

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.

Chapter 3:

- Attachment 3-A, removed the requirement for Packagers to prepare an Affirmative Fair Housing Marketing plan.
- Attachment 3-D, removed the terms "gender identity" and "sexual orientation".
- Attachment 3-G, removed the requirement to complete Federal Flood Risk Management (FFRM) Determinations.

Chapter 5:

- Paragraph 5.1 (B)1, added language requiring the estimated economic life in the "Cost Approach" section of the appraisal report be equal or greater than the repayment period of the loan.
- Paragraph 5.11 (B)2, added language for leasehold requirements for new energy-efficient manufactured and modular housing financing in land-lease communities operating on a non-profit basis or on Tribal lands to permit leaseholds that are 2 years longer than the loan term.
- Paragraph 5.16, added reference to HB-1-3550, Ch. 6.8 regarding remaining economic life which must be stated for all properties.
- Paragraph 5.17 (A), language added to clarify "total indebtedness" which includes Agency loans plus any prior liens.
- Paragraph 5.17 (D), clarifies applicant and staff responsibilities when there is a dispute of an appraisal or request for a reconsideration of value; and removes reference to the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE).

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- Paragraph 5.19 (A), added clarification that Form RD 1922-15, Administrative Appraisal Review for Single Family Housing must be completed no later than 7 business days from receipt of the appraisal.
- Paragraph 5.23 (A), removed reference to approved manufactured dealer-contractors.
- Paragraph 5.23 (B), removed the requirement to provide the "Equal Employment Is The Law" poster to contractors per guidance from the Office of Civil Rights.
- Paragraph 5.23 (C), removed the requirement of Form RD 400-1, Equal Opportunity Agreement; Form RD 400-3, Notice to Contractors and Applicants, Form RD 400-6, Compliance Statement and Department of Labor Notification for SFHD contracts per guidance from the Office of Civil Rights.
- Paragraph 5.24 (C), replaced incorrect reference to Paragraph 5.27, with corrected reference to Paragraph 5.25.

Attachment 5-A, Appraisal Requirements:

- Added language throughout the attachment clarifying the procedures, processes, and requirements when working with the nationwide appraisal services contracts and their Appraisal Management Companies (AMCs).

Chapter 9:

- Paragraph 9.12, added recorded agreement and insurance requirements for the purchase of a dwelling with shared property or zero lot lines.
- Paragraph 9.16 (B), revised requirements for the purchase of a new manufactured housing unit and added language and requirements to permit the purchase of an eligible existing manufactured housing unit to align with the Updating Manufactured Housing Provisions Final Rule.
- Paragraph 9.16 (C), removed the loan restriction to purchase an existing manufactured housing unit and site.
- Paragraph 9.17, removed application and approval requirements for manufactured dealer-contractors.
- Paragraph 9.18 (A), revised language to cite new manufactured home submission requirements.
- Paragraph 9.19, revised language to include reference to both new and existing manufactured housing units.

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- Paragraph 9.20, revised language to reference purchase of a new manufactured home.
- Paragraph 9.20 (E), added title and lien requirements for the purchase of a manufactured housing unit and site.
- Attachment 9-B, revised to conform with 24 CFR Part 3280 Subpart F.

Chapter 12:

- Paragraph 12.12 (D), updated language to reflect contracts greater than \$10,000 require a construction contract to align with other similar references in the Handbook.
- Attachment 12-C, removed Department of Labor Notification and incorrect reference to Paragraph 5.27 (replaced with Paragraph 5.25).
- Attachment 12-F, removed references to Form AD 1048, "Certification Regarding Debarment, Suspension Ineligibility", per RD Administrative Notice 4893.

Appendix 1:

- Updated to include [7 CFR 3550 Updating Manufactured Housing Final Rule](#) revisions.

Appendix 2:

- Removed references to 400 series forms that are no longer required, per guidance from the Office of Civil Rights; removed RD Form 1944-5, Manufactured Housing Dealer-Contractor Application; removed references to 1955 forms that are no longer applicable.

Appendix 3:

- Added expiration date to Handbook Letter 16-A, "Eligibility of Self-Help Applicants- New Construction or Acquisition Rehabilitation."
- Revised Handbook Letters 17 and 18 to conform with changes in Chapter 5 related to disputes of appraisal or reconsideration of value requests.

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(WSAL)****Appendix 5:**

- Paragraph VII F, removed reference to Executive Order 12898 requiring the Agency to conduct a Civil Rights Impact Analysis on each project prior to loan approval.

REMOVE

Chapter 3 dated 01-23-03:
 Pages 3-5 & 3-6,
 Attachment 3-A:
 Pages 17 & 18,
 Attachment 3-D:
 Pages 1 & 2,
 Attachment 3-G:
 Pages 1 & 2 and 5 & 6;
 Chapter 5 dated 01-23-03:
 Pages 5-1 & 5-2, 5-5 thru 5-12,
 5-15 thru 5-20, 5-25 thru 5-32,
 5-35 thru 5-38 and 5-41 & 5-42
 Attachment 5-A;
 Chapter 9 dated 01-23-03:
 Pages 9-1 thru 9-10, 9-13 & 9-14,
 9-17 thru 9-24,
 Attachment 9-B;
 Chapter 12 dated 01-23-03:
 Pages 12-1 thru 12-15,
 Attachment 12-A,
 Attachment 12-B,
 Attachment 12-C,
 Attachment 12-F
 Appendix 2 dated 01-23-03:
 Pages 1 & 2,
 Appendix 3 dated 01-23-03:
 HB Letter 16A,
 HB Letter 17, and
 HB Letter 18.
 Appendix 5 dated 01-23-03:
 Paged 7 & 8 and 11 & 12.

INSERT

Chapter 3 dated 01-23-03:
 Pages 3-5 & 3-6 revised,
 Attachment 3-A:
 Pages 17 & 18 revised,
 Attachment 3-D:
 Pages 1 & 2 revised,
 Attachment 3-G:
 Pages 1 & 2 and 5 & 6 revised;
Chapter 5 dated 01-23-03:
 Pages 5-1 & 5-2, 5-5 thru 5-12,
 5-15 thru 5-20, 5-25 thru 5-32,
 5-35 thru 5-38 and 5-41 & 5-42;
 Attachment 5-A revised;
Chapter 9 dated 01-23-03:
 Pages 9-1 thru 9-10, 9-13 & 9-14,
 9-17 thru 9-24 revised,
 Attachment 9-B revised;
Chapter 12 dated 01-23-03:
 Pages 12-1 thru 12-10, 9-13 & 9-14,
 Attachment 12-A revised,
 Attachment 12-B revised,
 Attachment 12-C:
 Pages 5 & 6,
Appendix 2 dated 01-23-03:
 Pages 1 & 2 revised,
Appendix 3 dated 01-23-03:
 HB Letter 16A revised,
 HB Letter 17 revised, and
 HB Letter 18 revised.
Appendix 5 dated 01-23-03:
 Paged 7 & 8 and 11 & 12 revised.

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(WSAL)**

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

Chapter 2:

Revisions are required to update the FEMA form name to the current FEMA Standard Flood Hazard Determination form. The updates add information in regard to retaining documents in GUS and electronic customer file (ECF), as well as making minor grammatical and formatting edits.

Paragraph 2.3 A - Lender Approval Files

- Removed Image Repository and updated to Electronic Customer File (ECF).

Paragraph 2.3 B - Mortgage Files

- Updated to reflect the storage and review of documents retained in ECF.
- Clarified that Credit Report for GUS loans will be stored in GUS.
- Updated to include the "current" FEMA Standard Flood hazard Determination Form.
- Updated to remove destroying the originals and reflect storage in ECF.

Chapter 6:

The following updates were made to HB-1-3555, Chapter 6, to clarify that funds provided by the seller to cover the buyer's real estate commission fees are not included in the 6% seller concession limitation, to ensure all refinanced rates must be at or below the current interest rate, and clarify existing loans being refinanced must have closed and have no lates within the 180 days prior to submission to the Agency. Revisions also include the removal of existing manufactured homes from the list of prohibited loan purposes and provided reference to the manual file submission process job aid for loan types not supported by GUS. Minor grammatical and formatting edits have been included in the update as well.

Paragraph 6.2 (C) - Reasonable and Customary Expenses Associated with the Purchase of an Existing Dwelling or New Construction

- Clarified that funds provided from the seller to pay the buyer's real estate commission fees are not included in the 6% seller concession limitation.

Paragraph 6.2 (D) (2) (a) - Non-streamlined refinance

- Clarified the existing loan must have closed at least 180 days prior to submission to the Agency.
- Clarified the existing mortgage payment history must not reflect a delinquency greater than 30-days in the last 180 days before submission to the Agency.

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Paragraph 6.2 (D) (2) (b) - Streamlined refinance

- Clarified the existing loan must have closed at least 180 days prior to submission to the Agency.
- Added guidance on financing subsidy recapture for consistency.
- Clarified the existing mortgage payment history must not reflect a delinquency greater than 30-days in the last 180 days before submission to the Agency.

Paragraph 6.2 (D) (2) (c) - Streamline-Assist Refinance

- Added a reference to the manual file submission process job aid for loans not supported in GUS.
- Clarified the existing loan must have closed at least 180 days prior to submission to the Agency.

Paragraph 6.3 - Prohibited Loan Purposes

- Removed existing manufactured homes from the list of prohibited loan purposes.

Attachment 6-A - Refinance Matrix

- Updated "Credit" guidance to include no defaults in the previous 180 days.
- Updated "Requirements for All Refinance Options" guidance to clarify the existing loan must have closed at least 180 days prior to submission to the Agency.
- Added clarification that fixed interest rates must be at or below the current interest rate for all refinanced loans.

Chapter 12:

The following updates were made to HB-1-3555, Chapter 12 to update the allowable repair amounts with the rehabilitation and repair feature. Additionally, minor grammatical and formatting edits were made to be consistent with other handbook chapter revisions.

Paragraph 12.9 Existing and New Dwellings

- Clarified that the one year builder's warranty must be fully executed.
- Clarified repair escrows, post issuance of the Loan Note Guarantee, are permitted as long as the estimated cost is not greater than 10% of the total loan amount.

Paragraph 12.21 Age of Documents

- Removed appraisal from credit verification documents, as this does not have the same 120 validity period.

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Paragraph 12.28 Rehabilitation and Repair with Purchase of Existing Dwellings.

- Updated non-structural repairs escrow amount to be allowable up to \$75,000.
- Clarified the home needs to be habitable within 30 days of purchase.
- Updated structural repairs to those exceeding \$75,000 and clarified that while the reserve period should typically not exceed 10 months, extensions may be approved at the lenders discretion.
- Removed "Repairs to new or existing manufactured homes" from the list of prohibited purposes.

Chapter 13:

Revisions are being made to correspond with the publishing of the requirements for the Manufactured Housing Provisions Final Rule, incorporate the implementation of the use of attorney opinion letters, in certain cases, and to make minor grammatical and formatting edits.

Paragraph 13.3(B) - Protection of Lender Rights and Lien Position

- Amended verbiage in paragraph (B) to include guidance for foreclosure and deed in lieu as it relates to community land trusts.

Paragraph 13.3(D) - Title Policy

- Added a new section to clarify that community land trust and leasehold interest properties require a title insurance policy.

Paragraph 13.8 - Definition

- Revised the definition of manufactured homes to include language clarifying the primary distinction between those type homes and modular homes.

Paragraph 13.9 - Authorized Loan Purposes

- Amended verbiage to provide clarification that new manufactured home must have been built within 12 months of the date of loan closing and include the requirement that the certification label must remain visible after all work is complete in order to complete the installation of the home at the home site.
- Added the existing manufactured home eligibility requirements, including identifying that existing manufactured homes must be constructed within 20 years from the date of loan closing.

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Paragraph 13.10 - Loan Restrictions

- Updated to include the restrictions related the financing of existing manufactured homes. Additionally, clarified that existing manufactured homes with a manufacture date exceeding 20 years from the date of loan closing are ineligible.

Paragraph 13.12 - Loan Closing for Manufactured Housing

- Removed paragraph 13.12(B) "Certification Requirements" since Attachment's 13-A (Dealer Certification - New Manufactured Home) & 13-B (Certification of Builder/Contractor) have been removed.
- Revised paragraph 13.12(D), formerly paragraph 13.12(E), to add guidance that would restrict the use of attorney opinion letters for manufactured homes to correspond with the implementation of the use of attorney opinion letters included Chapter 16.

Attachment 13-A and 13-B

- Removed.

Appendix 2:

The following updates were made to HB-1-3555, Appendix 2 to update the forms and instructions which are utilized.

Originating and Processing Forms

- Updated chapters where forms can be found.
- Revised the reference to FEMA flood certification form and updated the link to FEMA.

Instructions Referenced

- Removed RD Instructions 1924-A and 1951-B as they are not specifically referenced in the Handbook.

Appendix 3:

The following updates were made:

- Clarified all documentation will be retained in the electronic customer file (ECF).
- Updated obsolete link.
- Removed duplicate language from Handbook Letter 3.

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- Clarified lenders must obtain and document CAIVRS response on a manually submitted file and include this evidence in a complete loan submission to USDA.
- Updated the reference from NFAOC to the Servicing Office as the point of contact for system access.
- Verified and updated 2 screenshots of CAIVRS website.
- Made minor grammatical corrections.

REMOVE

Table of Contents:

Pages 5 thru 10;

Chapter 2 dated 03-09-16:

All Pages;

Chapter 6 dated 03-09-16:

All Pages,

Attachment 6-A;

Chapter 12 dated 03-09-16:

Pages 12-1 thru 12-50,

Attachment 12-C,

Attachment 12-D,

Attachment 12-E;

Chapter 13 dated 03-09-16:

All Pages;

Appendix 2 dated 03-09-16:

All Pages;

Appendix 3 dated 03-09-16:

All Pages;

Appendix 7 dated 03-09-16:

All Pages;

INSERTTable of Contents:

Pages 5 thru 10 revised;

Chapter 2 dated 03-09-16:

Pages 2-1 thru 2-4 revised;

Chapter 6 dated 03-09-16:

Pages 6-1 thru 6-10 revised,

Attachment 6-A revised;

Chapter 12 dated 03-09-16:

Pages 12-1 thru 12-50,

Attachment 12-C revised;

Attachment 12-D revised;

Attachment 12-E revised;

Chapter 13 dated 03-09-16:

Pages 13-1 thru 13-13

Appendix 2 dated 03-09-16:

Pages 1 thru 3 revised;

Appendix 3 dated 03-09-16:

Pages 1 thru 42 revised;

Appendix 7 dated 03-09-16:

Pages 1 thru 10 revised;

FORM**REPLACEMENT****RD 410-4****(WSAL)**

update the non-discrimination statement. The Form and FMI can be located on the eForms website [eForms Home \(usda.gov\)](https://www.usda.gov/eForms).

UNIFORM RESIDENTIAL LOAN APPLICATION dated 05-25. Prescribed in HB-1-3550 and HB-1-3550. The Form and FMI are revised to

REMOVE

FMI dated 10-25-06.

INSERT

FMI revised 05-05-25.

(CON.)

FORM

REPLACEMENT

RD 1944-59
(WSAL)

CERTIFICATE OF ELIGIBILITY dated 05-25.
Prescribed in Handbook HB-1-3550 and
HB-2-3550. The Form and FMI are revised to
updated to include a statement that funding is not committed until issuance of
Form 3550-7, Funding Commitment and Notification of Loan Closing; Clarification
between new construction and newly constructed property; and added items
required for existing manufactured housing. The Form and FMI can be located on
the eForms website [eForms Home \(usda.gov\)](https://www.usda.gov/eforms).

REMOVE

FMI dated 06-02-23.

INSERT

FMI revised 05-05-25.

FORM

OBSOLETE

RD 1944-5
(WSAL)

RURAL DEVELOPMENT MANUFACTURED HOUSING
DEALER-CONTRACTOR APPLICATION. This Form
is obsolete and is no longer needed.

REMOVE

FMI dated 11-18-22.