



Northern Border Regional Commission

SUBJECT: Notice of Federal Interest requirements when NBRC grant funds are used for Real Estate

PURPOSE: The purpose of this document is to provide guidance on providing a Notice of Federal Interest when grant funds are used to purchase, construct, or improve real estate under 2 CFR 200.311.

BACKGROUND:

The purchase, construction or improvement of real estate are all eligible NBRC project costs when authorized by NBRC and when outlined in the project budget utilized to issue the project a grant agreement. Real property means land, including land improvements, structures, and appurtenances thereto, but excludes movable machinery and equipment. Like equipment, real property must be used for its original intent. NBRC has established 20 years as the timeline during which a federal interest remains on the property.

During this period, the grantee may not encumber or otherwise dispose of the property. In addition, such real property is subject to the requirements of 2 CFR 200.311 with respect to use and disposition. It may not be conveyed, transferred, assigned, mortgaged, leased or in any other manner encumbered by the grantee except as authorized in writing by NBRC. If grant funds are used to acquire or improve real property, and the facility every sold or no longer needed for the intended purpose of the grant, NBRC maintains an interest in the market value of the property in proportion to its participation in the project.

IMPLEMENTATION:

To protect the Federal interest in real property that has been constructed or has undergone major renovation with NBRC funds, the grantee must record a Notice of Federal Interest (NFI) in the appropriate official records of the jurisdiction in which the property is located. Fees charged for recording or modifying the NFI may be charged to the grant. **Recordation must occur when construction or renovation begins** and a copy of the recorded NFI provided to NBRC. The recorded NFI must be provided to NBRC before a grantee can request reimbursement of any NBRC funds for that project.

Upon completion of the construction or renovation, the grantee must, at a minimum, provide for the same level of insurance coverage as it maintains for other property it owns; or, if it does not own property, adequate to cover the dollar amount of the Federal investment, as required by 2 CFR 200.310. An NBRC grantee is required to report as required under 2 CFR 200.330. NBRC reserves the right to conduct an annual inventory of real property.

PROPERTY DESCRIPTION:

Description provided in the NFI should include specificity to determine if the Federal Interest applies to the land, building, or part thereof. Addresses including street numbers and names should be included whenever possible.

CONCLUSION:

If there are questions regarding the Notice of Federal Interest requirement, or when notice is applicable, please contact NBRC via our admin@nbrc.gov e-mail for assistance and further guidance.

NOTICE OF FEDERAL INTEREST

On (insert date), the Northern Border Regional Commission (NBRC) awarded Grant No. _____ to (insert name of recipient).

The grant provides Federal funds for (describe purpose of grant, e.g., construction, major alteration and renovation, mortgage, or acquisition of a building), which is located on the property described below in _____ County, State of _____:

(GRANTEE INSERT LEGAL DESCRIPTION OF PROPERTY*)

The Notice of Award for this grant includes conditions on use of the aforementioned property and provides for a continuing Federal interest in the property. Specifically, the property may not be (1) used for any purpose inconsistent with the statute and any program regulations governing the award under which the property was acquired; (2) mortgaged or otherwise used as collateral without the written permission of the Program Director at NBRC, or designee; or (3) sold or transferred to another party without the written permission of Program Director at NBRC, or designee. These conditions are in accordance with the statutory provisions set forth in 2 CFR 200.311, and in the Statement, and other terms and conditions of award.

These grant conditions and requirements cannot be nullified or voided through a transfer of ownership. Therefore, advance notice of any proposed change in usage or ownership must be provided to the NBRC.

Grantee: Signature: _____ Date: _____

Typed Name: _____ Title: _____

STATE OF _____

COUNTY OF _____

On this ___ day of _____, 20___, before me, the undersigned, a Notary Public in the State of _____, County of _____, personally appeared before me and is known to be the person who executed this instrument on behalf of said Grantee, _____, and acknowledged to me that he/she executed the same as their free act and deed in either their individual or other capacity described above.

Witness my hand and official seal.

Signature of Notary Public

Date

Name of Notary Public (Printed)

My commission expires: _____