

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

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PROCEDURE NOTICE

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.

Table of Contents

To reserve Attachment 6-A and add references to existing appendices.

Appendices, updated titles of appendices 4, 6, and 8; added references to existing
appendices 11-13.

Chapter 1 is revised to provide updates to reasonable accommodations, adverse
decisions, PLCE "A" funds. The specific revisions are outlined below:

Paragraph 1.8 (B), to add additional language to avoid discrimination and how to
handle reasonable accommodations for persons with disabilities.

Paragraph 1.10 (A), to remove the term 'meeting with' and replace with
'administrative review by the'. Remove the term 'meeting' and replace with
'review'. Remove the term 'Administration' and replace with Administrative.

Paragraph 1.10 (C), remove reference to 'paragraph 1.12' and replace with
'paragraph 1.15'.

Paragraph 1.11 to remove the term 'all' in the first paragraph.

Paragraph 1.11 (A), (B) & (C), to provide additional instruction to clarify when a
written request must be submitted for an informal review, mediation and appeals.
Added clarification to determine when an adverse decision letter is received by an
applicant if the actual receipt date is unknown.

Paragraph 1.11 (B), added term 'Budget Execution Branch' and removed last sentence
of 2nd paragraph 'PLCE funds can be requested using the survey tool, and must
include the applicable PAC code provided in RD Instruction 2024-A Exhibit D'.

Paragraph 1.12 (D), added term 'business' to clarify business days and removed
'Loan' in the last sentence of the 1st paragraph.

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Chapter 1:

Paragraph 1.15, removed the term 'Loan' from Single Family Housing Direct Division.

Attachment 1-B, added term 'calendar' to Option 1. Updated the NAD website.

Attachment 1-C, was updated to address:

- Option 2 replaced 'Request an Appeal Hearing to the National Appeals Division (NAD)', with Request a Review by the National Appeals Division (NAD).
- Additional language was added to clarify that certain reasons cannot be appealed, however a review of the accuracy of the Agency decision could be requested.
- The following language was removed 'If you appeal to NAD, you have the right to a hearing which you or your representative may attend. Once a hearing with NAD begins, you waive any rights you might have to reconsideration and mediation. To appeal, you must write to NAD at the following address, explain why you believe this determination is erroneous, and provide a copy to RD. You must personally sign your written appeal to NAD and include a copy of this letter or file an appeal online at the following website <https://www.nad.usda.gov/content/file-appeal>:'.
- Corrected grammatical errors.

Chapter 3 is being revised to provide updates to application processing guidance.

Paragraph 3.7, added guidance when an eligibility determination cannot be made within 30 days of a complete application.

Paragraph 3.8 (1) & (2), added guidance on the issuance of two loan estimates and closing disclosures for all construction loan applicants.

Paragraph 3.9, to provide additional instruction to clarify when to issue HB Letter 1 and HB Letter 15.

Paragraph 3.13 (B), to provide additional instruction to clarify when processing priority is established and steps to be taken.

Paragraph 3.13 (C), to simplify veterans' preferences, removed Exhibit 3-2.

Paragraph 3.14, to provide additional instruction on waiting lists, waiting periods and the issuance guidance for Handbook Letter 3-A and 3-B which replace Handbook Letter 3. Exhibit 3-2 added to provide additional instruction on the issuance of HB Letters 3-A & 3-B.

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Attachment 3-A, was updated to address:

- General Packaging Processing Guidance, updated guidance so that all packaging types must submit applications through eForms.
- Guidance added for acceptance of third-party appraisals ordered by self-help grantees, certified packagers, and Agency-approved intermediaries.
- Required Disclosure Letter updated with additional language regarding Packagers having a financial interest in the property.
- Application submittal cover letter to reflect that all packaging types must submit applications through eForms.
- Property submittal cover letter added a bullet to submit a copy of current appraisal if applicable.
- Clarified actions to be taken by the State Office when an intermediary is not involved because of an opt-out request from a certified packaging body.

Attachment 3-B, to provide additional guidance on explaining processing priorities.

Attachment 3-C, to provide updates to the case studies on priorities.

Attachment 3-D, to provide additional guidance to identify housing-related hardships on the Attachment 3-J, provide additional clarification on 38-year term.

Attachment 3-G was updated to address:

- Updated several ECF classifications to correspond with ECF system.
- The addition of line items for Phase 1 & 2 Letters for packaged loans.
- The addition of HB Letter 3-A & 3-B in the application processing section.
- Additional clarification for age of paycheck stubs.
- Removed '(considered for income calculations but not for down payment)' from the retirement fund statements in the Asset section.
- Added line item for Student loan/ IBR documentation.
- Corrected responsible party to LAO for reviewing RD 1922-15.
- Changes/Updates to Underwriting/Loan approval:
 - Added Executed Form RD 1940-10 (if applicable).
 - Added Check DNP prior to obligation/approval.
 - Removed reference to Attachment 6-A
 - Added reference to Attachment 8-B.
- Changes/Updates to Closing:
 - Added Interest rate field.
 - Added DNP check for applicant(s).
 - Updated responsible party for Form RD 1927-4.
- Changes/Updates to Construction Contract:
 - Removed reference to Attachment 12-F being used for pre-construction conferences.
 - Added check DNP for borrower(s) at each construction draw.
 - Updated HB reference for Builder's Warranty.

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Attachment 3-J, was updated to address:

- Credit report fee updated to \$30.
- Additional information regarding housing-related hardships.

Appendix 3:

- Updated HB Letter 1 to reflect Loan Approval Official signature.
- Updated HB Letter 3 to HB Letter 3-A - Waiting Period (Funds Not Available).
- Added HB Letter 3-B - Waiting Period (Extended Processing Timeframe).
- Updated HB Letter 16 to reflect Loan Approval Official signature.

Appendix 12:

This Appendix is being partially revised as the Budget Authority (BA) was rescinded as part of the [Fiscal Responsibility Act](#) which was signed into law by the President on June 3, 2023. In order to provide a wind-down period following the expiration of the ARPA BA under the Fiscal Responsibility Act, the Agency continued acceptance of these refinance applications (in accordance with 7 CFR 3550.201) through June 30, 2023 in response to the rescission of the Budget Authority for the American Rescue Plan Act (ARPA). These revisions provide close-out procedures for processing ARPA applications from existing Section 502 and Section 504 direct loan borrowers, to refinance loans which are or have been in an approved COVID-19 moratorium. The revisions include but are not limited to:

- Applications from existing Section 502 and Section 504 direct loan borrowers, to refinance outstanding loans, which have been in an approved COVID-19 moratorium or have built a home utilizing the Self-Help Housing Program and closed in FYs 2020 or later, including packaged applications, must have been postmarked, hand delivered, or electronically submitted to a USDA-Rural Development Office by June 30, 2023, to be accepted for refinance processing.
- Applications that were not post-marked, hand delivered, electronically submitted by the June 30, 2023 deadline will be issued Handbook Letter 15, Standardized Adverse Decision Letter, citing the expiration of the American Rescue Plan Act budget authority per the [Fiscal Responsibility Act dated June 3, 2023](#), and 7 CFR 3550.201, under which the Agency prioritized the acceptance of these refinance applications through June 30, 2023. Applications that were received after June 30, 2023 and subsequently denied, must still be input into Unifi and ECF for tracking purposes.
- Establish procedure (e.g., program type codes) for obligating refinance applications which were unable to be obligated with ARPA funds by June 3, 2023 when the ARPA BA was rescinded, but which were received by the June 30, 2023 deadline which was established by the Agency to prioritize the continued acceptance of these refinance applications (in accordance with 7 CFR 3550.201).

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- When an ARPA refinance does not close due to issues identified on title work, states should contact the National Office ARPA resource account to determine whether the Agency may pay for the title work.

INSERT:

Table of Contents dated 01-23-03:

[Pages 11 & 12 and 23 & 24;](#)

Chapter 1 dated 01-23-03:

[Pages 1-3 thru 1-6,](#)
[1-17 thru 1-22 and 1-25 & 1-26,](#)
[Attachment 1-B revised,](#)
[Attachment 1-C revised,](#)
[Attachment 1-D revised,](#)
[Attachment 1-E revised;](#)

Chapter 3 dated 01-23-03:

[Pages 3-1 & 3-2, 3-9 & 3-10,](#)
[3-13 & 3-14, 3-17 thru 3-21,](#)

Attachment 3-A:

[Pages 5 thru 8, 11 thru 22 and](#)
[27 thru 29;](#)

Appendix 3 dated 01-23-03:

[Page 1,](#)
[HB Letter 3-A revised,](#)
[HB Letter 3-B added,](#) and
[HB Letter 16 revised;](#)

Appendix 12 dated 01-23-03:

[Pages 1 thru 16 revised 10-19-23.](#)

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