

UNNUMBERED LETTERS ISSUED FOR THE JUNE OF 2015

Dated	Subject	Distribution
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June 10, 2015

TO: Rural Development Administrators
State Directors

ATTN: All Rural Development Employees

SUBJECT: Regional Development Priority

One of the many provisions in the 2014 Farm Bill that Rural Development (RD) is responsible for implementing is a section entitled 'Strategic Economic and Community Development' (Section 6025). This section enables the Secretary to give priority points to projects that support the implementation of multi-jurisdictional strategic economic development plans. It also creates a time-limited set-aside of up to 10 percent of program funds from certain RD programs for these purposes.

The Manager's Statement from the Farm Bill Conference Report explains that the purpose of the provision is to support projects and initiatives that are part of long-term community and economic growth strategies, noting that typically RD programs have been used to meet an immediate need--and that this will continue--but that to the extent possible, U.S. Department of Agriculture is encouraged to work with rural communities to consider how they might use RD resources to address long-range and multi-jurisdictional needs by leveraging Federal, State, local, or private funding or otherwise capitalize upon the unique strengths of the rural area to support successful community and economic development work.

The intent of this provision is to encourage strategic regional development plans because research and practice have proven that leveraging resources and assets can increase the success of economic development strategies within a region. This is especially true for small, rural places that are best positioned to grow when they share resources among multiple jurisdictions. RD seeks to implement this provision while continuing to support our smallest and most under-resourced rural areas.

Translated into the language of RD, this provision is fully consistent and aligned with ongoing Community Economic Development (CED) efforts, including, but not limited to, Stronger Economies Together, Great Regions, the Rural Jobs Accelerator Challenge, Promise Zones, StrikeForce, and other efforts to advance locally-identified priorities that reflect regional partnerships with broad support.

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS:
Community/Business Programs

Publication of a regulation that will govern this new authority on ‘Strategic Economic and Community Development’ is imminent. And, in future years, the Mission Area intends to make full use of the authority to support and advance regional collaboration and economic development work that is strategic and forward-looking with broad based support. RD is calling this new authority the “Regional Development Priority.”

Because more than half of the fiscal year (FY) has transpired and because the time-limited ability to set aside funds expires on June 30 of each year, in FY 2015, RD will invoke the authority to award priority points to projects that advance implementation of a multi-jurisdictional economic development plan. However, because of time constraints, in FY 2015, no funds will be set aside for this priority.

The remainder of this memorandum explains how the Regional Development Priority will be implemented in FY 2015. A subsequent memorandum will explain implementation of the provision in FY 2016 and beyond. As noted, publication of the regulation governing Section 6025 is imminent; upon publication, the CED team within the Rural Business-Cooperative Service, in partnership with staff from across the Mission Area, will provide talking points, frequently asked questions (FAQ), and further instruction.

Programs Impacted:

- **Communities Facilities Program** including: Community Facility Loans, Fire and Rescue and Other Small Community Facilities Projects, the Community Facilities Grant Program, and the Community Programs Guaranteed Loans;
- **Water and Waste Disposal Program** including: Water and Waste Disposal Programs Guaranteed Loans, and Water and Waste Loans and Grants;
- **Business and Industry Guaranteed Loan Program;** and
- **Rural Business Development Grant Program.**

Eligibility for the Regional Development Priority:

To be eligible for this priority, the project must:

- Meet the underlying program’s eligibility criteria;
- Be carried out solely in a rural area. The definition of “rural area” is based on the underlying program’s definition; and
- Support a strategic economic development or community development plan.

When requesting the Regional Development Priority points, applicants will submit supplemental materials in addition to their application for the base program. In FY 2015, requests for the priority points will be reviewed at the time of year-end pooling. All applications for 6025 will be due by 5 p.m., Eastern Time, on July 31, 2015.

Requests for the Regional Development Priority points will be scored at the National Office. Applications will be scored based on how well the project directly supports the plan's objectives, as well as the characteristics of the plan. The sum of the score from the underlying program, along with the Regional Development Priority scores, will be summed and the higher scoring projects will receive first consideration for funding.

Please note that this section of the Farm Bill is part of a broader effort to encourage RD to fund projects that are part of a strategic economic development plan. In FY 2015, RD had to develop and publish the regulation for this section of the Farm Bill, which restricted the time available for planning and implementing the requirements in section 6025. In FY 2016, we anticipate having more time and therefore a more robust implementation period, which will start when programs get their annual appropriation.

We will keep you apprised of the status of publication of the section 6025 regulations and notice. Once published, we will have FAQs, training, and outreach on the application process and how the priority points will be awarded.

/s/ **LISA MENSAH**

LISA MENSAH
Under Secretary
Rural Development

June 15, 2015

TO: State Director

ATTN: Area Specialist
Business Program Directors

FROM: Lillian Salerno /s/ *Lillian Salerno*
Administrator
Rural Business-Cooperative Service

SUBJECT: Interest Rate Changes for Business and Industry Loans

The following interest rate is in effect July 1, 2015, through September 30, 2015.

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
Direct Business and Industry	3.250%	3.250%

Please notify appropriate personnel of this rate.

Sent by Electronic Mail on 06-17-15, at 2:00 pm by Credit Reform Staff.
State Directors should advise other personnel as appropriate.

EXPIRATION DATE:
September 30, 2015

FILING INSTRUCTIONS:
Administrative/Other Programs

June 16, 2015

TO: State Directors

ATTN: Area Directors
Area Specialist
Utilities Program Directors

FROM: Brandon McBride /s/ **Brandon McBride**
Administrator
Rural Utilities Service

SUBJECT: Interest Rate Changes for Water and Waste Loans

Language in the Consolidated Farm and Rural Development Act requires that the poverty rate and the intermediate rate be determined based on the approval date of the loan. For those loans approved on or after May 23, 2008, the poverty rate will be set at 60 percent of the market rate and the intermediate rate set at 80 percent of the market rate, adjusted to the nearest one-eighth of one percent. Following are the new interest rates for water and waste disposal loans approved on or after May 23, 2008:

Poverty Line..... unchanged to.....2.125%
Intermediate..... increased to.....2.875%
Market increased to.....3.625%

For loans approved but not closed on or before May 22, 2008, the poverty rate will remain fixed at 4.500 percent and the intermediate rate will continue to be set at one-half of the difference between the poverty line rate and the market rate. Following are the new interest rates for water and waste disposal loans approved on or before May 22, 2008:

Poverty Line..... unchanged at4.500%
Intermediate..... unchanged to4.000%
Market..... increased to.....3.625%

Due to the inversion of the rates, all loans may be obligated at the lower market rate for this quarter. These rates will be effective from July 1, 2015, through September 30, 2015.

EXPIRATION DATE:
September 30, 2015

FILING INSTRUCTIONS:
Administrative/Other Programs

Interest Rate Changes for Water
And Waste Loans

Also, the rate for watershed protection and flood prevention loans and resource conservation and development loans is as follows:

CURRENT RATE	NEW RATE
3.500%	3.625%

Please notify appropriate personnel of these rates

June 16, 2015

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors,
Guaranteed Rural Housing Specialists,
Area Directors and Area Specialists

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Single Family Housing

SUBJECT: Single Family Housing Guaranteed Loan Program
Lender Eligibility Review

PURPOSE/INTENDED OUTCOME:

The purpose of this Unnumbered Letter (UL) is to clarify guidance of the RD Instruction 3555, as it relates to performing reviews of new and previously approved lender eligibility files for the Single Family Housing Guaranteed Loan Program (Program). This UL also provides procedures for updating lender information in the Guaranteed Loan System (GLS).

The intended outcome of this UL is to ensure that the eligibility information in the Agency's lender record is current.

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS:
Housing Programs

BACKGROUND:

This UL outlines procedures necessary to review and verify information submitted by a lender to determine eligibility and to also maintain the GLS lender file with accurate authorizations and designations.

The national office will periodically review the eligibility of nationally-approved lenders. State offices are responsible for periodically reviewing the eligibility of state-approved lenders. This lender eligibility file review is in addition to lender/servicer compliance reviews.

IMPLEMENTATION RESPONSIBILITIES:

State offices should immediately review the eligibility of state-approved lenders. The review should be completed within 180 days from the date of this notice. The lender eligibility requirements are listed below.

LENDER QUALIFICATION:

The following lenders are eligible to participate in the program:

- Lenders approved by the Department of Housing and Urban Development (HUD) as a Title II supervised or non-supervised mortgagee for submission of one to four family housing applications for Federal Housing Mortgage Insurance or as an issuer of Ginnie Mae mortgage backed securities.

Approval can be confirmed at <https://entp.hud.gov/sfnw/public> by clicking on “Details” in the menu at the top of the page and then on “Lender Details” in the small drop-down menu.

- Lenders approved by the Department of Veterans Affairs (VA) as a supervised or non-supervised mortgagee. Approval can be confirmed on SharePoint at:

https://ems-team.usda.gov/sites/RD_HCFP/sfh/Single%20Family%20Housing%20Information/Forms/Alphabetical%20Order.aspx?RootFolder=%2Fsites%2FRD%5FHCFP%2Fsfh%2FSingle%20Family%20Housing%20Information%2FGuar%5FProg%5FInfo%2FNationally%20Approved%20Lenders&FolderCTID=0x01200050DB111EE42F5742B26DC24E3D020799&View=%7B853A1D3A%2D3D78%2D4CA7%2DAB1E%2DD3C5A054C7EF%7D

- Lenders approved by Fannie Mae for participation in one to four family mortgage loans;

Approval can be confirmed via email addressed to RegulatoryInquiries@fanniemae.com. Please provide the Lender name and the Assigned Fannie Mae Number and request status.

- Lenders approved by Freddie Mac for participation in one to four family mortgage loans. Approval can be confirmed via the current listing found on SharePoint at:

https://ems-team.usda.gov/sites/RD_HCFP/sfh/Single%20Family%20Housing%20Information/Forms/Alphabetical%20Order.aspx?RootFolder=%2Fsites%2FRD%5FHCFP%2Fsfh%2FSingle%20Family%20Housing%20Information%2FGuar%5FProg%5FInfo%2FNationally%20Approved%20Lenders&FolderCTID=0x01200050DB111EE42F5742B26DC24E3D020799&View=%7B853A1D3A%2D3D78%2D4CA7%2DAB1E%2DD3C5A054C7EF%7D

- State Housing Finance Agencies (SHFA) are authorized to participate in our program.

Note: Evidence that a private sector lender is a member of a SHFA does not constitute automatic approval for participation in the program.

- Lenders participating in other USDA guaranteed loan programs offered by Rural Business and Cooperative Development Service, Rural Utilities Service, and/or the Farm Services.

Approval requires an active lender agreement with the Guaranteed program. Approval can be confirmed at: <https://gls.sc.egov.usda.gov/lnrlst.asp>. Please enter the Lender Tax ID Number in Guaranteed Loan System (GLS).

- Lenders with Federal Oversight.

Lenders who are regulated by a federal entity may be considered for participation in the program. The lender must provide a letter or other form of evidence from the oversight authority that indicates the lender's ability to process, underwrite and service single-family residential mortgage loans.

The documentation must be dated within the past 12 months and confirm that Federal oversight is being provided by one of the following Federal oversight entities:

- The Federal Reserve System;
- The Comptroller of the Currency;
- The Federal Deposit Insurance Corporation (FDIC);
- The National Credit Union Administration (NCUA);
- The Federal Housing Finance Board regulating lenders within the Federal Home Loan Bank (FHLB) system.

Lenders who do not meet the above requirements can participate in the program through a National or State approved lender.

LENDER REVIEW CERTIFICATION:

Agency staff should complete the attached “Certification of Lender File Review” form by obtaining, verifying, and updating the information below:

- The lender’s tax identification number (TIN) matches the GLS;
- The name and contact information of an official of the lender who will serve as a contact for Rural Development guaranteed loans;
- The list of the lender’s principal officers including full names, titles and functional areas;
- An updated outline of the lender’s internal loan criteria for analyzing credit and repayment ability;
- An updated copy of the lender’s quality control plan for monitoring production and servicing activities; and
- The locations of all authorized lender branches with contact information.

THE LENDER PARTICIPATION AGREEMENT (FORM RD 3555-16):

Agency staff should verify that the lender file contains either a fully executed Form RD 3555-16, or RD 1980-16 (applicable to lender approvals prior to December 1, 2014), “Lender Agreement for Single Family Housing Guaranteed Loan Programs,” and if applicable, Form AD 1047, "Certification Regarding Debarment.

Note: With a change that occurred in June 2006, Form AD 1047 is now part of Form 3555-16 and is no longer required as part of the lender approval process.

If a lender has a change in name, corporate structure, or TIN, a new RD 3555-16 Lender Agreement must be completed.

UPDATING GLS:

Having completed the review, Agency staff must ensure that GLS records reflect the most current lender information including current lender contacts. The business name as recorded on the participation agreement should be accurately and consistently represented in the GLS records established for each of the individual branches.

TERMINATION OF INELIGIBLE LENDERS:

- If the lender fails to provide evidence of continuing eligibility, a written notice terminating the lender’s participation will be mailed to the lender (including appeal rights). A sample termination notice is included at the end of this document.

- The Agency, immediately upon sending the termination notice, will update GLS by removing the lender designation and any authorizations from all branches.
- Notifications returned with a forwarding address will be forwarded to the new address with an additional 30 day timeframe for the lender to respond.
- If the notice is returned as “undeliverable,” with no forwarding address, the returned envelope will be retained in the file as evidence that the lender was given notice.
- In addition to the GLS update, the lender should be terminated from the Guaranteed Underwriting System as well as all other affected systems.

HANDLING REQUESTS FOR CONDITIONAL COMMITMENT DURING THE APPEAL PERIOD:

If the Agency receives requests for Conditional Commitments during the appeal period, those requests will be held until the expiration of the period in which the lender has a right to request an appeal or, if the lender files an appeal, until a final decision has been reached on the appeal request. If the lender appeal is resolved in favor of the lender (i.e., if the lender is found to be eligible), Conditional Commitments will be processed as usual. Otherwise, files will be returned to the lender.

RETENTION OF TERMINATED LENDER FILES:

Closed lender eligibility files will be marked as “Closed on month, day, year,” and retained indefinitely.

FOR FURTHER INFORMATION:

Questions may be directed to the Guaranteed Loan Division at (202) 720-1452, or by email to: sfhgld.lender@wdc.usda.gov.

Attachments:

Sample Termination Notice with Appeal Form
Lender Recertification Review Checklist

SAMPLE TERMINATION NOTICE

Dear :

USDA Rural Development has determined that (*insert lender name*) does not or no longer meets our lender qualification criteria as found at Instruction RD 3555. Consequently, we are terminating your agreement as an approved or participating lender for the Rural Development Guaranteed Single Family Home Loan Program.

If you wish to appeal this decision, it must be in writing within 30 days from the date on this letter. See the attachment for the format of an appeal. You should mail or fax your written appeal to:

The National Appeals Division
Eastern Regional Office (**Correct Regional Office Required**)
8909 Purdue Road, Suite 240
Indianapolis, Indiana 46268
FAX: (317) 875-9674

Sincerely,

State Director
USDA Rural Development Attachment

Appeal Format:

Appeal Request Form

I hereby request an administrative appeal regarding an adverse decision issued by the _____, agency, dated _____.

I have attached (1) a copy of the decision, and (2) a statement why I believe the agency determination is wrong. The date I received the determination was

.

Signature: _____

Date: _____

REMINDER: You will lose your right to appeal if you do not file an Appeal within 30

LENDER RECERTIFICATION REVIEW CHECKLIST

Lender Name: _____

Lender Tax ID: _____

Current Address: _____

Principal Officers:

Titles/Responsibilities:

Are you currently servicing RD loans? YES: _____ OR NO: _____

Contact Person: _____

Title: _____

Phone #: _____ Fax #: _____

E-mail address: _____

Please provide a recent copy of approval letter from one of the below Institutions:

_____ HUD-Approved Title II Direct Endorsement Lender

_____ VA-Approved Lender with Automatic Authority

_____ Fannie Mae Seller-Servicer

_____ Freddie Mac Seller-Servicer

_____ Approved to Participate in another USDA Program

_____ Evidence of Federal Oversight

_____ If your firm is an originating lender, please submit a brief outline of your loan underwriting criteria from your internal loan policy manual.

_____ Please include a copy of your Quality Control Plan.

Signature

Date

Print Name and Title of Certifying Official

June 16, 2015

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors,
Guaranteed Loan Coordinators,
Area Directors and Area Specialists

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Upfront Guarantee Fee and Annual Fee Schedule
Effective October 1, 2015

PURPOSE/INTENDED OUTCOME:

The purpose of this unnumbered letter (UL) is to announce a change in the upfront guarantee fee for Single Family Housing Guaranteed Loan Program (program) loans obligated during fiscal year (FY) 2016. The upfront guarantee fee will change from 2 percent of the loan amount to 2.75 percent of the loan amount. The annual fee will remain unchanged.

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS:
Housing Programs

Program loans obligated on October 1, 2015, through September 30, 2016, will be subject to the following fee schedule:

Purchase and Refinance Transactions:

Upfront Guarantee Fee: 2.75 percent

Annual Fee: 0.50 percent

A loan is obligated when USDA has approved a complete loan application package and issued Form RD 3555-18 “Conditional Commitment for Single Family Housing Loan Guarantee” to the USDA approved lender. Loan guarantee requests submitted to USDA prior to September 30, 2015, in which a Conditional Commitment has not been issued before close of business that day, will be subject to the FY 2016 fee structure.

A “Guarantee Fee and Annual Fee Calculator” is available online from the USDA LINC “Training and Resource Library”:

<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do#GAF>.

If you have any questions, please contact Kristina Zehr of the Guaranteed Loan Division at (202)713-8779, or via email: kristina.zehr@wdc.usda.gov. The Single Family Housing Guaranteed Loan Division may also be contacted at (202)720-1452.

June 16, 2015

TO: State Directors
Rural Development

FROM: Tony Hernandez
Administrator
Housing and Community Facilities Programs

SUBJECT: Supervised Bank Accounts

This Unnumbered Letter (UL) is reissued in response to continued questions on the use of Supervised Bank Accounts with our housing programs. It replaces any previous ULs on this subject.

Pursuant to the Customer Identification Program (CIP) regulations at 31 CFR 1020.220, financial institutions are required to obtain certain identification information from customers who are opening an account. However, financial institutions are not required to obtain CIP information from Federal agencies opening an account, because Federal agencies are not considered “customers” for the purpose of CIPs, in accordance with 31 CFR §§1020.100(c)(2); 1020.315(b)(2). Government officials with signature authority and acting in the course and scope of their official Government duties fall under the exemption.

To assist banks in complying with the 31 CFR 1020.220, a copy of this UL may be provided to bank compliance officers for their documentation regarding **NOT** requiring Rural Development employee’s social security numbers when an employee is set up for countersignature authority on the borrower’s Supervised Bank Account.

It is recommended that Rural Development employees provide the bank with proof of being a Government employee, such as a copy of their Federal identification card.

If you have any questions regarding this UL, please contact the Single Family Housing Direct Loan Division at (202) 720-1474, or Charlene Broussard of the Multi-Family Housing Portfolio Management Division at (202) 720-1940.

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS:
Housing Programs

June 19, 2015

TO: State Directors

ATTN: Area Directors
Area Specialist
Rural Housing Program Directors

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

The following interest rates, effective July 1, 2015, are reported as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
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ALL LOAN TYPES

Treasury Judgment Rate	0.240%	0.260%
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The new rate shown above is as of the week ending May 29, 2015. The actual judgment rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve website for the weekly average 1-year Constant Maturity Treasury Yield *

RURAL HOUSING LOANS

Rural Housing (RH) 502 Very-Low or Low	3.125%	3.250%
Single Family Housing (SFH) Nonprogram	3.625%	3.750%
Rural Housing Site (RH-524), Non-Self-Help	3.125%	3.250%
Rural Rental Housing and Rural Cooperative Housing	3.125%	3.250%

EXPIRATION DATE:
July 31, 2015

FILING INSTRUCTIONS:
Administrative/Other Programs

* (http://www.federalreserve.gov/releases/h15/data/Weekly_Friday_/H15_TCMNOM_Y1.txt).

Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

2

Sent by Electronic Mail on 06-25-15, at 9:00 am by Credit Reform Staff.
State Directors should advise other personnel as appropriate.

Please notify appropriate personnel of these rates.

June 24, 2015

TO: State Directors
Rural Development

ATTENTION: Program Directors
Single Family Housing

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Housing and Community Facilities Programs

SUBJECT: New Homes Constructed Under Specific Energy Efficiency Programs
as a Compensating Factor
Single Family Housing Direct Loan Program

PURPOSE:

The purpose of this memorandum is to provide guidance on the consideration of new homes constructed under specific energy efficiency programs as a compensating factor when determining borrower repayment ability.

BACKGROUND:

As permitted in 7 CFR 3550.53(g)(3) and further detailed in Handbook-1-3550, Paragraph 4.24 A., exceptions to the standard method of determining repayment ability may be made if there is information, referred to as a compensating factor, that indicates the prospective borrower may be able to make larger regular loan payments than the standard ratio analysis suggests.

A new home built to exceed the prevailing International Energy Conservation Code is more energy efficient, which significantly lowers the homeowner's utility costs. The lower utility costs associated with these energy efficient homes indicate that a prospective borrower may be able to make larger loan payments than the ratio analysis suggests.

Given their resulting energy efficiency savings of up to 30 percent relative to typical new homes, as well as their progressive and routinely updated building standards, new homes constructed under the following national programs may be considered as a compensating factor:

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS
Housing Programs

- Energy Star for New Homes under the U.S. Environmental Protection Agency (http://www.energystar.gov/index.cfm?c=new_homes.hm_index)
- Zero Energy Ready Home under the U.S. Department of Energy (http://www1.eere.energy.gov/buildings/residential/ch_index.html)
- Leadership in Energy and Environmental Design (LEED) for Homes under the U.S. Green Building Council (<https://new.usgbc.org/leed/rating-systems/residential>)
- Home Innovation's "National Green Building Standard" under the National Association of Home Builders (<http://www.nahb.org/page.aspx/generic/sectionID=2500>)
- Green Communities under the Enterprise Community Partners (<http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities>)

IMPLEMENTATION RESPONSIBILITIES:

When a new home to be constructed under a specific energy efficiency program will be used as a compensating factor, the qualifying ratios may exceed the established thresholds by up to two percentage points provided the Field Office obtains verification that the property will be certified through one of the above programs.

As detailed in Handbook-1-3550, Paragraph 4.24 A., the compensating factor must be clearly documented and approved by the next level supervisor.

Questions regarding this memorandum should be directed to Christopher Ketner of the Single Family Housing Direct Loan Division at (202) 690-1530 or christopher.ketner@usda.gov.

June 29, 2015

TO: State Directors
Rural Development

ATTN: Program Directors and Coordinators
Multi-Family Housing

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Housing and Community Facilities Programs

SUBJECT: Processing Sections 514/516
New Construction Loan and/or Grant Requests
Fiscal Year (FY) 2015

The purpose of this Unnumbered Letter (UL) is to provide information and guidance on processing Sections 514/516 Farm Labor Housing (FLH) new construction loan and/or grant requests. This UL is in accordance with 7 CFR 3560 and the “Notice of Solicitation of Applications (NOSA)” for the “Section 514 Farm Labor Housing Loans, Section 516 Farm Labor Housing Grants for Farm Housing for Fiscal Year 2015” published on March 25, 2015, in the Federal Register Document Citation: 80 FR 15743, Document Number: 2015-06863, Pages: 15743-15750.

State Offices that need assistance with the review or the processing of FLH pre-applications should contact Mirna Reyes-Bible of the Multi-Family Housing Preservation and Direct Loan Division’s Farm Labor Housing Program at (202) 720-1753 or at: mirna.reyesbible@wdc.usda.gov.

PROCESSING TIMEFRAMES

June 23, 2015, 5:00 P.M. local time: Application closing deadline. Applications received by this deadline will be reviewed for completeness and scored against the factors listed in the NOSA. To pay for credit reports, collect a check for \$24 from the applicant made payable to the U.S. Department of Agriculture (USDA).

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS:
Housing Programs

July 23, 2015: Based on the preliminary eligibility, feasibility review, and application scoring, State Offices fax or e-mail a final list of their scored and ranked pre-applications with Attachments 1, 2, 3 and 4 and a copy of the preliminary market study submitted by the borrower to the National Office, Attention: Mirna Reyes-Bible at (202) 690-3444. This list will include every pre-application determined incomplete or ineligible with the reason for that determination. The National Office ranks all pre-applications received from the State Offices.

August 14, 2015: The National Office notifies State Offices which pre-applications were selected for further processing. Upon this notification, States Offices immediately will notify the selected applicants to submit a formal application with a cost overrun statement. The selected applicants must submit its formal application within 30 days of the State Office's notification. The State Office must advise applicants to submit organizational documents immediately after receiving notification in order to allow time for review by the Office of General Counsel. State Offices also conducts site visit and begin the environmental review, appraisal, market studies, and civil rights impact analysis.

September 21-24, 2015: State Office submits, Form RD 1940-L Exhibit A "*Request for Obligation of Funds*"; refer to assistance codes "322" for loans and "323" for grants to the National Office.

September 25, 2015: All funds must be obligated by 5:00 P.M. local time. Please make every attempt to obligate funds by the required timeframe. When obligating funds, the estimated development costs must be entered into the Automated Multi-housing Accounting System (AMAS) using the M5V screen. Once construction is completed, the actual development costs must be entered into AMAS using M5VA screen. Guidance can be found in Chapter 2 of the AMAS manual.

Direct questions regarding this UL to Mirna Reyes-Bible of the Multi-Family Housing Preservation and Direct Loan Division, at (202) 720-1753.

Attachments

FARM LABOR HOUSING PRE-APPLICATION REVIEW CHECKLIST AND POINT SCORE SHEET

Fiscal Year 2015

Applicant information:

Date and time received: _____
 Applicant Name: _____ Applicant Type: NP NPLP PB IT AF AFW
 Project Name: _____ # Units ____ # RA Units ____ # Migrant Units
 City: _____ County: _____ Project Congressional District: _____
 If Mixed Use:
 Designated FLH Units _____% Designated Non-FLH Units _____%

NP=Non-Profit NPLP=Non-Profit Limited Partnership PB=Public Body IT=Indian Tribe AF=Assoc. of Farmers AFW=Assoc. of Farmworkers

Application threshold requirements: Application meets preliminary threshold requirements (received by closing date established in NOSA, contains all of the items listed in the NOSA, an estimate of development cost (1924-13), and a proposed operating budget (3560-7), is an eligible applicant, and is for an eligible purpose).

(Yes/No): _____ Comments: _____

Pre-Application Scoring: (Please refer to NOSA for details)

- (1) Construction Cost Leveraged Assistance. (maximum 20 points) _____
- (2) Operational Cost Saving Leverage Assistance. (maximum 50 points) _____
- (3) Seasonal, temporary, or migrant housing:
 Enter number and percent of units that will serve seasonal, temporary, or migrant farm workers: Number _____ and _____%
 (Enter 10 points for up to 50 percent of units; 20 points for 51 percent or more) _____
- (4) Additional 10 for projects in persistent poverty counties. _____
- (5) (i) FY 2015, National Office initiative will be based on the presence of and extent to which a tenant services plan exists that clearly outlines services that will be provided to the residents of the proposed project. (25 points) _____
 (ii) Two points will be awarded for each resident service included in the tenant services plan up to a maximum of 10 points. _____
- (6) (i) Energy Conservation for New Construction or Substantial Rehabilitation existing non-FLH property. (maximum 55 points) _____
 (ii) Energy Conservation. (maximum 55 points) _____
 (iii) Energy Generation. (maximum 7 points) _____
 (iv) Water Conservation in irrigation. (maximum 3 points) _____
 (v) Property Management (green) Credentials. (maximum 5 points) _____

Total point score _____

Estimated Funding:

RHS loan amount _____ + grant amount _____: \$ _____
 Leveraged funds (brought forward from attachment 3) \$ _____
 Total Development Cost: \$ _____

Review Comments:

Reviewer: _____ Date of Review: _____

National ranking results: Selected for further processing based on National ranking

(Yes/No): _____ Date: _____

**FARM LABOR HOUSING LEVERAGED ASSISTANCE
CALCULATION OF CONSTRUCTION COST SAVINGS WORKSHEET FY 2015**

Applicant Name: _____	Project Name: _____
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1. RHS total development cost (excludes non-RHS eligible costs): \$_____	
2. Leveraged Assistance (Include all eligible leveraging meeting the provisions of the NOFA such as loans, grants, land, tax abatements, etc.)	
<i>Source:</i>	<i>Amount:</i>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
3. Total leveraged assistance	\$_____
4. Percent of Leveraged Assistance (line 3 divided by line 1) _____%	
5. If mixed-use property, multiply the designated percent of FLH units (attachment 2) by line three (3) above then divide by line one (1) to determine leverage points according to the chart below.	
6. Points for leveraging _____ (Round up for .50 and above; round down for .49 and below)	