

U.S. DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
Washington, D.C 20250

MANUAL            ISSUE No.  
WSAL              PN 498  
DATE  
May 17, 2017

## PROCEDURE NOTICE

### RD MANUAL CHANGES

INSERT RD INS 440.1  
(WSAL)

INTEREST RATES, AMORTIZATION,  
GUARANTEE FEE, ANNUAL CHARGE, AND  
FIXED PERIOD. This Instruction is  
partially revised as follows:

Exhibit B, to update various program rates and the Treasury Judgement Rate effective May 1, 2017.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 98).

INSERT

Exhibit B: Pages 1 & 2 (Rev 99).

INSERT RD INS 3570-F  
(WSAL)

COMMUNITY FACILITIES TECHNICAL ASSISTANCE  
AND TRAINING GRANTS. This Instruction is  
issued due to the publication of the Final  
Rule dated January 14, 2016.

INSERT

Table of Contents;  
Pages 1 thru 17.

### RD HANDBOOK CHANGES

INSERT RD HB-1-3555  
(WSAL)

SFH GUARANTEED LOAN PROGRAM TECHNICAL  
HANDBOOK.

Chapter 12:

Paragraphs 12.1 and 12.2, to deleted redundant language covered later in the Chapter.

Paragraph 12.3 (A), to updated current HB-1-3550 reference.

Paragraph 12.3(B), to clarified language pertaining to the use of the "USDA Rural Development Property and Income Eligibility Website".

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3555**  
**(WSAL)**

**Chapter 12:**

Paragraph 12.3(C), to added language to clarify that existing guaranteed and direct loans remain eligible for refinance transactions.

Paragraph 12.4, language added to clarify site requirements and income producing buildings. Added new reference to Accessory Dwelling Units (ADU's). Added reference to zoning and economic life requirements which was previously in Paragraph 12.2.

Paragraph 12.5, to clarified language and changed reference to the appraisal age from 120 days to 150 days at closing.

Paragraph 12.5(A), to clarified language.

Paragraph 12.5(B), to clarified language and removed redundancies.

Paragraph 12.5(C), to clarified language.

Paragraph 12.5(E)(2), Updated language to reflect the current policy for technical reviews.

Paragraph 12.5(E)(4), removed paragraph.

Paragraph 12.6(A), clarified language pertaining to purification units.

Paragraph 12.6(A)(1), modified valid timeframe for water analysis from 120 days to 150 days to match appraisal valid timeframe. Clarified well separation distance language. Removed cisterns as an ineligible water source.

Paragraph 12.6(B), removed reference to separation distance from well as it is addressed in the water source section.

Paragraph 12.9(C), clarified ineligible repairs for post loan closing repair escrow accounts.

Paragraph 12.10(B), updated references to the environmental regulation to RD Instruction 1970, Subpart F.

Paragraph 12.11(A), removed reference to risk layers and condominiums.

Paragraph 12.13, clarified lender construction holdback and closing interest rate.

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3555**  
**(WSAL)**

**Chapter 12:**

Paragraph 12.14, clarified lender requirements.

Paragraph 12.15, clarified builder credit report requirements and construction unit limitations.

Paragraph 12.16, clarified contingency reserve and construction soft costs.

Paragraph 12.20, added construction contract language removed from Paragraph 12.14.

Paragraph 12.21, added guidance for State required regulations, dual closing disclosures, loan reamortization agreements, and final inspection documents.

Paragraph 12.24, clarified construction loan draw documentation.

Paragraph 12.25, clarified change order guidance.

Paragraph 12.26, clarified construction interest rate.

Paragraph 12.28, removed land seasoning language and added title insurance and lien requirements.

Attachment 12-A, to Add new screen exhibits from the current Property and Income Eligibility website.

Attachment 12-D, clarified loan amortization documents.

**Chapter 17:**

Paragraph 17.1(B), to correct title formatting.

Paragraph 17.3(A), added language to clarify that servicer must report the loan until the loss claim payment is received.

Paragraph 17.3(B), language added to clarify when the servicer is to report on the status of each loan until paid-in-full or the loss claim payment is received.

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3555**  
**(WSAL)**

**Chapter 18:**

Paragraph 18.9, link for EDI reporting guidance updated.

Attachment 18-A Section 3 (B) Language modified to allow lender to provide pre-foreclosure servicing options to a non-occupant borrowers.

Attachment 18-A Section 7 (B) Language modified to allow lender to provide pre-foreclosure servicing options to a non-occupant borrowers.

Attachment 18-A Section 8 (B) Language modified to allow lender to provide pre-foreclosure servicing options to a non-occupant borrowers.

Attachment 18-D updated to include Guam and Puerto Rico bidding values.

**REMOVE**

Table of Contents:

- Pages 7 & 8, 11 & 12, 13 & 14;
- Chapter 12 dated 03-09-16:
  - Pages 12-1 thru 12-42,
  - Attachment 12-A,
  - Attachment 12-D.
- Chapter 17 dated 03-09-16:
  - Pages 17-7 & 17-8;
- Chapter 18 dated 03-09-16:
  - Pages 18-11 & 18-12,
  - Attachment 18-A: Pages 5 & 6,
  - 29 & 30, 31 & 32, 35 & 36,
  - Attachment 18-D.

**INSERT**

Table of Contents:

- Pages 7 & 8, 11 & 12, 13 & 14 revised;
- Chapter 12 dated 03-09-16:
  - Pages 12-1 thru 12-42,
  - Attachment 12-A revised,
  - Attachment 12-D revised 05-17-17;
- Chapter 17 dated 03-09-16:
  - Pages 17-7 & 17-8 revised;
- Chapter 18 dated 03-09-16:
  - Pages 18-11 & 18-12,
  - Attachment 18-A: Pages 5 & 6,
  - 29 & 30, 31 & 32, 35 & 36 revised;
  - Attachment 18-D revised 05-17-17.

**INSERT RD HB-2-3550**  
**(WSAL)**

**DIRECT SINGLE FAMILY HOUSING LOANS AND GRANTS -CENTRALIZED SERVICING CENTER HANDBOOK.** This Handbook is partially revised as follows:

**Chapter 2:**

Paragraph 2.17 E., to further emphasize the verification of all income sources used as it relates to applying for a release of liability.

**RD HANDBOOK CHANGES**  
**INSERT RD HB-2-3550**  
**(WSAL)**

Chapter 7:

To reflect current policy changes related to debt settlement.

REMOVE

Table of Contents:  
Pages 11 & 12;  
Chapter 2 dated 05-27-98:  
Pages 2-23 & 2-24;  
Chapter 7 dated 05-27-98:  
Pages 7-3 & 7-4,  
7-19 thru 7-26.

INSERT

Table of Contents:  
Pages 11 & 12 revised;  
Chapter 2 dated 05-27-98:  
Pages 2-23 & 2-24 revised;  
Chapter 7 dated 05-27-98:  
Pages 7-3 & 7-4,  
7-19 thru 7-27 revised 05-17-17.

**FORM**

**REPLACEMENT**  
**RD 3570-4**  
**(WSAL)**

**COMMUNITY FACILITIES TECHNICAL ASSISTANCE**  
**AND TRAINING GRANT AGREEMENT** dated 05-17.  
Prescribed in RD Instruction 3570-F. The

Form and FMI are issued due to the publication of the Final Rule dated January 14, 2016. This Form and FMI are available on the Rural Development Instructions home page (<http://www.rd.usda.gov/publications/regulations-guidelines>). No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 05-17-17.

NO SPECIAL PROCEDURE NOTICE RELEASED.

ADMINISTRATIVE NOTICES RELEASED:  
(See AN Checklist)