

# PROCEDURE NOTICE

**NOTICE**

**INSERT RD HB-2-3550  
(WSAL)**

**DIRECT SINGLE FAMILY HOUSING LOANS AND GRANTS - CUSTOMER SERVICE CENTER.** This Handbook is partially revised. The specific revision is outlined below.

All Chapters, Acronyms, Appendixes, Glossary, and Table of Contents are partially revised to reflect the current organizational name change from the National Financial and Accounting Operations Center to the Serving and Asset Management Office.

REMOVE

Table of Contents dated 05-27-98:  
Pages 1 through 13;  
Chapter 1 dated 05-27-98:  
Pages 1-1 thru 1-10, 1-13 thru 1-16, 1-21 thru 1-24,  
Attachment 1-A thru 1-G;  
Chapter 2 dated 05-27-98:  
Pages 2-1 thru 2-18, 2-21 thru 2-30, 2-35 thru 2-44  
Chapter 3 dated 05-27-98:  
Pages 3-1 thru 3-24;  
Chapter 4 dated 05-27-98:  
Pages 4-1 & 4-2 and 4-11 thru 4-14;  
Chapter 5 dated 05-27-98:  
Pages 5-1 thru 5-16;  
Chapter 6 dated 05-27-98:  
Pages 6-1 thru 6-15;  
Chapter 7 dated 05-27-98:  
Pages 7-3 thru 7-27;  
Acronyms dated 12-23-96:  
All pages;  
Appendix 2 dated 12-23-96:  
All pages;  
Appendix 3 dated 05-27-98:  
Handbook Letters dated 05-27-98:  
HB Letters 101 thru 115;  
Appendix 5 dated 05-27-98:  
All pages;  
Glossary dated 05-27-98:  
Pages 1 thru 10.

INSERT

Table of Contents Dated 05-27-98:  
[Pages 1 through 13 revised;](#)  
Chapter 1 dated 05-27-98:  
[Pages 1-1 thru 1-10, 1-13 thru 1-16, 1-21 thru 1-24 revised, and Attachment 1-A thru 1-G revised;](#)  
Chapter 2 dated 05-27-98:  
[Pages 2-1 thru 2-18, 2-21 thru 2-30, 2-35 thru 2-44 revised;](#)  
Chapter 3 dated 05-27-98:  
[Pages 3-1 thru 3-24 revised;](#)  
Chapter 4 dated 05-27-98:  
[Pages 4-1 & 4-2 revised, 4-11 thru 4-14 revised;](#)  
Chapter 5 dated 05-27-98:  
[Pages 5-1 thru 5-16 revised;](#)  
Chapter 6 dated 05-27-98:  
[Pages 6-1 thru 6-15 revised;](#)  
Chapter 7 dated 05-27-98:  
[Pages 7-3 thru 7-27 revised;](#)  
Acronyms Dated 12-23-96:  
[Pages 1 thru 3 revised;](#)  
Appendix 2 Dated 12-23-96:  
[Pages 1 & 2 revised;](#)  
Appendix 3 Dated 05-27-98:  
Handbook Letters dated 05-27-98:  
[HB Letters 101 thru 115 revised;](#)  
Appendix 5 Dated 05-27-98:  
[Pages 1 thru 4 revised; and](#)  
Glossary Dated 05-27-98:  
[Pages 1 thru 10 revised 03-31-21.](#)

(CON.)

**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, 2021.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 16).

INSERT

Exhibit B: [Pages 1 & 2 \(Rev 17\)](#).

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

**LOAN AND GRANT APPROVAL AUTHORITIES.**

Exhibit B is partially revised to remove the 5-5 national office concurrence for

Community Facilities loans within a state's loan approval authority. The text at footnote 4/ is updated to clarify that 5-5 national office concurrence is not necessary if the loan is within loan approval authorities. The text at footnote 5/ is updated to remove language that was referring to 5-5 criteria.

REMOVE

Exhibit B: Pages 3 & 4.

INSERT

Exhibit B: [Pages 3 & 4 \(Rev 1\)](#).

**INSERT RD INS 1951-O  
(WSAL)**

**SERVICING CASES WHERE UNAUTHORIZED LOAN(S)  
OR OTHER FINANCIAL ASSISTANCE WAS RECEIVED-  
COMMUNITY AND INSURED BUSINESS PROGRAMS.**

Exhibit B is partially revised to update program interest rates, effective April 1, 2021.

REMOVE

Exhibit B: Pages 3 & 4 (Rev 13).

INSERT

Exhibit B: [Pages 3 & 4 \(Rev 14\)](#).

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

**RURAL DEVELOPMENT PROHIBITED AND CONTROLLED  
ITEMS dated 03-31-21.** This Instruction is

issued to lists the prohibited and

controlled items in the Interagency Security Committee Standard and General Services Administration Rules and Regulations Governing Conduct on Federal Property as the baseline lists of prohibited and controlled items in RD facilities. Each Facility Security Committee can modify the baseline lists, using a process for exceptions and exemptions defined in the policy.

INSERT

Table of Contents;  
Pages 1 thru 6; and  
Exhibit A.

**RD HANDBOOK CHANGES**

**RD HB-1-3555  
(WSAL)**

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

**Table of Contents:**

- To reflect the changes made to HB-1-3555 and to remove references to Appendix 9: Unnumbered Letters and State Supplements, to align with the National Integration of the program.

**Chapter 9:**

**Paragraph 9.2:**

- Clarified that documentation of income calculations should be provided on Attachment 9-B, the Uniform Transmittal Summary, or equivalent.

**Paragraph 9.3 B:**

- Removed reference to Form RD 3555-21.
- Clarified that lenders are responsible for accurate income calculations.
- Revised the USDA LINC Training and Resource Library link.

**Paragraph 9.3 C:**

- Removed reference to Form RD 3555-21.

**Paragraph 9.3 E:**

- Under the "Self-employed", clarified that evidence provided to support closure of a business must be satisfactory to lender.
- Under "IRS Transcripts", clarified that borrowers are required to file tax returns by the due date.
- Added Form IRS 4506-C as an option for authorization to obtain IRS Tax Transcripts.

**Paragraph 9.6:**

- Rephrased verbiage regarding when Agency staff is required to recalculate annual income.

**RD HANDBOOK CHANGES**

**RD HB-1-3555**

**(WSAL)**

**Paragraph 9.8:**

- Clarified that repayment income must continue for at least three years into the mortgage as provided under 3555.152(a).
- Clarified that non-taxable income may be grossed up 25 percent for repayment income.

**Paragraph 9.9:**

- Rephrased verbiage regarding when Agency staff is required to recalculate repayment income.

**Attachment 9-A:**

- Added statement to refer to the regulation 3555.152(b)(5) and Attachment 9-D for income exclusions.
- Removed verbiage throughout the matrix that repayment income must continue for a minimum of three years and relocated to the top of the first page.
- Removed verbiage throughout the matrix that repayment income may be grossed up 25 percent and relocated to the top of the first page.
- Clarified "Boarder Income" by adding a statement that all household member income, including boarders, is included in annual income and any rent paid by the boarder that is reported on tax returns is also included in annual income.
- Removed "Business Loss" and relocated as "Self-Employment Income and Independent Contractors (1099)".
- Updated source options to required documentation for "Capital Gains", "Depreciation/Depletion", "Dividends", "Employment Related Account", "Government Benefits", "Interest", "Mortgage Differential Payment", "Notes Receivable", "Rental Income", "Restricted Stock Units", "Royalty Payments", "Schedule K-1", "Scholarships", "Section 8 Housing Vouchers", "Separate Maintenance/Alimony", "Trust Income", and "Workman's Compensation".
- "Commission" added history in same or similar line of work.
- Added "GI Bill"
- "Military" included terminology for BAH/BAS.

**RD HANDBOOK CHANGES**

**RD HB-1-3555**

**(WSAL)**

- "Mortgage Credit Certificate" relocated GUS instructions and changed source options to required documentation which is now consistent with the verbiage on the Conditional Commitment Attachment.
- "Per Diem" added that only taxable income can be used in Repayment Income.
- "Rental Income" relocated GUS instructions.
- "Scholarships" removed statement that benefits without expiration will be presumed to continue.
- "Seasonal Employment" added in the same line of work.
- "Section 8 Housing Vouchers" relocated GUS instructions.
- "Social Security" clarified documentation source options.
- "Temporary Leave" replaced income must be received at time of application with time of closing and replaced Form 3555-21 with Attachment 9-B.
- "Unemployment" changed required history from one year to two years to align with requirement for seasonal workers.
- "Dependent Deduction" added applicable GUS screens or lender's underwriting analysis.
- Under the Assets and Reserves section; updated the applicable GUS screens where assets are entered.
- Clarified how to enter "Business Accounts" in GUS.
- Added additional guidance for documenting "Cash on Hand" and changed guidance to indicate it is not eligible to be considered for reserves.
- Updated GUS screens for entering Earnest Money.
- Revised documentation requirements for Gift Funds which also aligns with HUD requirements and updated GUS screens.
- Removed "Lump Sum Additions".
- Updated GUS screens for Sales Proceeds of Real Estate Owned property.

**(CON.)**

**RD HANDBOOK CHANGES**  
**RD HB-1-3555 (Con.)**  
**(WSAL)**

**Attachment 9-B:**

- Updated to reflect current version as a result of the changes to Form RD 3555-21.

**Attachment 9-C:**

- Updated format of sample Income Calculation Worksheet to correspond with Attachment 9-B.

**Attachment 9-F:**

- Updated reference to income worksheet to lender's income calculations.
- Updated link for Regulation/Handbook website.

REMOVE

Table of Contents dated 03-09-16:  
Pages 1 thru 15; and  
Chapter 9 dated 03-09-16:  
Pages 9-1 thru 9-12,  
Attachment 9-A,  
Attachment 9-B,  
Attachment 9-C, and  
Attachment 9-F.

INSERT

Table of Contents dated 03-09-16:  
[Pages 1 thru 10 revised;](#)  
Chapter 9 dated 03-09-16:  
[Pages 9-1 thru 9-11 revised,](#)  
[Attachment 9-A revised,](#)  
[Attachment 9-B revised,](#)  
[Attachment 9-C revised,](#)  
[Attachment 9-F revised 03-31-21.](#)

**RD HB\***  
**(WSAL)**

In the following Handbooks, Appendix 3 is partially revised to update the link from "http://rdinit.usda.gov/regs" to "http://rd.usda.gov/resources."

HANDBOOK No.

REMOVE

INSERT

**HB-1-3560**

Appendix 3 dated 02-24-05:  
All Pages.

Appendix 3 dated 02-24-05:  
[Pages 1 & 2 revised 03-31-21.](#)

**HB-2-3560**

Appendix 3 dated 02-24-05:  
Page 1.

Appendix 3 dated 02-24-05:  
[Page 1 revised 03-31-21.](#)

**RD HANDBOOK CHANGES**

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

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

- To add Form RD 3560-65 "MFH Miscellaneous Receivable Notification/Repayment Agreement" to the Form reference list.
- To update the link from "http://rdinit.usda.gov/regs" to "http://rd.usda.gov/resources."

REMOVE  
Appendix 3 dated 02-24-05:  
All Pages.

INSERT  
Appendix 3 dated 02-24-05:  
[Pages 1 & 2 revised 03-31-21.](#)

**FORM**

**REPLACEMENT**

**RD 1910-5  
(WSAL)**

**REQUEST FOR VERIFICATION OF EMPLOYMENT**  
revised 03-21. Prescribed in RD Handbooks  
HB-1-3550, HB-1-3555 and HB-2-3550.  
This Form and FMI are revised as follows:

Remove item 8 field requiring taxpayer's identification or social security number,

Remove reference to item 8 in the introduction, and

Renumber the remaining fields after item 8.

This Form and FMI are available on the Rural Development Directives home page (<https://www.rd.usda.gov/resources/directives>). No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

REMOVE  
FMI dated 08-21-13.

INSERT  
FMI revised 03-31-21.