

PROCEDURE REFERENCE: RD Instruction 1924-F

PURPOSE: To notify borrowers about financial assistance available to them under the Compensation for Construction Defects program.

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
(Location)**

Dear (Borrower's Name):

Rural Development (RD) can provide financial assistance to repair major structural defects in new stick built, modular or manufactured houses it finances provided RD supervised the construction process.

RD defines a major structural defect as a serious defect in the house or unit, a related structure, or a deficiency in the site or its development. This type of defect has serious and direct results. It affects the soundness of a structure or reduces the useful life of a dwelling. The defect may be due to poor material or workmanship. Defects can also occur during building, installing or setting up a manufactured home.

If you believe a major defect exists in your home, please contact this office. We will be glad to give you the information and forms needed to file a claim. You have up to 18 months after the loan closing date or the date when construction is completed, whichever is later, to file a claim.

Sincerely,

Rural Development Official

Date