

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

MANUAL            ISSUE No.  
WSAL             PN 585  
DATE  
June 28, 2023

## 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 July 1, 2023.

#### REMOVE

Exhibit B:  
Pages 1 & 2 dated 06-02-23

#### INSERT

Exhibit B:  
[Pages 1 & 2 revised 06-28-23.](#)

### 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.

Chapter 8 is being revised to provide guidance in keeping with RD AN 4891 regarding the unliquidated obligation process, the use of Form 3550-7 Funding Commitment and Notification of Loan Closing and Form 1940-10, Cancellation of U.S. Treasury Check and/or Obligation, monitoring of National Office reports, and loan conversions.

#### Chapter 8:

Paragraph 8.2, Paragraph (A), to add clarification that HB Letter 15, Standardized Adverse Decision Letter must be signed by the Loan Approval Official.

Paragraph 8.2, Paragraph (B), to clarify Form 3550-7 must be signed by the Loan Approval Official.

Paragraph 8.3, (A), (B), and (C), to update guidance when an increase in the obligation is needed, and use of Form 1940-10 when a full or partial deobligation occurs, including when the applicant does not return Form 3550-7 within 15 days and cases when the loan has not closed.

(Con.)

RD HANDBOOK CHANGES  
INSERT RD HB-1-3550 (Con.)Chapter 8:

Paragraph 8.3, (B), Exhibit 8-1, Steps for Changing the Loan Amount, to add guidance regarding Form 1940-10 and Form 3550-17 when funds are returned to the Servicing Office.

Paragraph 8.3, (C), update overnight mailing address for returning Treasury Checks via FED-EX.

Paragraph 8.3 (D) to clarify Attachment 8-B must be saved in the recipient's electronic case file (ECF); Attachment 8-B should be used to provide a status on the semi-annual ULO Certification report; to add guidance on Loans Fully Disbursed, not Activated report.

Paragraph 8.6, to add clarification the Loan Originator must ensure all the loan approval conditions have been met.

Paragraph 8.6 (A) (2), to add clarification on loan closings that occur on the 29<sup>th</sup>, 30<sup>th</sup>, or 31<sup>st</sup>, the applicant will choose a desired payment due date between the 1<sup>st</sup> and 15<sup>th</sup> of the following month, 30 days from loan closing. Unifi will calculate the number of days and dollar amount of prepaid interest to be collected at closing.

Paragraph 8.6 (B), to change the word "by" to "from" to clarify the waiver request must be received from the applicant in writing.

Paragraph 8.8 (B), to add guidance for construction loans clarifying the deferral period identified on Form RD 1940-16, Promissory Note, should match the estimated timeframe to complete construction identified in contract documents. If the construction period exceeds the deferral period, the Promissory Note must be modified, and the deferral period must be extended.

Paragraph 8.8 (B), to add the word "Approved" to clarify the Approved Eligibility Summary must be generated when the construction loan is activated, and corrected paragraph number from "5.28" to "5.26".

Paragraph 8.13, to clarify the first payment due date should be the first of the month following the loan conversion.

REMOVE

Chapter 8 dated 01-23-03:  
Pages 8-1 thru 8-4,  
8-15 & 8-16, 8-19 & 8-20.

INSERT

Chapter 8 dated 01-23-03:  
Pages 8-1 thru 8-4, 8-7 thru 8-10,  
8-15 & 8-16, 8-19 & 8-20 revised 06-28-23.

(Con.)

**RD HANDBOOK CHANGES  
INSERT RD HB-1-3555  
(WSAL)**

**SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK.** This Handbook is partially revised. The specific revisions are outlined below.

**Chapter 5:**

The following updates were made to HB-1-3555, Chapter 5 to update terminology used in referencing non-U.S. citizens in acknowledgement of the non-U.S. citizen waiver, clarified language to indicate the mandatory use of GUS, updated all web links to be print friendly, added additional guidance on final GUS submission actions, and made minor grammatical and formatting edits.

**Paragraph 5.2 - Requesting a Guarantee**

- Clarified that the lender's permanent file must include evidence for non-U.S. citizens per Agency guidelines in Chapter 8.

**Paragraph 5.3 - Utilizing the Guaranteed Underwriting System**

- Removed current Desktop Underwriter® Specification version and clarified that updated version information can be found in the GUS Lender User Guide on LINC going forward.
- Clarified that approved lenders with active Lender Agreements will use GUS when possible.
- Added INELIGIBLE to the list of recommendations the lender may receive when reviewing the first portion of the two-part underwriting summary shown on the GUS Underwriting Findings Report.
- Added a paragraph and link to job aid instructions for uploading documentation for loan applications not supported by GUS.
- Clarified that prior to submitting the file for Agency review, the lender should verify all required documents have been successfully uploaded using the guidance from Attachment 15-A, Loan Origination Checklist.
- Removed language that instructed the lender to upload documentation for non-U.S. citizens on ACCEPT files.
- Removed a bullet indicating that applicants with unacceptable non-U.S. citizen status would render an ACCEPT/INELIGIBLE underwriting recommendation.
- Clarified that state laws are included in the list of applicable laws the lender will disclose to all applicants prior to Final Submission.

**Chapter 13:****Paragraph 13.1 - Introduction**

- Added reference to Native American restricted land in the introduction to the chapter.

(Con.)

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

**Chapter 13:**

**Paragraph 13.3- Loans for Units in A Community Land Trust**

- Added a new paragraph (C) Appraisals- moved from another section of the chapter for better flow.

**Paragraph 13.4 - Restrictions of Resale Price**

- Added this as a new separate section as it appeared to only refer to properties in a community land trust.
- Added "or to preserve long term affordability" to clarify that restrictions on resale are not limited to property located in a community land trust.

**Paragraph 13.5 (formerly 13.4) - Loans on Leasehold Estates**

- Removed language from the third bullet pertaining to exceptions to loans located on American Indian Restricted land as this is now incorporated in the new section, 13.6.

**Paragraph 13.6 - Loans on Native American Restricted Land**

- Added section A. Definition
  - Native American restricted lands are lands, in which title is held by the United States in trust for an Indian tribe or which is held by an Indian tribe or individual subject to a restriction by the United States against sale, transfer, or encumbrance.
- Added section B. Requirements
  - Provides Agency requirements for lending on Native American restricted land including documentation, lease, lien, and foreclosure requirements.

Added New Section 13.7 - Loans on Hawaiian Home Lands

**Paragraph 13.8 - Definition**

- Expanded the definition of Manufactured homes to include the certification label requirements.

**Paragraph 13.9 - Authorized Loan Purposes**

- Added a paragraph to provide clarification that the home must have been built within 12 months of the purchase contract and how to locate the manufacture date.
- Added information on how to obtain an alternative to the original HUD Certification Label.

(Con.)

**RD HANDBOOK CHANGES****INSERT RD HB-1-3555 (Con.)  
(WSAL)****Chapter 15:**

Revisions were made to clarify the requirements for a Verification of Rent for manually underwritten loan applications. Additional updates were made to make minor grammatical and formatting edits.

**Paragraph 15.3 - Loan Application Package**

- Added a sub bullet for further detail on manually underwritten loans to include instructions on submitting file manually using Job Aid to upload documents, and instructions to alternatively notify the applicable Production Team for file assignment.

**Paragraph 15.6 (B) - Lender Notification on Request for Loan Guarantee**

- Revised paragraph to clarify that the lender is responsible for informing the Agency when missing documentation has been uploaded and ready to be assigned for a subsequent review.

**Attachment 15-A - Guaranteed Rural Housing Loan Origination Checklist**

- Clarified that appraisals should be uploaded in color.
- Added information to the Verification of Rent requirement clarifying that this applies to scenarios when rental history is indicated. Added direction to Chapter 10 for guidance on rental verification and non-traditional credit when a VOR is required, but not obtainable.

**Appendix 4:**

The following updates were made to HB-1-3555, Appendix 4 to incorporate program changes which allow for easy access in reviewing contact information with new titles, divisions, descriptions, and resource links.

- Updated Title of Appendix to "Agency Contact Information" to be more precise.
- Removed out-of-date Single Family Housing Guaranteed Loan Division contact information.
- Added Single Family Housing Guaranteed Loan Divisions with brief descriptions of each Division to align with the Agency's current structure.
- Added a link to the SFHGLP Contact List for additional resources.

(Con.)

**RD HANDBOOK CHANGES**

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

**Appendix 4:**

- Updated the Help Desk to reflect its current name, Consolidated Help Desk Support Center.
- Updated NFAOC and CSC to reflect the changes that have occurred within the Business Center Servicing Office. Included both SFH Servicing Branch and Claims Branch with detailed descriptions.
- Added Servicing Contact Information link.

**REMOVE**

Table of Contents;  
 Chapter 5 dated 05-09-16:  
   Pages 5-1 thru 5-13;  
 Chapter 13 dated 05-09-16:  
   Pages 13-1 thru 13-9,  
   Attachment 13-A;  
 Chapter 15 dated 05-09-16:  
   Pages 15-1 thru 15-6  
   Attachment 15-A;  
 Appendix 4 dated 05-09-16:  
   Appendix 4.

**INSERT**

Table of Contents revised;  
 Chapter 5 dated 05-09-16:  
   [Pages 5-1 thru 5-14 revised;](#)  
 Chapter 13 dated 05-09-16:  
   [Pages 13-1 thru 13-11 revised,](#)  
   [Attachment 13-A revised;](#)  
 Chapter 15 dated 05-09-16:  
   [Pages 15-1 thru 15-6 revised,](#)  
   [Attachment 15-A revised;](#)  
 Appendix 4 dated 05-09-16:  
   [Appendix 4 revised 06-28-23.](#)

**FORMS MANUAL INSERT**

**RD 3550-17  
(WSAL)**

Return of Unused Loan Funds and Return of Unused Grant Funds. The FMI can be located on the eForms website [eForms Home \(usda.gov\)](https://www.usda.gov/eForms).

**FUNDS TRANSMITTAL REPORT.** Prescribed in RD Handbooks HB-1-3550 and HB-2-3550. The FMI is revised to update the Mailing Address for

**REMOVE**

FMI dated 06-21-06:  
 Pages 1 & 2 dated 09-02-21.

**INSERT**

FMI revised 06-21-06:  
 Pages 1 & 2 dated 06-28-23.