

# PROCEDURE NOTICE

**RD HANDBOOK CHANGES**

**RD HB-1-3555  
(WSAL)**

**SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK.** This Handbook is partially revised as follows:

**Chapter 18:**

The following updates were made to HB-1-3555, Chapter 18 to correct discrepancies, clarify servicing guidelines and re-format for better flow.

**Paragraph 18.1**

Provided a clearer description for Sections 3, 4 and 5 of the chapter.

**Section 2: Loss Mitigation**

Added additional regulatory citation in the heading.

**Paragraph 18.4**

Changed "will be denied" to "may be denied" under paragraph C.

**Paragraph 18.15**

Revised introduction and replaced "eligible borrowers may be offered" to "servicers may offer eligible borrowers" and revised the bulleted format in the items following the introduction paragraph.

Replaced PITIA with principal and interest in the 4<sup>th</sup> bullet under Capitalization of Delinquency and Term Extension.

Removed first statement under Mortgage Recovery Advance.

**Attachment 18-A: Loss Mitigation Guide**

Added "via USDA Lender Interactive Network Connection (USDA LINC) in first bullet under sub-item "A" under Loss Mitigation Overview.

Removed last statement under sub-item "Q" under General.

**(CON.)**

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**Chapter 18:**

**Attachment 18-A: Loss Mitigation Guide**

Removed "holders" in sub-item "E" under Special Forbearance.

Additional guidance inserted in sub-item "K" regarding borrower eligibility for a Mortgage Recovery Advance due to Natural Disaster under Loan Modification.

Added mailing address in sub-item "O" for Documentation submissions under Loan Modification.

Revised the numbering format.

Replaced "Settlement Statement" with "Closing Disclosure under sub-item "G" under Pre-Foreclosure Sale.

Removed "Appendix 7" and replaced with "Attachment 18-B in sub-item E for Documentation under Deed in Lieu of Foreclosure.

REMOVE

Chapter 18 dated 03-09-16:  
Pages 18-1 thru 18-17, and  
Attachment 18-A.

INSERT

Chapter 18 dated 03-09-16:  
[Pages 18-1 thru 18-17 revised](#), and  
[Attachment 18-A revised 10-14-20](#).

SPECIAL PROCEDURE NOTICE RELEASED.

[SPECIAL PN NOTICE dated 10-01-20](#). DISTRIBUTION: WSAL.  
(RD Instructions 5001-A, 5001-B, 5001-C, 5001-D, 5001-E and 5001-F)

NO ADMINISTRATIVE NOTICES RELEASED.