

U.S. DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
Washington, D.C. 20250

MANUAL                      ISSUE No.  
WSAL                        PN 645  
**DATE**  
June 18, 2025

## PROCEDURE NOTICE

### NOTICE

**INSERT RD HB-1-3550**  
**(WSAL)**

**DIRECT SINGLE FAMILY HOUSING LOANS AND  
GRANTS FIELD OFFICE HANDBOOK.** Appendix 9 is  
completely revised to update the Income  
Limits for the Sections 502 Direct and 504 Loan/Grant Program.

The effective date of these income limits is June 18, 2025.

**REMOVE**

Appendix 9 dated 07-12-24.

**INSERT**

[Appendix 9 revised 06-18-25.](#)

### NOTICE

**INSERT RD HB-1-3555**  
**(WSAL)**

**SFH GUARANTEED LOAN PROGRAM TECHNICAL  
HANDBOOK.** Appendix 5 is completely revised  
to update the Income Limits for the Section  
502 Guaranteed Loan Program. The effective date of these income limits is June  
18, 2025.

**REMOVE**

Appendix 5 dated 07-12-24.

**INSERT**

[Appendix 5 revised 06-18-25.](#)

### RD HANDBOOK CHANGES

**INSERT RD HB-1-3550**  
**(WSAL)**

**DIRECT SINGLE FAMILY HOUSING LOANS AND  
GRANTS - FIELD OFFICE HANDBOOK.** This  
Handbook is partially revised. The specific  
revisions are outlined below.

**Chapter 4:**

- **Paragraph 4.3(A)3,** added language requiring actual income earned by a revocable trust under the control of the household, regardless of whether it is distributed, to be considered income to the family at the time it is received by the trust.
- **Paragraph 4.3(B)7,** added language requiring payments related to aid and attendance under 38 U.S.C. 1521 to veterans during a period of war with non-service-connected disability pension in need of regular aid and attendance to be considered repayment income.

(CON.)

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READ PROCEDURE - DISCUSS IN STAFF CONFERENCE - KEEP PROCEDURE MANUAL UP TO DATE

**RD HANDBOOK CHANGES****INSERT RD HB-1-3550 (Con.)****(WSAL)**

- **Paragraph 4.3(C)**, added the following to the list of income never considered for annual and repayment income: (a) Civil rights settlements or judgements, including settlements or judgements for back pay. (b) Amounts recovered on any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty that resulted in a member of the family becoming disabled. (c) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.
- **Paragraph 4.3(D)**, added imputed returns on net family assets as additional income never considered for annual income.
- **Paragraph 4.4(C)**, added a statement that the amount of dependent deduction will be indexed to inflation and adjusted annually in consultation with HUD.
- **Paragraph 4.4(D)**, added a statement that the income exclusion amount for full-time students will be indexed to inflation and adjusted annually in consultation with HUD.
- **Paragraph 4.4(E)**, increased the elderly household deduction to \$525 and added a statement that the deduction amount will be indexed to inflation and adjusted annually in consultation with HUD.
- **Exhibit 4-3**, clarified negative equity in real property or other investments does not prohibit the owner from selling, so negative equity alone would not justify excluding the property or other investments from family assets); added civil judgements to the list of non-retirement assets to be considered, clarified trust distributions, "baby bond" accounts, tax refunds, and the value of non-necessary items of personal property that should not be considered.

**REMOVE**

Chapter 4 dated 01-23-03:  
Pages 4-11 thru 4-20 and  
4-31 thru 4-73.

**INSERT**

Chapter 4 dated -1=23=-3:  
[Pages 4-11 thru 4-20 and](#)  
[4-31 thru 4-73 revised 06-18-25.](#)

(CON)

**FORMS MANUAL INSERT**

**FORM RD 1944-6**

**(WSAL)**

dependent deduction and elderly and disabled deduction from numbers 8 and 13. The Form and FMI can be located on the eForms website [eForms Home \(usda.gov\)](https://www.usda.gov/eforms).

**REMOVE**

FMI dated 05-14-97:  
Pages 1 thru 7.

**INTEREST CREDIT AGREEMENT (Section 502 RH**

**Loans)**. Prescribed in RD Handbooks 3550.

The FMI is revised to remove the amount of

**INSERT**

FMI dated 05-14-97:  
[Pages 1 thru 7 revised 06-18-25.](#)

**FORM RD 1944-14**

**(WSAL)**

**PAYMENT ASSISTANCE/DEFERRED MORTGAGE**

**ASSISTANCE AGREEMENT.** Prescribed in RD

Handbooks 3550. The FMI is revised as

follows:

- Changed MortgageServ references to LoanServ.
- Remove the amount of dependent deduction and elderly and disabled deduction from numbers 8 and 13. The Form and FMI can be located on the eForms website [eForms Home \(usda.gov\)](https://www.usda.gov/eforms).

**REMOVE**

FMI dated 07-16-08:  
Pages 3 & 4 and 5 & 6.

**INSERT**

FMI dated 07-16-08:  
[Pages 3 & 4 and 5 & 6 revised 06-18-25.](#)

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