

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

MANUAL ISSUE No.
WSAL PN 493
DATE
January 13, 2017

PROCEDURE NOTICE

RD MANUAL CHANGES

INSERT RD INS 440.1
(WSAL)

**INTEREST RATES, AMORTIZATION,
GUARANTEE FEE, ANNUAL CHARGE, AND
FIXED PERIOD.** This Instruction is
partially revised as follows:

Exhibit B, to update various program rates and the Treasury Judgement Rate effective December 1, 2016.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 93).

INSERT

Exhibit B: Pages 1 & 2 (Rev 94).

RD HANDBOOK CHANGES

INSERT RD HB-2-3550
(WSAL)

**DIRECT SINGLE FAMILY HOUSING LOANS
AND GRANTS FIELD OFFICE HANDBOOK.**
This Handbook is partially revised.
Specific revisions include:

This Handbook is partially revised. Specific revisions include:

All references to the Centralized Servicing Center has been changed to the Customer Service Center accordingly throughout Handbook-2-3550; in addition, all references to MortgageServ used throughout the handbook have been changed to LoanServ.

Table of Contents: Updated to reflect revisions to pages and headings throughout the handbook.

Chapter 1:

Paragraph 1.2, to state that CSC officially stands for the Customer Service Center. Subsequent references to this Center were updated accordingly throughout Handbook-2-3550. In addition, to update the consistency of terminology used within the Single Family Housing Program.

Paragraph 1.8, to add Executive Order 13166 as a civil rights compliance requirement to Exhibit 1-1.

Paragraph 1.9, to update the title of the CSC's Deputy Administrator.

(CON.)

RD HANDBOOK CHANGES

INSERT RD HB-2-3550
(WSAL)

Chapter 1:

Paragraph 1.10, to insert the requirement that State Directors will review employee relationships, and obtain the Administrator's concurrence for application processing.

Paragraph 1.11, to incorporate the reference to Rural Development (RD) Instruction 1970 series.

Paragraph 1.12, to update the title of the CSC official who may initiate an exception request submitted to the Administrator.

Exhibit 1-2, to update and reflect modern day income limits, loan amounts, and the new credit report vendor information.

Attachments 1-B, 1-D, 1-G, and 1-H, to update the title of a National Appeals Division (NAD) official

Chapter 2:

Paragraph 2.12, to delete the reference to a broker's price opinion; and to replace the reference to RD Instruction 1940-G with RD Instruction 1970 series.

Paragraph 2.14, to insert language regarding the need for an environmental review prior to the approval of a mineral lease.

Paragraph 2.15, to incorporate language from RD Instruction 1970 series which indicates that servicing actions (such as partial release of security, assumption, or subordination requests) do not require a separate environmental review, and to incorporate instructions to assist the Field Office with processing a partial release.

Chapter 3:

Paragraph 3.3 (A) (2), to generically refer to the Federal Emergency Management Agency's Standard Flood Hazard Determination here and elsewhere within the handbook. Per FEMA website, "The existing Standard Flood Hazard Determination Form (FEMA form 086-0-32) expired on May 30, 2015. Until the new form becomes available, please continue to use the existing form or the prior version of the form (FEMA form 81-93) whichever you are currently using. Once the new form is published, this page will be updated with the new form and with additional information on transitioning to the new form."

Paragraph 3.13 (A), to increase field staff delegation to endorse the insurance claim check to the borrower from a total claim amount of \$2,500 to \$7,500; and to specify what actions are taken depending on the account status; and to provide specific guidance regarding the administration of insurance proceeds.

RD HANDBOOK CHANGESINSERT RD HB-2-3550
(WSAL)**Chapter 3:**

Paragraph 3.16 (A), to increase the amount of insurance proceeds Field Offices are authorized to release for borrowers affected by natural disaster from \$5,000 to \$10,000, and to correct the numbering in the appendix.

Exhibit 3-3, to increase field staff delegation to endorse the insurance claim check to the borrower from a total claim amount of \$2,500 to \$7,500.

Appendix 3-B, to state that the current tax service fee of \$108 will remain in effect until further notice.

Chapter 4:

Note: Updates were made throughout the chapter to change MortgageServ to LoanServ.

Paragraph 4.1, to change CSC's official name change from Centralized Servicing Center to Customer Service Center.

Paragraph 4.2 (A) (3), to spell out Method 2.

Paragraph 4.2 (E), to add clarity to the subsidy recapture requirements.

Paragraph 4.7(A) (1), to clarify the definition of annual income.

Paragraph 4.7 (A) (2), to update guidance on full time students in Exhibit 4-5.

Paragraph 4.7, (A) (3) to change the verbiage in ``Example - Self Employment, Commission and Other Irregular Income'' from consignment to commission; to remove the ``Ken Hammer'' scenario in ``Examples - Other Sources of Income''; to change the title from ``Examples - Seasonal Income'' to ``Examples - Irregular Income''; and to change the time frame in the ``Ross Bosser'' scenario from three to two years income history.

Paragraph 4.7 (B), to remove the reference to Attachment 4-A, Sample Worksheet for Computing Income, and replace it with a link to an income calculator; also to remove the reference to Attachment 4-B.

Paragraph 4.8 (A) (3), to remove the reference to calculating income derived from net family assets.

Paragraph 4.8 (B) (1), to update the Housing Choice Voucher Homeownership Program's website link and to correct the numbering of the list.

Paragraph 4.8 (B) (11), to add guidance for calculating repayment income from the Supplement Nutrition Assistance Program (SNAP).

(CON.)

RD HANDBOOK CHANGES

INSERT RD HB-2-3550
(WSAL)

Chapter 4:

Paragraph 4.8 (D)(7), to remove the reference to Advanced Earned Income Tax
Paragraph 4.8 (C) (3), to clarify the guidance for payments for the care of foster children or adults, by removing "who are not otherwise related to the mortgagor's household by blood, marriage, or operation of law".

Paragraph 4.8 (D) (1), to clarify the guidance for payments received for foster children.

Credit in the "Examples - Income Exclusions" box.

Paragraph 4.9(A), to remove the reference to Attachment 4-B.

Paragraph 4.10, to clarify guidance on nontaxable income sources to be "grossed up", such as Housing Choice Vouchers, social security, and child support (provided it is stable and is expected to continue for at least two years).

Paragraph 4.11, to update the types of assets that are not considered when calculating income from assets in Exhibit 4-7.

Attachment 4-A, to replace the worksheet content with a web link to an automated worksheet for computing income.

Attachment 4-B, to remove the content and reserve the Attachment.

Chapter 5:

Paragraph 5.5 (A) (2), to instruct the Field Office to document why alternatives were not feasible and why the repairs are needed to protect the Government's interest; and to advise that protective advances will be reported to the Internal Revenue Service (IRS) as income to the vendor.

Chapter 6:

Paragraph 6.2, to replace the references from RD Instruction 1940-G to RD Instruction 1970 series ; and amend the language to conform to RD Instruction 1970 series.

Exhibit 6-1, to reflect guidance in RD Instruction 1970 series.

Paragraph 6.5, to correct the title of the CSC's Deputy Administrator.

Chapter 7:

Paragraph 7.2, to state that CSC officially stands for the Customer Service Center.

RD HANDBOOK CHANGES

INSERT RD HB-2-3550
(WSAL)

Glossary:

To include standardized terms used throughout the Single Family Housing program:
Best mortgage obtainable,

Do Not Pay portal, and HUD high cost area.

Acronyms:

Acronyms is revised to add the following:

CFPB	Consumer Financial Protection Bureau
CFR	Code of Federal Regulations
COR	Contracting Officer Representative
EA	Environmental Assessment
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
FHA	Federal Housing Administration
NEPA	National Environmental Policy Act
RHS	Rural Housing Service
SFH	Single Family Housing
VA	Department of Veterans Affairs

To change -

CSC	Centralized Servicing Center to Customer Service Center.
-----	--

Appendix 1:

To reflect both handbooks.

RD HANDBOOK CHANGES
INSERT RD HB-2-3550
(WSAL)

Appendix 3:

To change CSC's name as reflected in the letters referenced in this handbook.

NOTE: Minor page numbering has been updated throughout the manual as well as the content updates noted in this Procedure Notice.

REMOVE

Table of Contents dated 05-27-98:
Pages 5 thru 8 and 11 thru 12;
Chapter 1 dated 05-27-98:
Pages 1-1 & 1-4, 1-9 thru 1-12
1-15 & 1-16, 1-17 & 1-18,
and 1-21 thru 1-26;
Chapter 2 dated 05-27-98:
Pages 2-3 thru 2-6, 2-11 & 2-12,
2-15 thru 2-20 and 2-25 & 2-26;
Chapter 3 dated 05-27-98:
Pages 3-1 thru 3-4, 3-11 thru 3-20,
3-19 thru 3-20 and 3-23 & 3-24,
Attachment 3-B;
Chapter 4 dated 05-27-98:
Pages 4-1 thru 4-6, 4-9 thru 4-14,
4-17 thru 4-50;
Attachment 4-A & 4-B;
Chapter 5 dated 05-27-98:
Pages 5-1 thru 5-6,
5-9 thru 5-12
Chapter 6 dated 05-27-98:
Pages 6-1 & 6-2,
6-5 thru 6-14;
Chapter 7 dated 05-27-98:
Pages 7-3 thru 7-4;
7-13 thru 7-24;
Glossary dated 05-27-98:
All Pages;
Acronyms dated 05-27-98:
All Pages 1 & 2
Appendix 1 dated 05-27-98:
Page 11 & 12, 67 & 68 and
75 & 76;
Appendix 3 dated 05-27-98:
HB Letters 101 thru 115;

INSERT

Table of Contents dated 05-27-98:
Pages 5 thru 8 and 11 thru 12 revised;
Chapter 1 dated 05-27-98:
Pages 1-1 thru 1-4, 1-9 thru 1-12
1-15 & 1-16, 1-17 & 1-18,
and 1-21 thru 1-26 revised;
Chapter 2 dated 05-27-98:
Pages 2-3 thru 2-6, 2-11 & 2-12,
2-15 thru 2-20 and 2-25 & 2-26 revised;
Chapter 3 dated 05-27-98:
Pages 3-1 thru 3-4, 3-11 thru 3-20,
3-19 & 3-20 and 3-23 & 3-24 revised,
Attachment 3-B revised
Chapter 4 dated 05-27-98:
Pages 4-1 thru 4-6, 4-9 thru 4-14,
4-17 thru 4-52,
Attachment 4-A revised;
Chapter 5 dated 05-27-98:
Pages 5-1 thru 5-6,
5-9 thru 5-12 revised;
Chapter 6 dated 05-27-98:
Pages 6-1 & 6-2,
Pages 6-5 thru 6-15 revised;
Chapter 7 dated 05-27-98:
Pages 7-3 & 7-4,
7-13 thru 7-24 revised;
Glossary dated 05-27-98:
Page 1 thru 12 revised;
Acronyms dated 05-27-98:
Pages 1 thru 3 revised;
Appendix 1 dated 05-27-98:
Page 11 & 12, 67 & 68 and
75 & 76 revised;
Appendix 3 dated 05-27-98:
HB Letters 101 thru 115 revised 01-13-17.

NO SPECIAL PROCEDURE NOTICE RELEASED.

NO ADMINISTRATIVE NOTICES RELEASED.