

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 January 1, 2019.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 117).

INSERT

Exhibit B: Pages 1 & 2 (Rev 118).

Effective February 1, 2019.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 118).

INSERT

Exhibit B: Pages 1 & 2 (Rev 119).

RD HANDBOOK CHANGES

INSERT RD HB-1-3550
(WSAL)

DIRECT SINGLE FAMILY HOUSING LOANS
AND GRANTS FIELD OFFICE HANDBOOK.

This Handbook is partially revised. Specific revisions include:

Chapter 5:

Paragraph 5.1 (B), to update the USDA Address Verification website's link.

Paragraph 5.2, to add language consistent with RD Instruction 1924-C and Attachment 3-D related to a home's street requirements.

Paragraph 5.5, to revise the title to include "Site Access" and provide clarification when access is privately maintained.

Paragraph 5.6 (D)(1), to eliminate the requirement that in-ground pools cannot be removed prior to closing.

Paragraph 5.7 (A), to remove the requirement that a home inspector must "certify" the dwelling meets Agency DSS standards and establishes that a report is acceptable with a statement from the inspector indicating the dwelling appears to satisfy our standards.

(CON.)

RD HANDBOOK CHANGES

INSERT RD HB-1-3550 (Con.)

Chapter 5:

Paragraph 5.7 (B), to revise the title from "New Construction" to "New Dwellings" and to add language which is consistent with the Glossary. The paragraph also reminds Loan Approval Officials to consider how construction quality will be documented.

Paragraph 5.14, to eliminate the requirement for appraisers to submit a Market Condition Addendum (Form FNMA 1004MC) and to clarify that a leveraged lender's appraisal cannot be used when the lender is also the seller, builder, developer, or contractor.

Paragraph 5.21 (A), to state upfront that appraisal reviews should be completed as soon as possible but not later than 7 days from its receipt.

Paragraph 5.23, to add "conventional" to the title and the body so that appraisals may be accepted without the sales approach method when there is little conventional market lending. The revision also removed the requirement to meet "all" the remote rural area characteristics to be eligible for State Director consideration.

Section 6: "Managing Construction", to clarify that the section generally refers to loans where the Agency is funding the construction through scheduled draw requests and adds MortgageServ guidance for those transactions where the contractor is self-funding the construction.

Paragraph 5.25 (A), to add a new paragraph providing guidance on the establishment, purpose, use, approval, and close-out of construction loan contingency funds.

Paragraph 5.25 (D), to update the Department of Labor's website related to contracts greater than \$10,000.

Paragraph 5.27, to replace CSC with NFAOC.

Attachment 5-A Section 5, to remove the requirement for Fannie Mae 1004MC Market Conditions Addendum and to update the lettering for the rest of the list.

Attachment 5-E, to update the weblink for RD's eligibility test site.

REMOVE

Chapter 5 dated 01-23-03:
Pages 5-1 thru 5-6,
5-9 thru 14, 5-27 & 5-28,
5-31 thru 5-42,
Attachment 5-A:
Pages 5 thru 10,
Attachment 5-E: Pages 3 & 4.

INSERT

Chapter 5 dated 01-23-03:
Pages 5-1 thru 5-6,
5-9 thru 5-14, 5-27 & 5-28,
5-31 thru 5-42 revised,
Attachment 5-A:
Pages 5 thru 10 revised,
Attachment 5-E:
Pages 3 & 4 revised 02-15-19.

RD HANDBOOK CHANGES

INSERT RD HB-1-3555

SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK. This Handbook is partially revised as follows:

Chapter 4:

Chapter 4 is partially revised to update regulatory references, remove unnecessary or repetitive language and to update the lender's reporting and oversight requirements.

Under 4.4, replaced "RESPA" with "Bureau of Consumer Financial Protection (BCFPB)."

Under 4.6 (A), added guidance on accessing duplicate copies of the LNG electronically.

Under 4.8, added lender responsibility in managing counterparty and third-party providers.

Under 4.12, changed the lenders reporting requirements from quarterly to monthly and updated the email address to the NFAOC.

Minor formatting and other errors were corrected.

REMOVE

Chapter 4 dated 03-19-16:
Pages 4-1 & 4-2, 4-3 & 4-4,
4-7 & 4-8.

INSERT

Chapter 4 dated 03-19-16:
Pages 4-1 & 4-2, 4-3 & 4-4,
4-7 revised 02-15-19.

**INSERT RD HB-3-3560
(WSAL)**

MFH PROJECT SERVICING HANDBOOK.
This Handbook is partially revised as follows:

Chapter 9:

Chapter 9 is partially revised to provide procedural guidance for seeking civil monetary penalties against an eligible entity. The added handbook guidance comes as a result of publication of the Civil Monetary Penalties Final Rule in the Federal Register (Vol. 81, No. 163) on August 23, 2016, and includes the 1) Procedures for the determination of the civil monetary penalties; 2) Procedures for the administrative hearing; 3) Establishing fines; and 4) Procedures for the collection of fines.

Civil monetary penalties provides an important enforcement tool for RHS, outside of foreclosure which may not be in the best interest of the government, that allows an additional remedy for serious non-monetary compliance violations affecting the value of security or the financial stability of the properties held as security for our loans.

RD HANDBOOK CHANGES

**INSERT RD HB-3-3560 (Con.)
(WSAL)**

Attachment 9-A "Flowchart of the CMP Process" is added to provide the field with a visual roadmap that outlines the CMP process.

REMOVE

Table of Contents:
Pages 11 thru 14;
Chapter 9 dated 02-24-05:
Pages 9-1 thru 9-31;
Appendix 4 dated 02-24-05:
Handbook Ltr 305.

INSERT

Table of Contents:
Pages 11 thru 14 revised;
Chapter 9 dated 02-24-05:
Pages 9-1 thru 9-39;
Attachment 9-A added;
Appendix 4 dated 02-24-05:
Handbook Ltr 303-A added,
Handbook Ltr 304-A added,
Handbook Ltr 305 revised,
Handbook Ltr 305-A added 02-15-19.

**INSERT RD HB-3560s
(WSAL)**

This Handbook is partially revised as follows:

The Civil Monetary Penalties in Appendix 1 is being revised in all three of the MFH 3560 Handbook.

Appendix 1:

The Final Rule for the Civil Monetary Penalties was published in the Federal Register on August 23, 2016;

Table of Contents is revised and corrected;

Section 3560.461(b) (2) includes language on how penalties will be assessed;

Section 3560.461(b) (4) includes language on how hearings will be conducted;

Technical corrections, to insert the title "Subpart G - Financial Management" above Section 3560.301;

Remaining pages are renumbered.

RD HANDBOOK CHANGES
INSERT RD HB-3560s
(WSAL)

HB-1-3560, MFH LOAN ORIGINATION HANDBOOK, Appendix 1

REMOVE

Pages 3 thru 20,
117 & 118, 159 & 160,
161 thru 202.

INSERT

Pages 3 thru 20,
117 & 118, 159 & 160,
161 thru 201 renumbered 02-15-19.

HB-2-3560, MFH ASSET MANAGEMENT HANDBOOK, Appendix 1

REMOVE

Pages 3 thru 20,
117 & 118, 159 & 160,
161 thru 202.

INSERT

Pages 3 thru 20,
117 & 118, 159 & 160,
161 thru 201 renumbered 02-15-19.

HB-3-3560, MFH PROJECT SERVICING HANDBOOK, Appendix 1

REMOVE

Pages 3 thru 20,
117 & 118, 159 & 160,
161 thru 202.

INSERT

Pages 3 thru 20,
117 & 118, 159 & 160,
161 thru 201 renumbered 02-15-19.

NO SPECIAL PROCEDURE NOTICE RELEASED.

NO ADMINISTRATIVE NOTICES RELEASED.

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