

PROCEDURE NOTICE

RD MANUAL CHANGES

[INSERT RD INS 1924-F](#)
(WSAL)

COMPLAINTS AND COMPENSATION FOR

CONSTRUCTION DEFECTS. This Instruction is revised to clarify procedure, update terms, and add a new Exhibit, specific revision are as follows:

Throughout, updated to correct outdated term 'County Supervisor' along with other minor edits.

- Section 1924.259(e) (1) added item (iv) to require a structural engineer report be used in determining covered repairs.
- Section 1924.273(a) removed state staff authority to approve claims up to \$2,000 and (b) removed outdated processing steps in favor of the current practice.
- Section 1924.274 changed statement regarding returning excess funds to the Finance Office. Funds are should only be disbursed to pay cost incurred; therefore, remaining funds should be deobligated.
- Section 1924.275 updated processing steps for handing excess funds.
- Exhibit H Complaints and Compensation for Construction Defects checklist is being added to guide staff through the processing steps of this program.

(CON)

RD MANUAL CHANGES

INSERT RD INS 1944-N

(WSAL)

HOUSING PRESERVATION GRANTS. This Instruction **is** revised to clarify procedures, modify two Exhibit L

template letters, and issue a new Exhibit L template letter.

Exhibit H "Ultimate Recipient File Checklist" has been revised to:

- Include the fiscal year and quarter of review.
- Clarify Civil Rights section to include when Form RD 1924-5 "Invitation to Bid" and Form RD 1924-6 "Construction Contract" are required. Form RD 1924-5 is optional, and Form RD 1924-6 is only required when the invitation to bid is exercised. An update was also made to the name of the required poster which is now called "Know Your Rights".

Exhibit I "HPG Preapplication/Application Processing Checklist" has been revised to:

- Update the SAM# to UEI#.
- Update (iii), to mirror the language in 7 CFR, Subpart N which removes a discrepancy between RD Instruction Exhibit I & J, and 7 CFR 1944, Subpart N.
- Update (ix) and Exhibit I, to provide additional description of budget items as shown in 7 CFR 1944, Subpart N.
- Remove reference to "\$ 1944.679(b)", in the "State Office Processing Section", in favor of referencing Exhibit D that is the document RD State Offices complete.
- Add directions to the "State Office Processing Section", that any exception request must be approved by National Office prior to the completion of Exhibit G.
- Combine the "Application" and "Obligation" stages to enforce that Form RD 1940-1, "Request for Obligation of Funds", must be executed by the grantee before obligation while other documents to complete the application can be returned within 30 days from the date on Exhibit L-4, "Grant Award" template letter amongst other processing flow changes.
- Provide allowances in the "Processing Obligations" section for a State Director's designee to sign Form RD 1940-1, add instructions to direct field staff to verify current bank information, and add new grant to the GLS EFT Block.
- Advise staff in the "Pre-Grant Compliance Review" section that Form RD 400-8 is now completed via the Civil Rights Division PowerApps. A similar change was also made to the "Post-ward Compliance Review" section.
- Rename the "Grant Closeout" section to "Grant Expiration, Extension, and Closeout" and instruct staff to send Exhibit L-8 "Housing Preservation Grant (HPG) Expiration Letter" prior to grant expiration. Also, language was added to direct staff to the section of the instructions with extension processes. Finally, language was revised to differentiate the type of audits grantees are required to submit.
- Add a new section "Deobligation of Funds" outlining the process for deobligating funds.

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RD MANUAL CHANGES

INSERT RD INS 1944-N (Con.)

(WSAL)

Exhibit J "Statement of Activities Template" has been revised to:

- Update (iii), to mirror the language in 7 CFR, Subpart N which removed a discrepancy between RD Instruction, Exhibit I & J, and 7 CFR 1944, Subpart N.

Exhibit L "Preapplication Application Review Letters - Templates" has been revised to:

- Modify Exhibit L-4 to show documents needed for full application. This has been modified to follow Exhibit I flow changes.
- Modify Exhibit L-7 to differentiate the types of audits grantees are required to submit.
- Create Exhibit L-8 "Housing Preservation Grant (HPG) Expiration Letter". This letter template will allow field staff to remind the grantee of the expiring grant agreement.

INSERT RD INS 2036-A

(WSAL)

TRAVEL REGULATIONS AND POLICIES. This instruction supplements the Federal Travel Regulation (FTR), Agriculture Travel

Regulation (ATR), and National Finance Center (NFC) Manuals. Changes in this Instruction includes:

- Added hyperlinks to various regulations, policies and procedures.
- Government Furnished Vehicles.
- POV Mileage Reimbursement.
- Central Billed Accounts.
- Per Diem Expenses for Local Travel.
- Actual Expense Above Per Diem (Form and Knowledge Base Article);
- Charge Card Credit Limit Increase.
- A/OPC Coordinators.
- FATA Responsibilities.
- Fraud - Misuse/Abuse.
- Foreign Travel Policy,
- Claiming Reimbursement (Travel Receipt Requirements).

(CON)

RD HANDBOOK CHANGES

**INSERT RD HB-2-3560
(WSAL)**

MFH ASSET MANAGEMENT HANDBOOK. This Handbook is being completely revised. The specific revisions are outlined below.

Multi-Family Housing Program (MFH) published a [Final Rule on March 1, 2022, 7 CFR 3560 "Multi-Family Housing \(MFH\) Direct Loan Programs."](#) The revisions to the MFH Regulation include:

- implemented programmatic changes related to development of a "sustainability plan" for the Rental Assistance (RA) Program, including new management flexibilities;
- integrated asset management policy determinations made since the interim rule was published; and
- incorporated technical corrections to clarify reference and formatting issues in the regulation.

Due to the revisions to the MFH Regulation, it is necessary to update the language in HB-2-3560 so that they align with the 3/31/22 MFH Regulation as well as provide additional clarity and updated terminology resulting from the 2020 MFH reorganization.

Revisions are being made throughout this Handbook to change the now obsolete terms "State Director" and "State Office Staff" to "Leadership Designee" and "MFH Servicing Official" or "Agency" accounting for the vast number of chapter revisions needed.

Chapter 3:

Attachment 3-F is revised to reflect the Fiscal Year (FY) 2025 Management Fee. The Fiscal Year 2025 management fee is increased by the 2024 HUD Operating Cost Adjustment Factor (OCAF) in non-metro areas for each State. These fees will be used for the Fiscal Year 2025 budget cycle beginning January 1, 2025. All FY 2025 management fees have been rounded up to the nearest dollar.

NOTE: HB-1-3560 and HB-3-3560 will publish later.

REMOVE

Table of Contents dated 02-24-05;
Chapter 1 dated 02-24-05;
Chapter 2 dated 02-24-05;
Chapter 3 dated 02-24-05;
Chapter 4 dated 02-24-05;
Chapter 5 dated 02-24-05;
Chapter 6 dated 02-24-05;
Chapter 7 dated 02-24-05;
Chapter 8 dated 02-24-05;
Chapter 9 dated 02-24-05;
Appendix 2 dated 02-24-05;
Appendix 3 dated 02-24-05;
Appendix 4 dated 02-24-05; and
Appendix 5 dated 02-24-05;

INSERT

[Table of Contents revised](#);
[Chapter 1 revised 07-19-24](#);
[Chapter 2 revised 07-19-24](#);
[Chapter 3 revised 07-19-24](#);
[Chapter 4 revised 07-19-24](#);
[Chapter 5 revised 07-19-24](#);
[Chapter 6 revised 07-19-24](#);
[Chapter 7 revised 07-19-24](#);
[Chapter 8 revised 07-19-24](#);
[Chapter 9 revised 07-19-24](#);
[Appendix 2 revised 07-19-24](#);
[Appendix 3 revised 07-19-24](#);
[Appendix 4 revised 07-19-24](#); and
[Appendix 5 revised 07-19-24](#).