

Form RD 1927-16
(Rev. 10-96)FORM APPROVED
OMB NO. 0575-0147UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Housing Service
Farm Service Agency

SUBJECT: Notification of Loan Closing

TO: (1)

Your Rural Housing Service (RHS) loan will be closed soon. To schedule a closing date you must complete and comply with the checked items and return this letter to the RHS at the above address by (2)

- Your loan was approved on the basis that your annual gross household income was \$ (3) for a household of _____ persons. Has your current annual household income or household size changed from the above? YES NO
- List any and all debts incurred since (4) _____, which have an unpaid balance of more than \$100.

<i>To Whom Owed</i>	<i>Amount</i>	<i>Security</i>	<i>Monthly Payment</i>
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- Provide the closing agent with a standard fire and extended coverage insurance policy in the following amounts (*identify buildings and required amount of insurance on each*): (5)
- Provide a termite and pest certification. (6)

FAILURE TO PROVIDE A BINDER OR POLICY AND A PAID RECEIPT FOR ONE YEAR'S PREMIUM WILL DELAY THE CLOSING OF YOUR LOAN. The insurance coverage must be a one year policy effective not later than the date of loan closing. A receipt for payment of one year's premium must be attached to the policy. Enclosed are three copies of Form FmHA 426-2, "Property Insurance Mortgage Clause". These forms should be taken to your insurance agent to be attached to your policy.

Written evidence that the following systems are functioning properly and meet RHS requirements must be submitted to RHS before loan closing or to the closing agent at loan closing:

- water system
- waste disposal
- electrical system (6)
- heating system
- plumbing system

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Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Service, U.S. Department of Agriculture, Regulatory Office (1020-1), 1400 Independence Avenue, S.W., Washington, D.C. 20250-7002. Please DO NOT RETURN this form to this address. It is now being sent to the principal EPA office. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

(see reverse)

PROCEDURE FOR PREPARATION : RD Instruction 1927-B and RD Handbooks 3550.PREPARED BY : Approving Official.NUMBER OF COPIES : Original and two copies.SIGNATURES REQUIRED : Approving official, applicants.DISTRIBUTION OF COPIES : One copy retained by Field Office pending receipt of original. Original and one copy to applicant. Applicant retains copy and returns original to Agency.

REVERSE OF FORM RD 1927-16

For your protection RHS recommends a pre-closing inspection be made jointly with the seller and buyer just prior to closing. RHS inspections are made solely to protect the security interest of the government.

Other information required by closing:

You will be notified of the time and place of loan closing and any other specific requirements to be met. You will be required to provide \$ (7) of your personal funds at loan closing. If you are unable to comply with the above requirements, please notify this office immediately.

(8)

Loan Approval Official

Enclosures

I certify that the information provided by me on this form is accurate. I have reviewed the instructions given by the Loan Approval Official and understand that I must meet the conditions outlined.

(9)

Applicant

(9)

Date

(9)

Applicant

(9)

Date

INSTRUCTIONS FOR PREPARATION

System Generated.

- (1) Insert the name and address of the applicant(s).
- (2) Insert a date determined to be reasonable by the loan approval official (14 days).
- (3) Insert the gross income figure and family size last verified (usually to determine eligibility). The applicant verifies by indicating yes or no.
- (4) Insert the date the last financial statement was completed. The applicant is to itemize any new debts in the space provided.
- (5) Indicate those buildings to be insured by the loan applicant and specify the amount of insurance required on each.
- (6) Check if applicable.
- (7) Indicate exactly how much of the loan applicant's personal funds must be brought to the closing for expenses not covered by loan funds.
- (8) Signature of Loan Approval Official.
- (9) The loan applicants must sign and date before returning the completed form to the loan origination office.