

RD AN No. 4001 (1980-D)

August 12, 2004

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors
Guaranteed Rural Housing Specialists
Rural Development Managers
Community Development Managers

FROM: Russell T. Davis (Signed by David Villano) for
Administrator
Rural Housing Service

SUBJECT: Single Family Housing Guaranteed Loan Program
Form RD 1980-17, "Loan Note Guarantee"

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify RHS procedure on the issuance and retention of Form RD 1980-17, "Loan Note Guarantee," and affirm Agency policy on a lender's request for a duplicate copy.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 3884 (1980-D) dated July 17, 2003.

IMPLEMENTATION RESPONSIBILITIES:

Form RD 1980-17 constitutes the Government's obligation to guarantee the associated loan. The holding lender must retain the original Loan Note Guarantee with the original Promissory Note at all times.

EXPIRATION DATE:
August 31, 2005

FILING INSTRUCTIONS:
Preceding RD Instruction 1980-D

When a lender requests issuance of a Loan Note Guarantee, the lender should inform the Agency of the address to which the document should be sent. If a lender requests a Loan Note Guarantee to be issued, but the address of the lender holding the Promissory Note changes before the Loan Note Guarantee is received, the requesting lender should forward the document upon receipt to the appropriate party with instructions to attach it to and retain it with the original Promissory Note. Lenders are reminded that if the loan has been sold or the servicing rights transferred, the Agency should be notified as soon as possible by submitting Form RD 1980-11, "Guaranteed Rural Housing Lender Record Change."

On occasion, a lender may lose and request a certified copy or duplicate original of a Loan Note Guarantee. A certified copy is a duplicate of an original document that is certified as a true copy by the lender having custody of the original. The Agency cannot issue a certified copy of the Loan Note Guarantee because the original document is issued to the lender, and the Agency retains only a photocopy of the form in its files. Thus, the Agency cannot issue a certified copy of a Loan Note Guarantee. The Agency, however, may issue a duplicate original. A duplicate original should be clearly marked as such. It should be dated the same date as when the original Loan Note Guarantee was issued, and it should be signed in ink by authorized personnel as if it were an original Loan Note Guarantee.

RHS will accept a duplicate original of the Loan Note Guarantee as evidence of the Government's obligation to guarantee the associated loan. RHS will also accept a certified copy of the Loan Note Guarantee if it is certified as a true copy in accordance with the document authentication laws and regulations of the State in which the copy was certified.

If you should have any questions regarding this AN, please contact Joaquín Tremols at (202) 720-1465 or joaquin.tremols@usda.gov. Thank you.