

October 20, 2016

TO: State Directors
Rural Development

ATTN: Rural Housing Program Directors,
Program Loan Cost Coordinators and
Contract Program Managers

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Rural Housing Service

SUBJECT: Program Loan Cost Expense Funds
FY 2017 Allocations and Requirements
Under the Credit Reform Act of 1990

The Office of Management and Budget (OMB) has approved this year's apportionment of **recoverable** Direct Loan Financing and Liquidating Program Loan Cost Expense (PLCE) funds for Rural Development Rural Housing Service. Your State's annual FY 2017 Direct Loan Financing Account and Liquidating Account allocations are provided in Attachment 1. These allocations are based on your FY 2016 obligations of these funds. Your FY 2017 allocations have been posted in the Type 60 Financial Management Modernization Initiative (FMMI) funds control system.

All PLCE funds required in the Community Facilities (CF) Program are held in the National Office. Funding for CF PLCEs should be requested by completing and e-mailing a scanned copy of Attachment 2 to Geoffrey Armes, CF, at geoffrey.arnes@wdc.usda.gov.

Attachment 1 also lists your State's non-recoverable Salaries and Expense Account ("A" funds) initial allocation for FY 2017 (also posted in FMMI), under the current Continuing Resolution through December 9, 2016. This year's "A" funds are only authorized for Single-Family Housing (SFH) mortgage releases, pre-approved

EXPIRATION DATE:
October 31, 2017

FILING INSTRUCTIONS:
Administrative/Other Programs

Multi-Family Housing (MFH) appraisals, pre-approved MFH cost certifications, SFH and MFH wage match, SFH bankruptcy fees, SFH inventory property inspections and interpreter services. No other uses of non-recoverable PLCE funds are allowed without prior National Office permission. Your State's initial "A" funds provided in Attachment 1 should be conserved for emergency SFH needs only during the Continuing Resolution.

To request specific MFH appraisals and/or cost certifications, contact Tonya Boykin at Tonya.boykin@wdc.usda.gov or (202) 720-8473. For all other emergency needs requiring "A" funds, contact Carl Muhlbauer at Carl.Muhlbauer@wdc.usda.gov or (202) 690-2141.

We will again need your cooperation in stretching our limited non-recoverable funding this year. Please check the accuracy of the Program Authority Codes (PACs) entered into FMMI for your State's PLCEs. Make sure you use the current PAC Tables (effective June 9, 2015) to verify the recoverability of each charge you submit. The SharePoint web site address for the Tables is:

https://ems-team.usda.gov/sites/RD_TECH/PSS/SitePages/PLC.aspx?RootFolder=%2Fsites%2FRD%5FTECH%2FPSS%2FProgram%20Loan%20Cost%20Info%2FRural%20Development%20PAC%20Codes%20%2D%20UPDATED&FolderCTID=0x012000EE9B8140E2B570429068DAFD8827199D&View=%7BC30B9F00%2D0A36%2D44A6%2DB571%2D799365758E7F%7D

To get to this site, Ctrl-Click this hyperlink. If you have trouble Ctrl-Clicking this hyperlink, or if you have received this memorandum as a hard copy, go to the RD Home SharePoint site at the following address:

<https://ems-team.usda.gov/sites/RD/SitePages/Home.aspx>

Then, on the upper right side of the screen, under "Support," click "PSS." Then click the second row icon (Program Loan Costs), and click on the link for "Rural Development PAC Codes - UPDATED."

Under provisions of the Credit Reform Act of 1990, each State has three non-transferable accounts to manage. The Direct Loan Financing Account, also referred to as the "R" Account, is used to pay PLCEs that are chargeable to a direct/insured borrower, property account, or subsidy funds in which the loan was obligated in FY 1992 or subsequent years. The Liquidating Account, also referred to as the "L" Account, is used to pay PLCEs that are chargeable to a direct/insured or guaranteed borrower or property account in which the loan was obligated prior to FY 1992. The oldest outstanding loan provides the basis for determining which recoverable ("L" or "R") Account to charge in the case of multiple loans. The non-recoverable Salaries and Expense ("A") Account is to be used to pay non-recoverable PLCEs that are not chargeable to a borrower, property account, or subsidy funds for all Housing and Community Facility programs.

Funding for PLCEs paid from cash proceeds from a sale and recoverable guaranteed loan expenses are not allocated. If you need to process a recoverable guaranteed program loan cost expense, please contact the Guaranteed Loan Branch of the Finance Office (St. Louis) at (314) 457-4192 for instructions.

Program officials are the only staff authorized to certify PLCE funds availability. Administrative officials (Contract Program Managers, Contract Specialists, Budget Analysts, etc.) are not authorized to certify PLCE funds availability. The Program Loan Cost Coordinator is responsible for monitoring obligations/disbursements of PLCE allocations by account to avoid violation of the Anti-Deficiency Act. Specifically, your State Office Housing Program section is responsible for determining and documenting how these funds will best be used to meet your program goals and objectives. It is also accountable for the proper use of these funds. State Offices are required to issue a State Administrative Notice identifying a methodology for controlling their funds, naming the program official designated to certify PLCE fund availability, and, if these funds are sub-allocated, distribute them by program and account. **A State should not request additional funding in any of its three PLCE accounts until it has obligated at least 90 percent of its current account funds.**

If field staff have any questions concerning this memorandum, they should contact their State Office. If State Office officials have questions concerning this memorandum, they should contact Carl Muhlbauer, Program Support Staff, at (202) 690-2141.

Attachments (2)

Sent by electronic mail on 10-20-16 at 12:30 pm by PSS. State Directors should notify other personnel as appropriate.

PROGRAM LOAN COST EXPENSE FUNDS

Housing Programs (RHIF) - FY 2017

State/Territory	Allocations		
	Salaries & Expense Account	Direct Loan Financing Account	Liquidating Account
Alabama	\$876	\$64,989	\$15,631
Alaska	\$235	\$68,773	\$1
Arizona	\$487	\$248,950	\$60,960
Arkansas	\$698	\$191,502	\$94,345
California	\$926	\$209,977	\$29,323
Colorado	\$368	\$111,685	\$25,889
Delaware	\$531	\$59,752	\$24,981
Florida	\$969	\$509,459	\$276,381
Georgia	\$1,044	\$290,108	\$45,281
Hawaii	\$450	\$40,533	\$7,190
Idaho	\$323	\$308,752	\$17,217
Illinois	\$759	\$377,469	\$52,540
Indiana	\$680	\$192,617	\$162,798
Iowa	\$534	\$141,378	\$54,880
Kansas	\$375	\$132,094	\$13,152
Kentucky	\$1,028	\$463,232	\$272,143
Louisiana	\$740	\$353,567	\$195,553
Maine	\$525	\$86,116	\$263,705
Massachusetts	\$622	\$39,754	\$19,047
Michigan	\$866	\$668,768	\$487,742
Minnesota	\$485	\$50,217	\$105,810
Mississippi	\$1,307	\$237,573	\$307,872
Missouri	\$795	\$177,156	\$112,345
Montana	\$275	\$219,098	\$3,857
Nebraska	\$285	\$21,450	\$594
Nevada	\$178	\$28,387	\$1
New Hampshire	\$288	\$8,782	\$19,789
New Jersey	\$282	\$64,888	\$145,646
New Mexico	\$388	\$55,947	\$13,025
New York	\$717	\$77,448	\$41,913
North Carolina	\$1,370	\$366,373	\$15,249
North Dakota	\$205	\$14,576	\$10,032
Ohio	\$830	\$958,610	\$198,860
Oklahoma	\$519	\$187,153	\$86,704
Oregon	\$385	\$427,833	\$256,530
Pennsylvania	\$921	\$89,801	\$720,016
Puerto Rico	\$776	\$24,537	\$1
South Carolina	\$826	\$113,548	\$154,387
South Dakota	\$258	\$52,199	\$3,028
Tennessee	\$945	\$106,122	\$220,273
Texas	\$1,735	\$276,780	\$194,701
Utah	\$304	\$87,577	\$2,671

Vermont		\$270	\$212,248	\$23,748
Virgin Islands		\$101	\$2,927	\$6,596
Virginia		\$773	\$95,079	\$45,433
Washington		\$491	\$165,213	\$94,396
West Virginia		\$523	\$121,849	\$50,601
Wisconsin		\$545	\$103,941	\$36,772
Wyoming		\$187	\$93,213	\$10,391
Total		\$30,000	\$9,000,000	\$5,000,000

**FISCAL YEAR PROGRAM LOAN COST EXPENSE
RURAL HOUSING SERVICE - COMMUNITY PROGRAMS**

State: _____ Account: _____
 Contact Person: _____ Fax No.: _____
 Telephone Number: _____

Program Authority Code (PAC):
 _____ (Loan Program) _____ (Program Activity)
 _____ (General Purpose) _____ (Detail Description)

Program Authority Required: _____ (Indicate Yes/No)
 Recoverable _____ Non-recoverable _____

Description of Request:

CONTRACTUAL

NONCONTRACTUAL

Inspections _____
 Appraisals _____
 Analysis and Audits _____
 Information Services _____
 Other Services _____
 Maintenance & Management _____
 Repair/Improvement _____
 Exclusive Broker _____
 Open Listing Broker _____
 Environmental _____
 Other Field Contracting _____
 Credit Bureau Reports _____
TOTAL _____

Advertising _____
 Real Estate Taxes _____
 Insurance _____
 (including flood) _____
 Other (Explain) _____
 Utilities * _____
TOTAL _____

* Attach copies of vouchers and/or documents.

 State Program Director

Concurrence: _____ Date: _____
 Associate Administrator/Deputy Administrator

TO BE COMPLETED BY NATIONAL OFFICE:

Account Balance after this obligation: _____
 Initials: _____
 Date: _____