

October 11, 2017

TO: State Directors  
Rural Development

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

FROM: Richard A. Davis /s/ *Joyce Allen*  
Acting Administrator  
Rural Housing Service

SUBJECT: Program Loan Cost Expense Funds  
FY 2018 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 2018 Direct Loan Financing Account and Liquidating Account allocations are provided in Attachment 1. These allocations are based on your FY 2017 obligations of these funds. Your FY 2018 allocations have been posted in the 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](mailto:geoffrey.arnes@wdc.usda.gov).

**Attachment 1 also lists your State's non-recoverable Salaries and Expense Account ("A" funds) initial allocation for FY 2018 (also posted in FMMI), under the current Continuing Resolution through December 8, 2017. This year's "A" funds are only authorized for Single-Family Housing (SFH) mortgage releases, pre-approved**

EXPIRATION DATE:  
October 31, 2018

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](mailto: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](mailto: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](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.

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)

## PROGRAM LOAN COST EXPENSE FUNDS Housing Programs (RHIF) - FY 2018

State/Territory	Allocations		
	Salaries & Expense Account	Direct Loan Financing Account	Liquidating Account
Alabama	\$865	\$61,930	\$49,099
Alaska	\$239	\$152,583	\$1
Arizona	\$495	\$351,473	\$126,375
Arkansas	\$704	\$242,515	\$149,062
California	\$963	\$169,919	\$59,030
Colorado	\$368	\$330,187	\$128,282
Delaware	\$529	\$64,479	\$53,300
Florida	\$971	\$526,787	\$384,973
Georgia	\$1,037	\$168,241	\$7,574
Hawaii	\$444	\$40,228	\$1,754
Idaho	\$322	\$165,947	\$20,017
Illinois	\$769	\$363,163	\$39,353
Indiana	\$680	\$160,062	\$87,137
Iowa	\$535	\$54,386	\$5,943
Kansas	\$369	\$174,271	\$35,484
Kentucky	\$1,024	\$401,586	\$273,233
Louisiana	\$750	\$298,360	\$229,167
Maine	\$515	\$100,226	\$153,992
Massachusetts	\$627	\$60,549	\$41,503
Michigan	\$879	\$784,184	\$524,748
Minnesota	\$491	\$50,129	\$60,214
Mississippi	\$1,275	\$255,954	\$261,968
Missouri	\$769	\$159,410	\$57,395
Montana	\$273	\$116,081	\$9,954
Nebraska	\$283	\$26,673	\$1
Nevada	\$178	\$12,734	\$12,354
New Hampshire	\$290	\$8,196	\$24,902
New Jersey	\$283	\$55,734	\$68,727
New Mexico	\$384	\$192,538	\$154,275
New York	\$721	\$70,630	\$14,913
North Carolina	\$1,408	\$557,703	\$104,585
North Dakota	\$203	\$11,160	\$16,766
Ohio	\$830	\$735,931	\$192,927
Oklahoma	\$512	\$263,750	\$66,602
Oregon	\$386	\$292,132	\$112,602
Pennsylvania	\$906	\$46,779	\$304,984
Puerto Rico	\$798	\$236,696	\$339,987
South Carolina	\$835	\$94,324	\$154,242
South Dakota	\$260	\$106,618	\$7,403
Tennessee	\$932	\$72,262	\$303,037
Texas	\$1,696	\$257,374	\$123,911
Utah	\$313	\$85,884	\$10,334

<b>Vermont</b>		<b>\$272</b>	<b>\$152,200</b>	<b>\$38,321</b>
<b>Virgin Islands</b>		<b>\$103</b>	<b>\$2,735</b>	<b>\$8,301</b>
<b>Virginia</b>		<b>\$767</b>	<b>\$146,360</b>	<b>\$72,298</b>
<b>Washington</b>		<b>\$501</b>	<b>\$52,502</b>	<b>\$6,225</b>
<b>West Virginia</b>		<b>\$510</b>	<b>\$86,828</b>	<b>\$51,506</b>
<b>Wisconsin</b>		<b>\$548</b>	<b>\$130,406</b>	<b>\$42,536</b>
<b>Wyoming</b>		<b>\$188</b>	<b>\$49,201</b>	<b>\$8,703</b>
<b>Total</b>		<b>\$30,000</b>	<b>\$9,000,000</b>	<b>\$5,000,000</b>

**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: \_\_\_\_\_