

PROCEDURE NOTICE

NOTICE

**INSERT RD INS 2006-P
(WSAL)**

be viewed on the Resource Library at [Rural Development Directives Resource Library - Power Apps](#).

CIVIL RIGHTS IMPACT ANALYSIS. This Instruction is being removed from the Directives website. This Instruction can

be viewed on the Resource Library at [Rural Development Directives Resource Library - Power Apps](#).

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 10:

The Consolidated Appropriations Act, 2024 reduced the program level for Section 504 grants to \$25,000,000 (in comparison to \$32,000,000 in the Consolidated Appropriations Act, 2023) and rescinded \$28,000,000 of the unobligated balances that carried over from prior year appropriations (known as carryover). With the lower program level and with no available carryover funds available, the higher maximum grant limit (currently \$42,920) is no longer supportable and is being lowered to \$15,000.

Chapter 4 and Appendix 13:

PN 606 dated February 9, 2024, updated HB-1-3550, Appendix 3, Handbook (HB) Letter 16 to create two letters with the goal of being inclusive of Self-Help Rehabilitation type projects as follows:

- The new HB Letter 16A is geared towards new construction and acquisition rehabilitation type projects.
- The new HB Letter 16B is for owner occupied rehabilitation type project, and thus primarily for self-help program participants applying for the Section 504 Home Repair Loan and Grant Program.

Chapter 4 and Appendix 13 are being updated to reference the new HB Letter 16 A & B as well as revising outdated instructions for completing the letters as follows:

- Previous guidance directed staff to base the loan amount on historic self-help build cost or the average cost of contractor-built home. This practice is outdated as build costs are ever-changing and basing loan amounts on historic builds may not be appropriate. The new direction is to base the loan amount on the estimated cost to build as requested in the loan package.

(CON.)

RD HANDBOOK CHANGES

**INSERT RD HB-1-3550 (Con.)
(WSAL)**

- New instruction was added to direct staff to base loan amounts for acquisition rehab type projects either on the cost to purchase and repair or the maximum eligibility considering any compensating factors or a 38-year terms (if applicable).
- New instruction was added to direct staff to base the loan/grant amount for an owner-occupied rehab project on the estimated cost to repair the homes as requested in the application package.

INSERT

Chapter 4 dated 01-23-03:
[Pages 73 & 74 revised](#);
 Appendix 10 dated 03-02-22:
[Pages 1 & 2 revised](#); and
 Appendix 13 dated 03-02-22:
[Pages 1 thru 7 revised 04-19-24.](#)

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

Appendix 1 is partially revised due to the publication of the Final Rule entitled "[Changes Related to Reserve Account Administration in Multi-Family Housing \(MFH\) Direct Loan Programs](#)" dated March 18, 2024 and with an effective date of April 17, 2024.

HANDBOOK No. INSERT

HB-1-3560 Appendix 1 dated 02-24-05:
[Pages 127 & 128 revised 04-19-24.](#)

HB-2-3560 Appendix 1 dated 02-24-05:
[Pages 127 & 128 revised 04-19-24.](#)

HB-2-3560 Appendix 1 dated 02-24-05:
[Pages 127 & 128 revised 04-19-24.](#)

FORM

REPLACEMENT

**RD 3555-11
(WSAL)**

LENDER RECORD CHANGE revised 04-24.
 Prescribed in HB-1-3555 and HB-1-3565.
 The Form and FMI are revised as following:

- Removed the address, fax number and updated the email address to RD.SO.HSB@usda.gov throughout the form.
- Under the Instructions for Completing, added electronic signatures under Block D.

REMOVE

FMI dated 08-31-22.

INSERT

FMI revised 04-19-24.