

PROCEDURE NOTICE

RD MANUAL CHANGES

**INSERT RD INS 440.1
(WSAL)**

**INTEREST RATES, AMORTIZATION,
GUARANTEE FEE, ANNUAL CHARGE, AND
FIXED PERIOD.** Exhibit B is partially

revised to update the effective date to November 1, 2020.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 11).

INSERT

Exhibit B: [Pages 1 & 2 \(Rev 12\)](#).

RD HANDBOOK CHANGES

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

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

Paragraph 6.2C:

Moved the verbiage on allowed discount "buydown" points that was previously under for paragraph 6.3.

Removed repetitive language under closing costs.

Added guidance for financing loans on contract for deed.

Paragraph 6.2D:

Edited the entire paragraph for better flow, consistency with format and removed repetitive language.

Moved the requirements for all refinance options to the end of paragraph D.

Combined "Construction Financing" and "Site without a Dwelling" requirements into one section. The requirements are the same.

Under (a) non-streamlined refinance, removed that the maximum loan cannot exceed original loan amount.

(CON.)

RD HANDBOOK CHANGES
RD HB-1-3555 (Con.)
(WSAL)

Clarified that the loan must have closed 12 months prior to request for Conditional Commitment and changed "be current" to "no payments 30 or more days past due."

Removed bullets regarding meeting requirements in Chapter 10. Introduction paragraph states borrowers must meet all requirements unless otherwise noted.

Clarified the guidance for credit waivers for non-streamlined and streamlined-assist loans.

Under (b) streamlined refinance, removed that new loan may not exceed original amount.

Under (c) streamlined assist refinance, clarified what costs may be included in the maximum loan amount.

Added bullet that the Repayment Income calculations do not need to be completed on form RD 3555-21.

Requirements for all refinance loans previously documented in the introduction paragraph and in the last paragraph were combined to the end of paragraph 6.2D and bulleted.

Clarified the language that cash out is not permitted unless it represents prepaid borrower costs/escrow overage.

Removed the previous guidance for loan application documentation. The revised Chapter 15 now includes loan documentation checklist for refinance transactions in Attachment 15-A.

Removed submission process and relocated the Agency procedures to Attachment 15-B.

Removed the header "Loan Note Guarantee Issuance Requirements." Condensed the last paragraph and referred to guidance in Chapter 16 for all loans.

Paragraph 6.3:

Added bullet on cash back to borrower and identified when reimbursements are applicable.

Select discount points are prohibited. Removed the language for eligible discount points and moved to paragraph 6.2C.

RD HANDBOOK CHANGES
RD HB-1-3555 (Con.)
(WSAL)

Paragraph 6.3:

Added "Existing" to prohibited manufactured homes.

Removed bullet for seller contributions. The limitation is addressed in 6.2.

Added "in Excess of Three Percent" to prohibited closing costs. Removed language that should be under 6.2C.

Paragraph 6.4:

Revised paragraph to update with current monitoring process and chapter changes.

Attachment 6-A (will replace existing and be added to end of HB chapter)

Clarified the maximum loan amounts to match with the HB guidance.

Replaced Customer Service Center (CSC) with National Financial Accounting Operations (NFAOC).

REMOVE

Chapter 6 dated 03-19-20:
Pages 6-1 thru 6-15,
Attachment 6-A.

INSERT

Chapter 6 dated 03-19-20:
[Pages 6-1 thru 6-10 revised,](#)
[Attachment 6-A revised 11-12-20.](#)

FORM

REPLACEMENT

RD 5001-4
(WSAL)

LOAN NOTE GUARANTEE dated 10-20.
Prescribed in RD Instructions 5001.
This is the signed guarantee instrument

issued by USDA which sets forth the terms and conditions of the guarantee.
This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

FORM

REPLACEMENT

RD 5001-5
(WSAL)

UNCONDITIONAL GUARANTEE dated 10-20.
Prescribed in RD Instructions 5001.
Used to obtain an unconditional

guarantee from an individual or corporate entity that owns more than 20 percent interest. The form is executed on a loan-by-loan basis. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-6
(WSAL)

ASSIGNMENT GUARANTEE AGREEMENT dated 10-20.
Prescribed in RD Instructions 5001.
This form serves as the signed agreement

between the USDA, the lender and the holder setting forth the terms and conditions of an assignment of a guaranteed portion of a loan or any part thereof. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-7
(WSAL)

GUARANTEED LOAN BORROWER STATUS dated 10-20. Prescribed in RD Instructions 5001.
This Form is used to update the status of

each borrower's account and maintain contingent liability for losses in the accounting records. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

FORM

REPLACEMENT

RD 5001-8

(WSAL)

GUARANTEED LOAN BORROWER DEFAULT STATUS

dated 10-20. Prescribed in RD Instructions 5001. This Form is used to inform RD of

the status of borrowers in default. This form should be prepared bi-monthly (every 60 days) on all borrowers in default to keep RD informed of current status. A separate report is required for each defaulted guaranteed loan. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-9

(WSAL)

GUARANTEED LOAN CLOSING REPORT dated 10-20. Prescribed in RD Instructions 5001.

This Form is used to prepare for (1) each loan at time guarantee is issued, (2) conversion of an existing guaranteed loan to one with interest assistance, (3) payment of guaranteed loan fees, (4) consolidation of guaranteed loans. The Guaranteed Loan Closing Report must accompany all guarantee fee payments. Lender delivers this form and applicable fee to the Agency representative. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-10

(WSAL)

LENDER'S GUARANTEED LOAN PAYMENT TO USDA

dated 10-20. Prescribed in RD Instructions 5001. Lenders use this form to transmit

any funds due USDA when USDA has purchased a part or all of the guaranteed portion of the loan. This includes USDA's pro-rata share of any payments received from the borrower or any funds received by the lender in the process of liquidation. The distribution of the funds between interest and principal should be in the same proportion as the lender's application to the borrower's account; however, the lender's application to the borrower's account should have been applied to interest first and any remaining balance to principal. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

FORM

REPLACEMENT

RD 5001-11A
(WSAL)

**GUARANTEED LOAN REPORT OF LOSS ESTIMATED
LOSS** dated 10-20. Prescribed in RD
Instructions 5001. This Form is used to

provide for reporting estimated loss. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-11C
(WSAL)

**GUARANTEED LOAN REPORT OF LOSS BANKRUPTCY
REORG w/ COLLATERAL** dated 10-20.
Prescribed in RD Instructions 5001.

This Form is used to provide for Reporting of Bankruptcy with collateral. Lender delivers this form and applicable fee to the Agency representative. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-11D
(WSAL)

**GUARANTEED LOAN REPORT OF LOSS INTEREST
LOSS/RECOVERY/OR VOLUNTARY PAYMENT** dated
10-20. Prescribed in RD Instructions 5001.

This Form is used to provide for Reporting of Interest Loss / Recovery / or Voluntary Payment. Lender delivers this form and applicable fee to the Agency representative. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

FORM

REPLACEMENT

RD 5001-12
(WSAL)

**CERTIFICATION OF NON-RELOCATION AND MARKET
AND CAPACITY INFORMATION REPORT** dated
10-20. Prescribed in RD Instructions 5001.

This form is completed by B&I guaranteed borrowers and used by Rural Business-Cooperative Service (RBCS) to obtain Department of Labor Clearance on loan requests in excess of \$1 million and which will increase direct employment by more than 50 employees. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

RD 5001-13
(WSAL)

CERTIFICATE OF INCUMBENCY AND SIGNATURE
dated 10-20. Prescribed in RD Instructions
5001. This Form is used by USDA to provide

the lender with certification of the signature and title of the USDA official that signs the Loan Note Guarantee, Lender's Agreement, and Assignment Guarantee Agreement. This form will be signed by an Agency official other than the Agency official who signs the Loan Note Guarantee, Lender's Agreement and Assignment Guarantee Agreement. This Form and FMI are available on the Rural Development Instructions home page (<https://www.rd.usda.gov/resources/forms>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

INSERT

FMI dated 11-12-20.

NO SPECIAL PROCEDURE NOTICE RELEASED.

NO ADMINISTRATIVE NOTICES RELEASED.