

PART 2054 - EMPLOYMENT

Subpart L - Restrictions on Employment of Rural Development Borrowers and Sons and Daughters of Borrowers

§ 2054.551 Policy for employment of borrowers.

Rural Development does not (except for Single Family Housing (SFH) borrowers) usually employ persons who have a loan indebtedness with the agency. Use written inquiry or personal interview to find out if applicants for employment are Rural Development borrowers.

(a) Exceptions. Persons who are listed on the Office of Personnel Management (OPM) or Delegated Examining Unit certificates of eligibles and who also are borrowers can be selected for employment if:

- (1) The person has Veteran's Preference and no other eligible can be selected under OPM Rules and Regulations.
- (2) The person is the only certified eligible, the selecting official wishes to hire the person, and the vacant position must be filled immediately.

(b) Restrictions. Borrowers employed by Rural Development:

- (1) Must (other than SFH borrowers) refinance or liquidate their Rural Development loan indebtedness as soon as possible under applicable program regulations. SFH borrowers are limited to 502 Rural Housing (RH) loans (see 7 CFR part 3550) and their account must be current.
- (2) Must conform to the provisions of RD Instruction 1900-D.
- (3) Cannot (other than SFH borrowers) receive additional Rural Development loans during the period of employment. SFH borrowers are limited to 502 RH loans (see 7 CFR 3550).

§ 2054.552 Employment of sons and daughters of borrowers.

Sons and daughters of Rural Development borrowers may be employed, but may not process or service their parents' Rural Development assistance, under RD Instruction 1900-D. State Directors must assure compliance with this requirement.

DISTRIBUTION: WSAL

Personnel
Hours and Pay

RD Instruction 2054-L

§ 2054.553 Definitions. [Reserved]

§ 2054.554 Marriage of employee to borrower.

An employee who marries a Rural Development borrower may retain his or her position, but the restrictions of §2054.551 (b) of this instruction and the provisions of RD Instruction 1900-D must be applied.

§§ 2054.555 - 2054.600 [Reserved]

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