

## 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 September 1, 2018.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 114).

INSERT

Exhibit B: Pages 1 & 2 (Rev 115).

INSERT RD INS \*  
(WSAL)

The following Instructions are partially revised due to the Correcting amendments which published April 27, 2017.

\* RD INS

REMOVE

INSERT

1944-N            Pages 23 & 24 (Rev 3).

Pages 23 & 24 (Rev 4).

1955-A            Pages 6A (Rev 3) &  
6B (Rev 1) and  
6C (Rev 2).

Pages 6A (Rev 4) & 6B (Rev 2)  
and 6C (Rev 3).

1955-B            Pages 12A (Rev 4),  
19 & 20 (Rev 5) and 21  
& 22 (Rev 4).

Pages 12A (Rev 5),  
19 & 20 (Rev 6) and  
21 & 22 (Rev 5).

1955-C            Pages 7 & 8 (Rev 9),  
37 & 38 (Rev 2),  
41 & 42 (Rev 3),  
47 & 48 (Rev 2),  
48C & 48D (Rev 5)  
and 48E (Rev 2).

Pages 7 & 8 (Rev 10),  
37 & 38 (Rev 3), 38A added,  
41 & 42 (Rev 4), 47 & 48 (Rev 3),  
48C & 48D (Rev 6), 48E (Rev 3).

1962-A            Pages 23 & 24 (Rev 10)  
and 26A (Rev 4).

Pages 23 & 24 (Rev 11)  
and 26A (Rev 5).

(CON.)

**RD MANUAL CHANGES**

**INSERT RD INS 1942-A  
(WSAL)**

**COMMUNITY FACILITY LOANS.** This Instruction is partially revised due to Interim Rule which published on July 6, 2016.

REMOVE

Table of Contents;  
Pages 1 & 2 (Rev 10),  
109 & 110 (Rev 2).

INSERT

Table of Contents revised;  
Pages 1 & 2 (Rev 11),  
109 & 110 (Rev 3) and  
110A thru 110D added 09-19-18.

**INSERT RD INS 2033-A  
(WSAL)**

**MANAGEMENT OF RURAL DEVELOPMENT RECORDS.**

Exhibit N has been added to this Instruction which is used for the

retention period for Business and Cooperative Programs.

INSERT.

Exhibit N added 09-19-18.

**RD HANDBOOK CHANGES**

**INSERT RD HB-1-3550  
(WSAL)**

**DIRECT SINGLE FAMILY HOUSING LOANS  
AND GRANTS FIELD OFFICE HANDBOOK.**  
This Handbook is partially revised.  
Specific revisions include:

**Chapter 6:**

Paragraph 6.4 (D), to eliminate the restriction for removing an in-ground swimming pool before closing.

Paragraph 6.5 (A), to clarify what loans are not eligible for subsidy.

Paragraph 6.6, to update the area loan limit website address.

Paragraph 6.7, to clarify that leveraged loans and grants that take a lien are considered in the loan-to-value ratio.

Paragraph 6.9 (A), to clarify what interest rate applies.

Paragraph 6.10 (B), to provide additional examples of the eligible uses of assets and to add a helpful hint box that provides guidance on reassessing an applicant if they spend money required for a down payment on ineligible loan purposes.

**RD HANDBOOK CHANGES**

**INSERT RD HB-1-3550 (Con.)**

**Chapter 6:**

Paragraph 6.11 (C)(3), to remove the reference to loans approved prior to August 1968 since such loans are no longer applicable.

Paragraph 6.17, to emphasize that the Loan Approval Official is responsible for all underwriting exceptions within their authority (or obtaining higher level authority) and determining loan approval or denial; and to state that Loan Approval Official must be different than the Loan Originator for the subject application to ensure adequate separation of duties.

Attachment 6-A, to clarify that Form RD 3550-4, Employment and Asset Certification, is needed in all cases by removing "if applicable".

Attachment 6-B, to revise the monitoring requirements to include new loans, withdrawn applications, and rejected applications in addition to those loans which become severely delinquent in the first year.

**Chapter 8:**

Paragraph 8.2 (B), to remove the 30-day appraisal completion timeframe when obligating subject to an appraisal.

Paragraph 8.3 (A), to clarify that a revised Loan Estimate is required if the interest rate and/or closing costs at loan approval are greater than disclosed on the original estimate.

Exhibit 8-1 and Paragraph 8.3 (C), to include ACH disbursements in the procedures for changing and canceling loans.

Paragraph 8.3 (D), to add guidance on monitoring obligations and the use of Attachment 8-B to monitor unliquidated obligations.

Paragraph 8.5, to clarify that the Closing Disclosure may be used to reset tolerance instead of reissuing a revised Loan Estimate when a change in circumstance has occurred.

Paragraph 8.6 (B), to clarify that an applicant can waive the three-business day waiting period when they are facing a bona fide emergency and they make the request in writing.

Paragraph 8.6 (F)(1), to provide guidance on when to release the previous borrower's security instrument when the loan is assumed.

(CON.)

**RD HANDBOOK CHANGES**

**INSERT RD HB-1-3550 (Con.)**

**Chapter 8:**

Paragraph 8.8 (C), to add guidance on construction take-out loans.

Paragraph 8.11 (A), to amend how documents are handled by the closing agent and by the Field Office after closing. The changes complement the 05-18 version of Form RD 3550-25, Loan Closing Instructions and Loan Closing Statement.

Paragraph 8.12, to refer to the DLOS manual guidance on ordering checks.

Paragraph 8.13, to state that construction loans are to be converted to permanent loans on the first of the month following the final inspection, or occupancy, or issuance of an occupancy permit.

Paragraph 8.13 (A), to add a helpful hint box instructing Field Office staff to proceed with conversion to permanent even if the borrower is unable or unwilling to acknowledge the promissory note changes resulting from interest accrued during the construction period.

Attachment 8-A, to remove evidence of completion of homeownership education since that documentation should be collected during eligibility processing.

Attachment 8-B, to clarify that the unliquidated obligation review is monthly and involves loans, grants, and combos.

REMOVE

Chapter 6 dated 01-23-03:

- Pages 6-5 & 6-6, 6-9 & 6-10,
- 6-11 & 6-12, 6-13 & 6-14,
- 6-15 & 6-16, 6-19 & 6-20,
- 6-27 & 6-28,
- Attachment 6-A, and
- Attachment 6-B.

Chapter 8 dated 01-23-03:

- Pages 8-1 thru 8-20,
- Attachment 8-A, and
- Attachment 8-B.

INSERT

Chapter 6 dated 01-23-03:

- Pages 6-5 & 6-6, 6-9 & 6-10,
- 6-11 & 6-12, 6-13 & 6-14,
- 6-15 & 6-16, 6-19 & 6-20,
- 6-27 & 6-28 revised,
- Attachment 6-A, and
- Attachment 6-B revised.

Chapter 8 dated 01-23-03:

- Pages 8-1 thru 8-20,
- Attachment 8-A revised, and
- Attachment 8-B revised 09-19-18.

(CON.)

**RD HANDBOOK CHANGES**

**RD HB-2-3560**

**(WSAL)**

**MFH ASSET MANAGEMENT HANDBOOK.** This Handbook is partially revised. Specific revisions include:

**Chapter 3:**

Attachment 3-B is being revised to include a line for the date to be entered when the certification is signed by the borrower. This Attachment is used by borrowers to certify to the Agency that there have been no changes in a project's operations, that the project's operations are consistent with the current management plan, and that the plan is adequate to ensure project compliance with the loan documents and the applicable requirements for the program. Borrowers must submit Attachment 3-B to the Agency every 3 years.

**REMOVE**

Chapter 3 dated 02-24-05:  
Attachment 3-B.

**INSERT**

Chapter 3 dated 02-24-05:  
Attachment 3-B revised 09-19-18.

**NO SPECIAL PROCEDURE NOTICE RELEASED.**

**ADMINISTRATIVE NOTICES RELEASED:**

**(See AN Checklist)**

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