



Rural Development

RD AN No. 4861 (1910-C)
August 1, 2018

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TO: State Directors
Rural Development

ATTN: Program Directors, Specialists
Underwriters and Coordinators

FROM: Joel C. Baxley /s/ *Joel C. Baxley*
Administrator
Rural Housing Service

SUBJECT: Procedure for Ordering Comprehensive Commercial Credit and
Business Owner Credit Reports for Multi-Family Housing and
Single Family Housing

PURPOSE:

This Administrative Notice (AN) provides guidance for ordering Comprehensive Commercial Credit and Business Owner (CCCBO) Combination Reports from Experian Credit Solutions (Experian), used for Single Family Housing (SFH) and Multi-Family Housing (MFH) programs. It also updates the Report Coordinator contact information, incorporates use of the Do Not Pay (DNP) portal references, and expands the opportunity for supporting other Agency programs when needed.

BACKGROUND:

These reports simultaneously report both the applicants or business entities, and the individual business owners/principals using the single source contract vendor, Experian. Credit reports and the DNP are both required resources in determining program eligibility and creditworthiness for Rural Housing Service applicants when required by respective program regulations, the Notice of Solicitation Applications (NOSA) or other requirements. As required by program instructions and authorities, comprehensive credit reports are always required for SFH general or dealer/contractor approvals, and MFH Farm Labor Housing (FLH) and Rural Rental Housing (RRH) loan and grant transactions including the Multifamily Preservation and Revitalization (MPR) Demonstration program, initial and subsequent loan making and transfers. CCCBO reports may also be required when necessary or otherwise required as a condition for loan or grant approval, NOSA or continued servicing action.

EXPIRATION DATE:
August 31, 2019

FILING INSTRUCTIONS:
Preceding RD Instruction 1910-C

The CCCBO combination report addresses both the entity and the business entity individual principals as part of the analysis required for creditworthiness determinations. Creditworthiness involves an analysis of the sponsors, the borrower entity, and the principals. A commercial credit report must be ordered for the applicant entity, any parent organization, affiliate, subsidiary, and all the principals for all MFH programs.

Although a commercial credit report for a new entity may have only limited information available, this combination report ties the entity and individual principal(s) together under the applicant/borrower name based on the vendor's ability to provide a single reporting source using any information currently available for the entity and each of the principals of the entity. Each of the identified principals is now included in the CCCBO report. However, if any of the principals in the applicant entity are not natural persons (i.e., corporations, other limited liability companies, trusts, etc.) a separate CCCBO will be ordered on those organizations as well. Individual personal consumer credit reports are no longer required in MFH programs. All applicants or borrowers addressed in this AN, including those applying as only individual persons, will use the new CCCBO combination report.

Results found in the CCCBO reports should be cross referenced with information provided in the application and the results obtained from the DNP portal reports. Program staff should continue to refer to applicable program guidance to explain, clarify or address any additional items or differences being reported and include appropriate documentation in the official case file. The CCCBO and the DNP are not interchangeable, and both will be used as part of the process to verify eligibility and approval as prescribed in applicable Agency guidance, program regulation, procedures and administrative requirements.

COMPARISON WITH PREVIOUS AN:

This AN rescinds and replaces all previous RD ANs relating to this subject, including RD No. 4796 (1910-C), dated December 15, 2015.

IMPLEMENTATION RESPONSIBILITIES:

This AN publishes the names and contact information for the designated CCCBO Regional Coordinators and the States they are assigned. CCCBO reports will only be ordered through the Regional Coordinator under the Experian contract.

The effective allowable fee to be charged for each applicant entity's CCCBO report from Experian is **\$24**. Applications involving additional entities (not individual persons) including other corporations, partnerships, trusts, etc. will be charged an additional \$24 for each entity. (See the examples below.) Applications having only individual persons (non-entities) will also use the CCCBO combination report and be charged the \$24 for a single CCCBO report provided all the participating individuals are submitted on the same request.

All requests for CCCBO reports will be generated by the field office staff using Attachment 1, “Request for Comprehensive Commercial Credit and Business Owner (CCCBO) Report,” to this AN and the completed request submitted to the Regional Coordinator designated for their respective Region (see chart below). The combined fee of **\$24 covers the Applicant Entity and Individual Principal(s)**. There is no limit on the number of individual non-entity principals that simultaneously ordered each request, provided they are **ordered in the same entity name** with the **initial CCCBO request**. If the principal in the applicant entity is another entity or business, an additional \$24 will be charged to obtain a CCCBO on that entity and its principals as well. After the reports are requested from Experian by the Regional Coordinator, any later additional or subsequent request(s) are submitted for principals of the same entity will incur an additional \$24 fee that must be collected before the report is ordered.

Example:

1. ABC, Incorporated and 2 principals requested on 1/1/2013 - \$24 collected
2. **After the report has been ordered by the Regional Coordinator** – an additional principal is requested for ABC, Incorporated, therefore, an additional \$24 would be collected.
3. DEF, LP has 2 individuals and XYZ Corporation as the general partners – \$24 will be collected for ABC, LP and the 2 individuals **plus** \$24 for the CCCBO on XYZ Corporation and its individual principals. The total cost of \$48 will be collected for this example.

Note: *Do not check the box* next to the business, if you are only ordering principal reports for any additional principal on separate orders.

BUSINESS OWNER INFORMATION: (Check if you want Business Owner ordered)

CCCBO Regional Coordinators and the States Within Each Designated Region:

Regional Coordinators	Region	E-Mail Address	Phone Number	Fax Number	Responsible States
Rachelle Long	South East	rachelle.long@mo.usda.gov	(573) 876-0987	(855) 830-0685	AL, AR, FL, GA, KY, LA, MS, NC, PR, SC, and TN
Diane Martinez	West	diane.martinez@ca.usda.gov	(209) 287-3654	(844) 206-6987	AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY, and West Pacific Territories
Kathy Smith	Central	kathy.smith@tx.usda.gov	(254) 742-9748	(844) 496-8122	KS, MO, MN, ND, NE, OK, SD, TX and WI
Nancy A. Lewis	North East	nancy.lewis@va.usda.gov	(804) 287-1552	(855) 616-1655	CT, DE, IA, IL, IN, MA, MD, ME, MI, NH, NJ, NY, OH, PA, RI, VA, VT, and WV

For MFH programs, CCCBO reports are required for any applicant or established entity including for-profit partnerships, corporations, limited liability company (LLC), limited or general partnerships, trust, non-profit organization and any other form of applicant/borrower recognized in the respective program regulation. Each CCCBO request for an entity will include any co-applicants, all general partners and principals who are individuals. It will also include any parent, affiliate, and subsidiary companies with controlling or financial interests in the organization, decision-making and operational authority that may control the applicant and includes any sub-applicant entities. CCCBO reports for sub-applicant entities will include the actual individual(s) of any sub-entity (i.e., other organization, partnership, affiliate, subsidiary, etc.).

Information for all individual applicants or borrowers under the RRH and FLH loan programs will be ordered using the Experian Business IQ order process. Comprehensive credit reports obtained for an established non-profit organization, but individuals such as the officers, members of the board of directors, and the executive director of the non-profit will not be included in the CCCBO as individual principals of the non-profit organization. CCCBO reports for Public Agencies may be waived at the discretion of the State Director unless otherwise required by program regulations. At the discretion of the State Director the CCCBO fee may be waived for non-profit

organizations. See 7 CFR part 3560, §3560.56(d) (5); the MFH Loan Origination Handbook, HB-1-3560, Chapter 4, Exhibit 4-7; and the MFH Transfer Handbook, HB-3-3560, Chapter 7.

For SFH programs, comprehensive reports will be obtained when required to determine the financial and managerial capacity of a general contractor or dealer/contractor. When a dealer/contractor or general contractor is a firm, a CCCBO report will be ordered on the firm and each of the business owner principals. If the dealer/contractor or general contractor is a sole proprietorship, a CCCBO report will be obtained for the principal owner pursuant to RD Instructions 1910-C, §1910.105 and §1910.106 (f).

UniFi is only to be used to obtain individual reports for SFH applicants.

Credit Freeze. Applicants who have in place a “credit freeze” limiting credit information, should be referred to <https://www.consumer.ftc.gov/articles/0497-credit-freeze-faqs> to permit release of credit information for the continued processing of their loan, grant or servicing request by the United States Department of Agriculture.

Ordering Credit Reports

Business Comprehensive Report:

Complete Attachment 1 of this AN for each CCCBO business consumer report. If there are more than 4 principals, attach an additional sheet with the same information for each additional principal.

Individual Credit Report:

The request(s) may be e-mailed or faxed to the applicable CCCBO Regional Coordinator for your State (see page 4 of this AN for the list).

Submission of Payments

To remit payments for credit reports for each program, you should use the following forms:

- MFH Program - MFH Payment Transmittal Cover Sheet for Multi-Family Housing
- SFH Program and any other non-MFH program - Form RD 3550-17 “*Funds Transmittal Report for Single Family Housing*”

Submission of payments are processed by the servicing office. If you have any questions regarding the ordering of comprehensive credit reports, please contact your CCCBO Regional Coordinator as listed on page 4 of this AN.

Attachment

Request for Comprehensive Commercial Credit and Business Owner (CCCBO) Report

To: State Director
 Attn: Regional Coordinator for CCCBO Reports

SUBJECT: FISCAL YEAR 2018 REPORT TYPE REQUESTED FOR Comprehensive Report (\$24)

BUSINESS OWNER INFORMATION: check if you want Business Owner ordered POC _____

Name	Tax ID#	Telephone Number
Address		City/State/Zip

PRINCIPAL INFORMATION (*individual principals* for same entity):

Name
Social Security Number
Address
City, State, Zip

Name
Social Security Number
Address
City, State, Zip

Name
Social Security Number
Address
City, State, Zip

Name
Social Security Number
Address
City, State, Zip

Date Collected	CCCCBO Fee(s) Collected	Collecting Official	
Date Requested	Person Requesting/Title	Office Address	Send Report to:

TO BE COMPLETED BY REGIONAL COORDINATOR ONLY:

Report provided Date: _____ Mailed: _____ Faxed: _____ E-mailed: _____