

## 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 is partially revised to update the Treasury Judgement rate and the effective date of November 1, 2022.

REMOVE  
Exhibit B: Pages 1 & 2 (Rev 35).

INSERT  
Exhibit B: [Pages 1 & 2 \(Rev 36\)](#).

**INSERT RD INS 1901-A**  
(WSAL)

**LOAN AND GRANT APPROVAL AUTHORITIES.** This  
Instruction is partially to updated to  
include the new consolidated OneRD Regulation

and its associated process and delegation. In addition, other delegations are being clarified and the Water and Environmental Program's delegation was added to have all programs in one document.

REMOVE  
All Pages;  
Exhibits A & B.

INSERT  
[Pages 1 & 2 revised;](#)  
[Exhibits A and B revised,](#)  
[Exhibit G added 11-18-22.](#)

### 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 1:

Handbook-1-3550, Chapter 1 is being revised to clarify that compliance with non-discrimination laws also applies to partners who participate in delivery of the programs. The specific revisions are outlined below.

Paragraph 1.8, to clarify leveraged lenders, participating non-profits, appraisers, and agents assisting applicants will administer services fairly and in accordance with all equal opportunity and fair housing legislation and applicable Executive Orders.

Paragraph 1.8 A, to clarify nondiscrimination laws apply to leveraged lenders, participating non-profits, appraisers, and agents.

(CON.)

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3550 (Cont)****Chapter 3:**

Chapter 3 is being revised to emphasize streamlined processes (e.g., the potential applicant's self-assessment, the use of the standardized application package, the use of the Electronic Customer File (ECF), the use of the Electronic Fee Service (EFS) to process credit report fees, etc.); to update attachments in the chapter; and to make improvements where needed. The specific revisions are outlined below.

Paragraph 3.2, to provide a link and direction to the Self-Assessment tool.

Paragraph 3.3, to clarify the appropriate action for when "SSN CROSS REFERENCE" reveals a current loan or active application. If the pre-qualification is for a subsequent loan, the Loan Originator should continue processing. If the pre-qualification is for purchase, the Loan Originator should contact the applicant for additional information in order to determine the appropriate action. If the applicant has an active loan application in another Field Office, the applicant must decide to either transfer the existing application to the new servicing area or continue processing with the existing servicing area, as they may not have two applications in process at the same time.

Paragraph 3.4 B, to clarify the Loan Originator must provide a list of approved local homeownership education providers to the applicant along with the standardized application package.

Paragraph 3.5, to emphasize the use of the standardized application package, clarify eForms requires an eAuthentication with a verified identity, clarify packagers may include Section 523 self-help grantees, certified packagers, and other packaging types as specified in Attachment 3-A.

Paragraph 3.6, to clarify the "Date Application Received" field in UniFi must be completed promptly but no later than 3 business days after receipt of an application; and applications (including applications received via eForms) must be reviewed within 3 business days after receipt to determine if the Loan Estimate disclosure requirement was triggered and to determine if items are missing.

Paragraph 3.6 A, to clarify when an application submitted by a loan application packager is determined to be incomplete, the following statement must be sent to the packager in writing within eForms or email: " No action can be taken until all the noted items have been received in this office. The loan application package is missing the following items: [list of missing items]. Please complete the package and resubmit the package in its entirety within [enter 15 days from the date of written notice]." To further clarify after the Agency accepts a package as complete, if additional information is needed and Handbook Letter 11 is sent to the applicant, a copy must be provided to the packager and intermediary (if present).

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3550 (Cont)****Chapter 3:**

Paragraph 3.6 B, to clarify collections of payment for credit report fees must be processed daily in accordance with RD Instruction 1951-B. An application must be entered into UniFi promptly but no later than 3 business days after receipt to obtain the account number needed for remittance of the credit report fee. The credit report is not required to be ordered at the time of remittance of the credit report fee. The credit report will be ordered at the time the application is selected for processing. Remittance will be through the electronic fee service in LoanServ for a check or savings account deposit slip, or Form RD 3550-17, Funds Transmittal Report for a cashier's check or money order. A daily collection log must be maintained in accordance with RD Instruction 1951-B. A print screen from LoanServ, or Form RD 3550-17, Funds Transmittal Report with copy of check, deposit slip, cashier's check or money order, should be filed in the office's collection log and in the applicant's ECF. Field Offices must comply with the internal control procedures prescribed in RD Instruction 1951-B and Form RD 1951-44, Management Control and Review of Field Office Collection Activities.

Paragraph 3.6 C, remove refence to a hardcopy file and clarify the applicant's file should be established according to the standardized document types and classification available in ECF and RD Instruction 2033-A, Management of Rural Development Records. For subsequent loans, the new documentation should be added to ECF with the subsequent loan number.

Paragraph 3.7, to clarify when the loan application package is submitted via eForms, a signature is not required on Form RD 410-4 since the eForms submission serves as proof of signature.

To clarify the date must be entered in the "Application Complete Date" field in UniFi. The date does not need to be entered on the "Application complete on" line on page 8 of Form RD 410-4.

Paragraph 3.8 A 1, to rename Handbook Letter 5 (3550), Cover Letter to Truth in Lending to Cover Letter for Initial Disclosure Package. To clarify the closing disclosure can be issued instead of a revised Loan Estimate if a closing date has been determined, final fees calculated, and it is sent at least 7 business days prior to loan consummation. Either the revised Loan Estimate or Closing Disclosure can be used to reset tolerance and terms.

Paragraph 3.8 C, to clarify Attachment 3-H, Credit Score Disclosure is provided to the applicant with the standardized application package.

Paragraph 3.8 D, to remove that an appraisal must be completed within 30 days from the obligation date.

Paragraph 3.9, to clarify that the Loan Originator must record in UniFi that the application has been withdrawn or rejected.

Paragraph 3.15, to clarify the Loan Originator should collect and verify items required for the Agency's decision (e.g., do not collect birth certificates to verify age/name of a dependent, require verification of a prior address, etc.).

(CON.)

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3550 (Cont)****Chapter 3:**

Attachment 3-A, to clarify a Section 502 loan application package (certified or non-certified) that does not meet the requirements of Attachment 3-A, including all applicable items listed in the cover letters for both Phase 1 and Phase 2, will be considered a referral only and the packager or intermediary may not charge a packaging fee. In addition, intermediaries (if present) must conduct a quality assurance review for both Phase 1 and Phase 2. To clarify Section 504 packaging can include both loan and grant applications. To increase the permissible packaging fee for a certified packaging body with an intermediary, certified packaging body without an intermediary, and an intermediary acting as a certified packaging body. To clarify regardless of which type of loan is being packaged, Section 523 grantees will follow the packaging guidance in Attachment 3-A related to pre-eligibility counseling, applicant disclosures, application submissions, and the use of eForms and to further clarify what fee is permissible. To clarify for Section 504 loan and/or grant packaging the Agency and the packaging body will execute a Memorandum of Understanding (MOU) using the standardized format, which can be found in SharePoint. Section 523 TA grantees submitting an application involved in a rehabilitation project which uses Section 504 loan funding are also subject to this guidance. To clarify the Section 504 program review will be completed using the borrower eligibility requirements in Chapter 12 and the 504 Automated Worksheet. To clarify packager responsibilities for both when the program does not appear to be a good fit for the potential applicant, and when the applicant appears to be eligible. Potential applicants who were considering building via the self-help program but who do not appear to qualify for a loan should be counseled that applying directly to the Agency would exclude participation in the self-help program. To clarify when an applicant indicates they wish to withdraw their application which has already been submitted to the Agency, the packager must obtain written confirmation from the applicant requesting the Agency withdraw their application or have the applicant contact the Agency directly. To clarify intermediaries and self-help grantees must submit the application package via eForms; all other packagers are strongly encouraged to use eForms as well, but if not, should submit the application package to Rural Development via encrypted email. To update requirements in the Required Disclosure Letter, Packaging Phase 1: Application Submittal Cover Letter, Packaging Phase 2: Property Submittal Cover Letter, and Cover Sheet for Submittal of Intermediary Application. To clarify that certified application packagers and intermediaries who choose to accept electronic signatures for other application documents must meet the standards and requirements set forth in the E-Sign Act, as well as all other applicable federal and state regulations and guidelines. To clarify after the loan application package is accepted, the Agency will communicate directly with the applicant(s) if additional information is required. When correspondence is sent to the applicant, the packager and intermediary (if present) will be copied.

Attachment 3-D, to clarify rural areas typically include open country and places with a population of 10,000 or less and, under certain conditions, towns and cities between 10,000 and 20,000 population. To update links and add a link to the Intermediary Map. To clarify services provided by a loan application packager, the intermediary role, and priority processing. To change Eligibility Assessment tool to Self-Assessment tool.

(CON.)

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3550 (Cont)**

**Chapter 3:**

Attachment 3-G, to improve appearance, add Responsible Party column, updates to certain ECF information, and corresponding updates throughout.

Attachment 3-J, to clarify options for submitting the credit report fee and update links.

**Chapter 9:**

Handbook-1-3550, Chapter 9 is being revised to remove the Comprehensive Commercial Credit and Business Owner (CCCBO) Combo Reports requirement for entities who apply to become approved manufactured dealer-contractors. In addition, an individual credit report will not be obtained on the principals. A corresponding change to Form RD 1944-5, Manufactured Housing Dealer-Contractor Application, is also being made. The specific revisions are outlined below.

Paragraph 9.17, to remove references to a Comprehensive Commercial Credit and Business Owner (CCCBO) Combo Report for manufactured housing dealer-contractors.

Attachment 9-B, to correct page number in header.

**Chapter 12:**

This Chapter is being revised to streamline and/or clarify program requirements as follows:

The Total Debt ratio for loans/grants has been changed to 41% and the \$1,000 minimum loan requirement has been removed throughout.

Paragraph 12.2, A to specify loan or grant funds may be used to pay a nonprofit packager.

Paragraph 12.4, A to update the Internal Revenue Service website link.

Paragraph 12.5 B and Attachment 12-B to update the appraisal guidance.

Paragraph 12.9 C to add instruction to check dwelling addresses for prior grant assistance.

Paragraph 12.11 C and Attachment 12-F to add allowance for the pre-construction conference to be confirmed via email in lieu of signatures from the applicant and contractor.

Paragraph 12.13 to remove required Agency inspection when repair work is disputed.

Paragraph 12.10 and Attachment 12-A to update flood insurance guidance.

**RD HANDBOOK CHANGES**  
**INSERT RD HB-1-3550 (Cont)****Chapter 12:**

Attachment 12-C was heavily revised to add references the Electronic Case File classifications; remove references to filing within an eight-position folder; add responsibility flags; & align with HB guidance.

Attachments 12-C, 12-D, and 12-F to update headers for consistency with other HB attachments.

Attachment 12-E was revised to change the header; add language to mirror Attachment 3-J; remove reference to IRS Form 4506-T; change bullets to check boxes; and update the Annual Credit Report website address.

**Appendix 3:**

Handbook-1-3550, Appendix 3 is being revised to update HB Letters 1, 3, 5, and 15. The specific revisions are outlined below.

HB Letter 1, Moderate Income Options revised to remove language regarding whether the income information is correct.

HB Letter 3, Waiting Period revised to add an email line.

HB Letter 5, Cover Letter to Truth in Lending Disclosure renamed to Cover Letter to the Initial Disclosures Package.

HB Letter 15, Standardized Adverse Decision Letter revised to clarify that the letter must be signed by the Loan Approval Official.

**REMOVE**

Chapter 1 dated 01-23-03:  
Pages 1-9 & 1-10.  
Chapter 3 dated 01-23-03:  
Pages 3-1 thru 3-19,  
Attachment 3-A: Pages 1 thru 24,  
Attachment 3-D: Pages 1 thru 5,  
Attachment 3-G: Pages 1 thru 9,  
Attachment 3-J: Pages 1 thru 3;  
Chapter 9 dated 01-23-03:  
Pages 9-19 & 9-20;  
Chapter 12 dated 01-23-03:  
Pages 12-1 thru 12-17,  
Attachments 12-A thru 12-C and  
12-E and 12-F,  
Appendix 3 dated 01-23-03:  
HB Letters 3: Page 3,  
HB Letter 5 and 15.

**INSERT**

Chapter 1 dated 01-23-03:  
[Pages 1-9 & 1-10 revised;](#)  
Chapter 3 dated 01-23-03:  
[Pages 3-1 thru 3-20,](#)  
Attachment 3-A: [Pages 1 thru 27 revised,](#)  
Attachment 3-D: [Pages 1 thru 5 revised,](#)  
Attachment 3-G: [Pages 1 thru 9 revised,](#)  
Attachment 3-J: [Pages 1 thru 4 revised;](#)  
Chapter 9 dated 01-23-03:  
[Pages 9-19 & 9-20 revised;](#)  
Chapter 12 dated 01-23-03:  
[Pages 12-1 thru 12-17 revised,](#)  
[Attachments 12-A thru 12-C and](#)  
[12-E and 12-F revised,](#)  
Appendix 3 dated 01-23-03:  
[Page 1 revised,](#)  
HB Letters 3: [Page 3 revised,](#)  
[HB Letter 5 and 15 Revised 11-18-22.](#)

(CON.)

**FORMS**

**REPLACEMENT**

**RD 1944-5**

**(WSAL)**

collection for credit reports on individual principals, and credit report requirement for dealer-contractor applicants. . The Form and FMI can be located on the eForms website [eForms Home \(usda.gov\)](http://usda.gov).

**RURAL DEVELOPMENT MAN revised 11-22.**

Prescribed in RD Handbook HB-1-3550. The Form and FMI are revised to remove information

**REMOVE**

FMI dated 02-17-99.

**INSERT**

FMI revised 11-18-22.

**FORMS**

**REPLACEMENT**

**5001-13**

**(WSAL)**

Item 2. The Form and FMI can be located on the eForms website [eForms Home \(usda.gov\)](http://usda.gov).

**CERTIFICATE OF INCUMBANCY AND SIGNATURE**

**revised 11-22.** Prescribed in RD instruction 5001. The Form and FMI are revised to update

**REMOVE**

FMI dated 03-09-22.

**INSERT**

FMI revised 11-18-22.

NO SPECIAL PROCEDURE NOTICE RELEASED.

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