opportunity Agreement
 - 2. RD Form 400-3, Nondiscrimination Poster
 - 3. RD Form 400-6, Compliance Statement
 - 4. FmHA Form 1924-6 Construction Contract
 - 5. RD Form 1924-2 Specifications or VT/NH Exhibit B
 - 6. FmHA Form 1924-7, Contract Change Order
 - 7. RD Form 1924-9, Certificate of Contractors Release
 - 8. RD Form 1924-10, Release By Claimants
 - 9. FmHA Form 1924-19, Builders Warranty
 - 10. FmHA Form 1924-25, Plan Certification
 - 11. AD Form 1048, Certification Regarding Debarment
 - 12. DOL Exhibit 1901-E Exh C

Borrower: _____ Date: _____
 Co-Borrower: _____ Date: _____
 Address: _____
 Phone Number: _____

Contractor: _____ Date: _____
 Address: _____
 Phone Number: _____

Field Office: _____ Date: _____
 Address: _____
 Phone Number: _____

Construction Inspector: _____ Date: _____
 Phone Number: _____

Copies: Borrower
 Contractor
 Rural Development

POLICY ON WATER TESTS

The following policy on water testing will be followed on all Rural Development-financed homes. Rural Development will require as a minimum testing for the following:

Total Coliform
Lead
Nitrates/ Nitrites

It is recommended, but not required that the applicant also consider obtaining an Inorganic and Gross Beta test (uranium and radium). Inorganic chemical testing generally includes:

Arsenic	Copper
Fluoride	Sodium
Chloride	Manganese
Hardness	Lead

For a list of water testing laboratories in Vermont and New Hampshire please go to:

Vermont: <http://www.healthyvermonters.info/hs/lab/0105certifiedlaboratory.pdf>

New Hampshire: <http://www.des.state.nh.us/factsheets/ws/ws-2-1.htm>

The Loan Specialist may accept either a satisfactory water test or a satisfactory water test with notation in accordance with the following instructions:

1. When a single family home is constructed on the borrower's lot, a satisfactory water test with notation may be accepted by the borrower. If the borrower should want to remove trace elements, water filtration equipment may be included in the loan.
2. On a home being purchased, the seller is responsible to produce a water test for Total Coliform, Lead, Nitrates and Nitrites for RD acceptance. If water filtration equipment is needed for other minerals or contaminants the cost may be included in the loan. The equipment may be installed by the seller as part of the purchase agreement or by the borrower after the acquisition.
3. When a contractor provides the land on which a home is being built and retains title or maintains an option on the real estate, the water test is the responsibility of the contractor as part of the contract.

If water purification or filtration equipment is deemed necessary by the borrower, the costs may be included in the loan. The borrower(s) must realize that the cost to operate the equipment will have to be included in their budget.

The above list is a minimum that is acceptable to Rural Development, but additional requirements may be agreed upon by all parties as long as the additional requirements are included in the signed contract or added to the contract by a change order.

The Rural Development-approved contract (Form 1924-6, Construction Contract, or other acceptable form) must state the quality of water that will be acceptable and the person who is responsible for obtaining it.

oOo