

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

MANUAL ISSUE No.
WSAL PN 609
DATE
April 1, 2024

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 April 1, 2024.

INSERT

[Exhibit B revised 04-01-24.](#)

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.

Appendix 4:

Appendix 4 is revised to include the March 1, 2024, interest rate for the Above-Moderate Single Family Housing non-program loans.

REMOVE

Appendix 4 dated 03-02-22:
Pages 3 & 4.

INSERT

Appendix 4 dated 03-02-22:
[Pages 3 & 4 revised 04-01-24.](#)

RD HANDBOOK CHANGES

INSERT RD HB-1-3555
(WSAL)

**SINGLE FAMILY HOUSING GUARANTEED LOANS
PROGRAM TECHNICAL HANDBOOK.** Chapter 12
is revised to streamline and/or clarify
program requirements. The specific revisions are outlined below:

Chapter 8:

- Reference to "SAVE" has been removed throughout the chapter.
- Paragraph 8.2 -F Having Acceptable Citizenship or Immigration Status.
- Replaced the word "should" with "will" to clarify the lender's responsibility to obtain the non-US citizen identification.
- Added verbiage clarifying lender responsibilities. Removed a repetitive section.

(CON.)

RD HANDBOOK CHANGES**INSERT RD HB-1-3555 (Con.)
(WSAL)****Chapter 12:**

Revisions were made to align with recent procedural, environmental, and appraisal related updates from industry stakeholders. The proposed changes update the requirements for appraisals, environmental considerations, and site requirements. Additionally, updates were made to reflect a more comprehensive overview of the Single Close Construction Project Review resource, while also updating links and making minor grammatical and formatting edits.

Paragraph 12.3 - Rural Area Designation

- Updated guidance on Rural Area Designations and census information to align with updates to Section 520 of the Housing Act of 1949.

Paragraph 12.4 - Site Requirements

- Accessory Dwelling Unit- Provided additional clarification on the physical design features that may be acceptable for ADU's when supporting household members.
- Income Producing Land- Provided guidance that acknowledges the eligibility of small income producing features on an otherwise residential property and clarified lender responsibility for reporting and calculating any income generated in accordance with existing guidance in Chapter 9 of the Handbook.

Paragraph 12.5 - Residential Appraisal Reports

- Updated links for Appraisal Subcommittee and Uniform Appraisal Dataset web pages.
- Photographs- Specified what type of photographs the appraiser must capture when documenting basements.
- Photographs- Updated attic and crawlspace requirements per recent guidance from HUD 4000.1
- Added requirement for manufactured homes to have a photograph of the HUD Data Plate and the HUD Certification Label(s)
- Updated the cited USPAP guidance (Advisory Opinion 3) when documenting appraisal updates.

Paragraph 12.6 - Water and Wastewater Disposal Systems

- Updated the age of the water analysis report to 180 days to align with HUD 4000.1 guidance.

Paragraph 12.9 - Existing and New Dwellings

- Existing Dwellings- Revised section to clearly indicate the content as requirements the lender must follow when applicable.
- Existing Dwellings- Removed "The Agency may approve dwellings with inground swimming pools" from the lender requirements section.

(CON.)

RD HANDBOOK CHANGES

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

Chapter 12:

- New Dwellings- Revised introductory paragraph addressing construction requirements to include a brief definition of what is deemed to be acceptable to the Agency when referring to a one-year warranty.
- New Dwellings- Separated the new construction guidance and documentation charts for stick built and manufactured homes. New Dwellings- Added HUD Data Plate confirmation as an option for lender to prove thermal standards for Manufactured Homes.
- New Dwellings- Added the 1-year builder warranty requirement when paired with 3 construction inspections back into the new construction chart to correct a discrepancy that previously removed in error.
- New Dwellings- Clarified that a final inspection appraisal (1004D) may be substituted in lieu of 3 construction inspections to alternatively meet the construction inspection requirement if the lender has determined the appraiser to be a qualified individual to make such analysis.
- New Dwellings- Added the 2/10-year builder warranty as acceptable documentation for the warranty requirement.
- New and Existing Dwellings- Clarified that pest and termite inspections may be required per state law or investor requirements for existing and new construction homes but are not required to be submitted to the Agency for review. The lender is responsible for keeping such records in their permanent loan file when applicable.

Paragraph 12.10 - Hazard Identification

- Clarified that lenders are responsible for ensuring the requirements for private flood policies on existing dwellings continue to be met throughout the life of the loan.
- Updated the National Flood Insurance Program Elevation Certificate and Standard Flood Hazard Determination form number references to align with current FEMA standards.
- Removed flood deductible monetary threshold guidance, as it is already covered in Chapter 16.

Paragraph 12.12 - Single-Close Features

- Added guidance to include a renter scenario when determining if current living expenses may be excluded during the single close underwriting process.

(CON.)

RD HANDBOOK CHANGES

INSERT RD HB-1-3555 (Con.)
(WSAL)

Attachment 12-C - Project Review

- Revised this document to include highlighted guidance on additional parts of the single close process, clarify that use is optional, and provide paragraph reference points for redirecting the lender to the appropriate Chapter paragraph for additional details.

Chapter 15:

The following updates were made to Chapter 15, Attachment 15-A, the FEMA Standard Flood Hazard Determination Form name was updated and the request for evidence of qualified alien verification to be uploaded upon submission to the Agency was removed, as well as minor grammatical and formatting edits.

- Updated FEMA Standard Flood Hazard Determination Form from (formerly 086-0-32) to FF-206-FY-21-116.
- Removed the requests for evidence of qualified alien verification at time of submission from Attachment 15-A. Lender's will be responsible for obtaining non-U.S. Citizenship verification. Evidence should be maintained in the lender's permanent file per the removal of SAVE from GUS.

INSERT

[Table of Contents revised;](#)
[Chapter 8 revised;](#)
[Chapter 12 revised;](#) and
[Chapter 15 revised 04-01-24.](#)

FORM

RUS Form 793

**REQUEST FOR RELEASE OF LIEN AND/OR APPROVAL
OF SALE.** This Form is revised as follows:

- Item 14(b) was updated to replace the Rural Electrification Administration to the Rural Utilities Service and to change the process of contacting USDA to an email for making payment arrangements versus mailing a check; and
- The Paperwork Reduction Act statement at the bottom of the page was updated to the most current version approved by OMB.