APPENDIX 2

FORMS AND CERTIFICATIONS REFERENCED IN THIS HANDBOOK

FORMS

FEMA Form 81-93, Standard Flood Hazard Determination
Form RD 400-1, Equal Opportunity Agreement
Form RD 400-3, Notice to Contractors and Applicants
Form RD 400-6, Compliance Statement
Form RD 410-4, Application for Rural Housing Assistance (Nonfarm Tract), Uniform Residential Loan Application
Form RD 410-8, Applicant Reference Letter
Form RD 440-58, Estimate of Settlement Costs
Form RD 1007, Marshall and Swift Square Foot Appraisal Form
Form RD 1910-5, Request for Verification of Employment
Form RD 1922-8, Uniform Residential Appraisal Report
Form RD 1922-12, Nonfarm Tract Comparable Sales Data
Form RD 1922-14, Residential Appraisal Review for Single Family Housing
Form RD 1922-15, Administrative Appraisal Review for Single Family Housing
Form RD 1924-2, Description of Materials
Form RD 1924-6, Construction Contract
Form RD 1924-7, Contract Change Order
Form RD 1924-9, Certification of Contractor's Release
Form RD 1924-10, Release by Claimants
Form RD 1924-12, Inspection Report
Form RD 1924-16, Record of Pre-Construction Conference
Form RD 1924-19, Builder's Warranty
Form RD 1924-25, Plan Certification
Form RD 1927-2, Transmittal of Form RD 1927-19/1927-20
Form RD 1927-4, Transmittal of Title Information
Form RD 1927-5, Affidavit Regarding Work of Improvement
Form RD 1927-8, Agreement with Prior Lienholder
Form RD 1927-9, Preliminary Title Opinion
Form RD 1927-16, Notification of Loan Closing
Form RD 1927-19, Certification of Attorney
Form RD 1927-20, Certification of Title Insurance Company

Form RD 1940-16, Promissory Note
Form RD 1940-21, Environmental Assessment for Class I Action
Form RD 1940-22, Environmental Checklist for Categorical Exclusions
Form RD 1940-41, Truth in Lending Statement
Form RD 1940-43, Notice of Right to Cancel
Form RD 1940-59, Settlement Statement
Form RD 1944-3, Budget and/or Financial Statement
Form RD 1944-4, Certification of Disability or Handicap
Form RD 1944-5, Manufactured Housing Dealer-Contractor Application
Form RD 1944-6, Interest Credit Agreement
Form RD 1944-11, Conditional Commitment
Form RD 1944-12, Rural Housing Loan Application Package
Form RD 1944-14, Payment Assistance/Deferred Mortgage Assistance Agreement
Form RD 1944-36, Application for Conditional Commitment
Form RD 1944-59, Certificate of Eligibility
Form RD 1944-60, Landlord's Verification
Form RD 1944-61, Credit History Worksheet
Form RD 1944-62, Request for Verification of Deposit
Form RD 1955-2, Report on Real Estate Problem Case
Form RD 1955-20, Lease of Real Property
Form RD 1955-42, Open Real Property Master Listing Agreement
Form RD 1955-43, Notice of Real Property for Sale (Single Family Housing)
Form RD 1955-44, Notice of Residential Occupancy Restriction
Form RD 1955-45, Standard Sales Contract, Sale of Real Property by the United States
Form RD 1955-46, Invitation, Bid, and Acceptable Sale of Real Property by the United States
Form RD 1955-47, Bill of Sale 'A'
Form RD 1955-49, Quitclaim Deed
Form RD 1955-50, Advice of Inventory Property Sold
Form 1955-50A, Advice of Inventory Property Sold-Credit Sale
Form RD 1955-50B, Advice of Inventory Property Sold-Cash Sale/Transfer--Acquired Property

Form RD 3550-1, Authorization to Release Information
Form RD 3550-2, Request for Verification of Gift/Gift Letter
Form RD 3550-4, Employment Certification/Payment Assistance
Form RD 3550-6, Notice of Special Flood Hazards, Flood Insurance Purchase Requirements, and Availability of Federal Disaster Relief Assistance
Form RD 3550-7, Mortgage Loan Commitment
Form RD 3550-9, Initial Escrow Account Disclosure Statement
Form RD 3550-10, Condominium Rider
Form RD 3550-11, Planned Unit Development (PUD) Rider
Form RD 3550-12, Subsidy Repayment Agreement
Form RD 3550-14, Real Estate Mortgage or Deed of Trust for (State)
Form RD 3550-15, Tax Information
Form RD 3550-16, Release from Personal Liability
Form RD 3550-17, Funds Transmittal Report
Form RD 3550-19, Transmittal-Closing Documents
Form RD 3550-22, Assumption Agreement, Single Family Housing
Form RD 3550-23, Applicant Orientation Guide
Form RD 3550-24, Grant Agreement
Form RD 3550-25, Loan Closing Instructions and Loan Closing Statement
Form RD 3550-26, USDA Rural Housing Service-Substitute Payment Coupon
Form RD 3550-34, Option to Purchase Real Property
Form SF-5510, Authorization Agreement for Preauthorized Payments
ASTM E-1528, Transaction Screen Questionnaire
Immigration and Naturalization Service Form G-845, Document Verification Request
Social Security Administration Form SSA-3288, Consent for Release of Information

CERTIFICATIONS

Grant Repayment Agreement
Verification of Pensions and Annuities
Verification of Student Income and Expenses
Verification of Medical Expenses
Verification of Social Security Benefits
Verification of Public Assistance
Verification of Child/Dependent Care
Verification of Unemployment Benefits
Verification of Business Expenses
Verification of Support Payments
Certification of Disposition of Assets
Record of Oral Verification

APPENDIX 3

HANDBOOK LETTERS REFERENCED IN THIS HANDBOOK

Handbook Letter 1(3550), Moderate Income Options

Handbook Letter 2(3550), Pre-eligible

Handbook Letter 3(3550), Waiting Period

Handbook Letter 10(3550), Status of Offer to Buy Single Family Housing REO Property

Handbook Letter 11(3550), Selected for Processing/Request Information

Handbook Letter 12(3550), Notification of Approval (504 Grant)

Handbook Letter 15(3550), Standardized Adverse Decision Letter

Handbook Letter 16(3550), Eligibility of Self-Help Applicants

Handbook Letter 17(3550), Adverse Decision Involving An Appraisal

Handbook Letter 18(3550), Unfavorable Decision After State Director Review Of An Appraisal

Handbook Letter 19(3550), Pre-qualification Review

REFERENCE: Field Office Handbook Chapter 3

SUBJECT: Moderate Income Options

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

Information obtained while processing your application for Rural Development loan assistance indicates that your adjusted annual household income exceeds the maximum low-income limit for this area, which is $(*insert the applicable income limit*). If this information is correct, the following options are available to you in obtaining housing:

1. Sale of Real Estate Owned (REO) Property. This is the sale of a property that is owned by the Government. Rural Development acquires title to properties periodically and has (*insert the number of properties available*) properties available for sale at this time. We welcome you to visit our Real Estate for Sale website at http://www.resales.usda.gov to view the changing availability of properties or contact this office for more information.

2. A transfer and assumption of an existing Rural Development loan. You may assume the unpaid balance of a loan from a Rural Development borrower whose property is for sale. Equity or repairs would need to be paid for with cash provided by you.

3. A Guaranteed Rural Housing loan. If you wish to learn more about this program and obtain a list of participating lenders, please contact this office at (*insert field office address*).

4. Other credit. You may wish to pursue financing through a private lending institution.

Applications for the purchase of an REO property or loan transfer and assumption are given funding priority. If you are interested in a specific REO property or loan transfer and believe you can meet the conditions outlined above, you should notify this office within 30 days of receipt of this letter. If we do not hear from you within the specified time frame, your application will be withdrawn. Please refer to Attachment 1-C in this letter regarding your ability to have the decision further reviewed.

Sincerely,

(*insert name of the Loan Originator*)
(*insert title of the Loan Originator*)

Attachment
[*Attachment 1-C of Chapter 1*]

REFERENCE: Field Office Handbook Chapter 3

SUBJECT: Pre-eligible

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

Rural Development cannot continue to process your application at this time due to the lack of availability of funds for households within your income category. However, based on a preliminary review of your unverified credit and financial information, it appears you may be eligible for loan services through this Agency. It should be stressed that a final determination of your eligibility using verified information is being postponed. The approximate waiting period before funds may be available to consider your loan request is (*insert approximate days/months funds will be available*).

We will contact you every 6 months to update you on the status of the waiting period and to inquire about your continued interest in Rural Development assistance. Failure to respond to future notices will result in the voluntary withdrawal of your application. **Consequently, it is extremely important that you contact our office if you experience a change in your address or telephone number.**

Once we are in a position to process your application, you will be asked to furnish monies for a residential mortgage credit report and all relevant information will be verified by third parties so that we can make a final eligibility determination. We will notify you once funding is available to consider your loan request and provide you with further instructions. In the meantime, **do not** incur debts for items such as a building site, or the repair, purchase, or construction of a home; there is no guarantee that the Agency will extend you financing.

If you are planning to assume the unpaid balance of a loan from an existing Rural Development borrower or purchase a Government Real Estate Owned property, you should advise this office. These transactions can be processed without delay. You may also wish to discuss eligibility requirements for the Guaranteed Rural Housing loan.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

The Fair Housing Act prohibits discrimination in real estate related transactions, or in the terms or conditions of such a transaction because of race, color, religion, sex, disability, familial status, or national origin. The federal agency that is responsible for enforcing this law is the U. S. Department of Housing and Urban Development. If a person believes that they have been discriminated against in violation of this law, they should contact the U. S. Department of Housing and Urban Development, Washington, D.C. 20410 or call (800) 669-9777.

Sincerely,

[*insert name of Loan Approval Official*]
[*insert title of Loan Approval Official*]

REFERENCE: Field Office Handbook Chapter 3

SUBJECT: Waiting Period

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

The rural housing application that you submitted to Rural Development on [*insert receipt date*] remains active.

However, resources are still currently unavailable to consider your loan request. The approximate waiting period is now [*insert # of months/days*].

Please complete the enclosed form if you are still interested in Rural Development assistance and update your current address and telephone number. Your failure to return the enclosed form to this office within 30 days of the date of this letter will result in a voluntary withdrawal of your application. If your application is withdrawn, you may reapply.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Feel free to contact this office at [*insert phone number*] if you have any questions.

Sincerely,

[*insert name of Loan Approval Official*]
[*insert title of Loan Approval Official*]

Enclosure

TO: [*insert name and address of applicable Rural Development field office*]

I am still interested in receiving rural housing assistance through Rural Development. Please keep my application active. My current address and telephone number are as follows:

Name: _____
(Please print)

Address: _____
(Street/Post Office Address)

_____
(City, State, and Zip Code)

Telephone: _____
(Please include area code)

THIS INFORMATION **HAS ___/HAS NOT ___** CHANGED SINCE YOU LAST CONTACTED ME. (*Please check either "has" or "has not" above.*)

Signed by:_____ Date:_____
Applicant

Signed by:_____ Date:_____
Applicant

Note: If you wish to have your application remain on file, please complete this form, sign and date it, then return it to the Rural Development office processing your loan application. Your response must be received within 30 days from the date on the attached letter of *[insert today's date]***.**

(01-23-03) SPECIAL PN
Revised (09-22-04) PN 379

Handbook Letter 10 (3550)

REFERENCE: Field Office Handbook Chapter 16

SUBJECT: Status of Offer to Buy Single Family Housing REO Property

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

Regarding your offer to purchase the above-referenced REO property, please be advised that:

_____ 1. Your offer has been accepted. Please contact this office to discuss proceeding with the transaction.
_____ 2. Another offer has been accepted, however, your offer is being held as a back-up offer.
_____ 3. The property is reserved for exclusive purchase by program applicants for the first 60 days after listing and for 30 days after any reduction in price. Your offer will be considered after this period if no acceptable offer from a program applicant is received.
_____ 4. Your offer could not be accepted for the following reason(s):
_____ Less than the listed sale price.
_____ An offer from a program applicant has been accepted.
_____ Another offer has already been accepted.
_____ The property is no longer for sale.
_____ (For back-up offers) The prior offer has been accepted.
_____ 5. The property has been withdrawn from sale.
_____ 6. A previous offer has been canceled. The property has been relisted for sale.
_____ 7. The property has been relisted for sale at the following:
Price $ _____
Terms: _____
_____ 8. Other: _____

Please feel free to contact this office if you have any questions regarding this letter. Thank you for your interest in purchasing REO property.

Sincerely,
[*insert name of Loan Approval Official*]
[*insert title of Loan Approval Official*]

Handbook Letter 11 (3550)

REFERENCE: Field Office Handbook Chapter 3

SUBJECT: Selected for Processing/Request Information

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

The application you filed with Rural Development has been selected for processing. The following information must be submitted to this office in order to determine your final eligibility for loan services:

- Residential Mortgage Credit Report - In order to request a credit report, it is necessary that you submit a non-refundable credit report fee of $ (insert amount of credit report fee). You may mail or bring this amount to this office at (insert field office address). A credit report cannot be ordered until these funds are received in this office.

- Verification of Identity - Picture identification (i.e. driver's license, passport, work related ID cards, etc.), evidence of age, and evidence of taxpayer's identification number for each person that is party to the application.

- Separation Agreement/Divorce Decree

- Evidence Child Care Payment

- Medical Expense(s) Payment(s) Documentation

- Social Security or Other Retirement Benefits Notice

- Other_____

This letter is to advise you that no action can be taken until all of the above-marked items have been received in this office and that your application will remain in an inactive status until the information is received. Your failure to respond to this request within 30 days of the date of this letter will result in a voluntary withdrawal of your application. If your application is withdrawn, you may reapply.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[*insert name of Rural Development Official*]
[*insert title of Rural Development Official*]

Handbook Letter 12 (3550)

REFERENCE: Field Office Handbook Chapter 12

SUBJECT: Notification of Approval (504 Grant)

Date: [insert today's date]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

Rural Development has approved your request for Section 504 Grant assistance in the amount of $ (*insert grant amount*).

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[*insert name of Rural Development Official*]
[*insert title of Rural Development Official*]

REFERENCE: Field Office Handbook Chapter 1

SUBJECT: Standardized Adverse Decision Letter

Date: [*insert today's date*]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

Thank you for the opportunity to consider your request for Rural Development assistance. In reviewing your request, we considered all information submitted to the Agency and the regulations that govern the assistance for which you applied. After careful review, we regret to inform you that we were unable to take favorable action on your request. The specific reasons for our decision are as follows:

(*The following items should be included in each adverse decision letter and can be presented in different formats depending upon the type of assistance requested and reasons for denial*):

- Specific reasons for the decision;
- Regulatory basis (CFR citation) for the decision;
- If applicable, a statement of any evidence considered in making the decision such as credit reports, financial statements, etc.;
- If applicable, a statement of any issues presented by the customer such as those discussed during any meetings or phone conversations.

If you believe our decision is incorrect, or the facts used in this case are in error, you may challenge our decision. Please see the attached document.

Sincerely,

[*insert name of Rural Development Official*]
[*insert title of Rural Development Official*]

Attachment [*insert Attachment 1-B or 1-C, as appropriate from Chapter 1*]

Handbook Letter 16 (3550)

REFERENCE: Field Office Handbook Chapter 7

SUBJECT: Eligibility of Self-Help Applicants

Date: [*insert today's date*]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

You have been determined eligible for Rural Development financing for construction of a modest single family home under the Self-Help program. Eligibility is based on income and financial information that is verified within 90 days of loan approval and closing. Loan approval and closing are subject to the continued eligibility of the applicant and the availability of loan funds. Changes in your financial status (income and expenses) must be reported to Rural Development, and may affect your eligibility and the amount of loan for which you qualify. Rural Development has determined that you qualify for a Self-Help loan up to the amount of $_____ in_____ County.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[*insert name of Rural Development Official*]
[*insert title of Rural Development Official*]

_____

Handbook Letter 17 (3550)

REFERENCE: Field Office Handbook Chapter 5

SUBJECT: Adverse Decision Involving an Appraisal

Date: [*insert today's date*]

[*insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)*]
[*insert applicant(s) street/post office address*]
[*insert city, state, and zip code*]

Dear [*insert applicant(s) last name(s) (Mr., Mrs., Ms.)*]:

After carefully analyzing the appraisal of the property located at _____, we are unable to take favorable action on your request for Rural Development services. The specific reasons for our decision are:

[*insert the specific reasons associated with the appraisal for the adverse action*]

If the aforementioned reason for denial was because the appraised value was for less than the sales contract, you may want to look into the following options:

1) Adjust the sales contract
2) Dispute the appraisal

If you have any questions concerning this decision or the facts used in making our decision and desire further explanation, you may call or write the Local Office at [*insert office phone number*] to request a meeting with this office within 15 calendar days of the date on this letter. You should present any new information or evidence along with possible alternatives for our consideration. You may also bring a representative or legal counsel with you.

If you do not wish to have a meeting as provided above, you may contest the appraisal of the property value. In order to contest the appraisal you must first request a review of the appraisal by the Rural Development State Director. Your request for review by the State Director should be through our office. You will be advised of the results of the State Director's review. If after the State Director's review you still disagree with the appraisal you may request a hearing. When you receive the results of the State Director's review you will be advised on how to ask for a hearing. Your request for a review of the appraisal must be postmarked no later than _____,_____[*insert date 15 days from date of letter*].

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[*insert name of Loan Approval Official*]
[*insert title of Loan Approval Official*]

Handbook Letter 18 (3550)

REFERENCE: Field Office Handbook Chapter 5

SUBJECT: Unfavorable Decision After State Director Review of an Appraisal

---

Date: [*insert today's date*]

[insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)]
[insert applicant(s) street/post office address]
[insert city, state, and zip code]

Dear *[insert applicant last name(s) (Mr., Mrs., Ms.)]*:

At your request, we have reviewed the appraisal of the property you wish to purchase. We have determined that the value estimate of the property is both supportable and defensible (as required by Rural Development regulations and appraisal industry standards) and, therefore, acceptable.

You have the right to appeal this decision. You must show why the appraisal is in error. You may submit an independent appraisal, at your expense, from a qualified appraiser who is a designated member of a national appraisal society or an equivalent organization requiring appraisal education, testing and experience. The appraisal must conform to Agency appraisal regulations applicable to the loan program.

See Attachment 1-B for your appeal rights. [*Include Attachment 1-B from Chapter 1*]

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[*insert name of Loan Approval Official*]
[*insert title of Loan Approval Official*]

Handbook Letter 19 (3550)

REFERENCE: Field Office Handbook Chapter 3

SUBJECT: Pre-qualification Review

Date: [*insert today's date*]

[*insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.)*]
[*insert applicant(s) street/post office address*]
[*insert city, state, and zip code*]

Dear [*insert applicant(s) last name(s) (Mr., Mrs., Ms.)*]:

Rural Development has conducted a pre-qualification review using a profile credit report (obtained at no cost to you) as well as unverified information you provided either orally or through the Uniform Residential Loan Application. During this informal and unbinding review, items that raised concerns or need clarification were noted.

To qualify for program assistance, applicants must meet basic eligibility requirements that include, but are not limited to, acceptable credit history and loan repayment ability. We would like the opportunity to discuss with you the information obtained through the pre-qualification review. We ask that you call our office at [*insert office phone number*] within 15 calendar days of the date on this letter.

Again, this letter is not a denial of credit assistance through Rural Development. You are welcome to submit a Uniform Residential Loan Application if you haven't done so already and you are entitled to continue on with the processing of your application.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, disability, familial status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[*insert name of Loan Approval Official*]
[*insert title of Loan Approval Official*]

APPENDIX 4

7 CFR PART 11--NATIONAL APPEALS DIVISION RULES OF PROCEDURE

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11.13 Judicial review.

11.14 Filing of appeals and computation of time.

Authority: 5 U.S.C. 301; Title II, Subtitle H, Pub. L. 103-354, 108 Stat. 3228 (7 U.S.C. 6991 et seq.); Reorganization Plan No. 2 of 1953 (5 U.S.C. App.).

§ 11.1 Definitions.

For purposes of this part:

Adverse decision means an administrative decision made by an officer, employee, or committee of an agency that is adverse to a participant. The term includes a denial of equitable relief by an agency or the failure of an agency to issue a decision or otherwise act on the request or right of the participant within timeframes specified by agency program statutes or regulations or within a reasonable time if timeframes are not specified in such statutes or regulations. The term does not include a decision over which the Board of Contract Appeals has jurisdiction.

Agency means:

(1) The Agricultural Stabilization and Conservation Service (ASCS);

(2) The Commodity Credit Corporation (CCC);

(3) The Farm Service Agency (FSA);

(4) The Farmers Home Administration (FmHA);

(5) The Federal Crop Insurance Corporation (FCIC);

(6) The Natural Resources Conservation Service (NRCS);

(7) The Rural Business-Cooperative Service (RBS);

(8) The Rural Development Administration (RDA);

(9) The Rural Housing Service (RHS);

(10) The Rural Utilities Service (RUS) (but not for programs authorized by the Rural Electrification Act of 1936 and the Rural Telephone Bank Act, 7 U.S.C. 901 et seq.);

(11) The Soil Conservation Service (SCS);

(12) A State, county, or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)); and

(13) Any successor agency to the above-named agencies, and any other agency or office of the Department which the Secretary may designate.

Agency record means all the materials maintained by an agency related to an adverse decision which are submitted to the Division by an agency for consideration in connection with an appeal under this part, including all materials prepared or reviewed by the agency during its consideration and decision-making process, but shall not include records or information not related to the adverse decision at issue. All materials contained in the agency record submitted to the Division shall be deemed admitted as evidence for purposes of a hearing or a record review under Sec. 11.8.

Agency representative means any person, whether or not an attorney, who is authorized to represent the agency in an administrative appeal under this part.

Appeal means a written request by a participant asking for review by the National Appeals Division of an adverse decision under this part.

Appellant means any participant who appeals an adverse decision in accordance with this part. Unless separately set forth in this part, the term ``appellant'' includes an authorized representative.

Authorized representative means any person, whether or not an attorney, who is authorized in writing by a participant, consistent with Sec. 11.6(c), to act for the participant in an administrative appeal under this part. The authorized representative may act on behalf of the participant except when the provisions of this part require action by the participant or appellant personally.

Case record means all the materials maintained by the Secretary related to an adverse decision. The case record includes both the agency record and the hearing record.

Days means calendar days unless otherwise specified.

Department means the United States Department of Agriculture (USDA).

Director means the Director of the Division or a designee of the Director.

Division means the National Appeals Division established by this part.

Equitable relief means relief which is authorized under section 326 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339a) and other laws administered by the agency.

Ex parte communication means an oral or written communication to any officer or employee of the Division with respect to which reasonable prior notice to all parties is not given, but it shall not include requests for status reports, or inquiries on Division procedure, in reference to any matter or proceeding connected with the appeal involved.

Hearing, except with respect to Sec. 11.5, means a proceeding before the Division to afford a participant the opportunity to present testimony or documentary evidence or both in order to have a previous determination reversed and to show why an adverse determination was in error.

Hearing Officer means an individual employed by the Division who conducts the hearing and determines appeals of adverse decisions by any agency.

Hearing record means all documents, evidence, and other materials generated in relation to a hearing under Sec. 11.8.

Implement means the taking of action by an agency of the Department in order fully and promptly to effectuate a final determination of the Division.

Participant means any individual or entity who has applied for, or whose right to participate in or receive, a payment, loan, loan guarantee, or other benefit in accordance with any program of an agency to which the regulations in this part apply is affected by a decision of such agency. With respect to guaranteed loans made by FSA, both the borrower and the lender jointly must appeal an adverse decision except that the denial or reduction of a final loss payment to a lender shall be appealed by the lender only. The term does not include persons whose claim(s) arise under:

(1) Programs subject to various proceedings provided for in 7 CFR part 1;

(2) Programs governed by Federal contracting laws and regulations (appealable under other rules and to other forums, including to the Department's Board of Contract Appeals under 7 CFR part 24);

(3) The Freedom of Information Act (appealable under 7 CFR part 1, subpart A);

(4) Suspension and debarment disputes, including, but not limited to, those falling within the scope of 7 CFR parts 1407 and 3017;

(5) Export programs administered by the Commodity Credit Corporation;

(6) Disputes between reinsured companies and the Federal Crop Insurance Corporation;

(7) Tenant grievances or appeals prosecutable under the provisions of 7 CFR part 1944, subpart L, under the multi-family housing program carried out by RHS;

(8) Personnel, equal employment opportunity, and other similar disputes with any agency or office of the Department which arise out of the employment relationship;

(9) The Federal Tort Claims Act, 28 U.S.C. 2671 et seq., or the Military Personnel and Civilian Employees Claims Act of 1964, 31 U.S.C. 3721; or

(10) Discrimination complaints prosecutable under the nondiscrimination regulations at 7 CFR parts 15, 15a, 15b, and 15e.

Record review means an appeal considered by the Hearing Officer in which the Hearing Officer's determination is based on the agency record and other information submitted by the appellant and the agency, including information submitted by affidavit or declaration.

Secretary means the Secretary of Agriculture.

§ 11.2 General statement.

(a) This part sets forth procedures for proceedings before the National Appeals Division within the Department. The Division is an organization within the Department, subject to the general supervision of and policy direction by the Secretary, which is independent from all other agencies and offices of the Department, including Department officials at the state and local level. The Director of the Division reports directly to the Secretary of Agriculture. The authority of the Hearing Officers and the Director of the Division, and the administrative appeal procedures which must be followed by program participants who desire to appeal an adverse decision and by the agency which issued the adverse decision, are included in this part.

(b) Pursuant to section 212(e) of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354 (the Act), 7 U.S.C. 6912(e), program participants shall seek review of an adverse decision before a Hearing Officer of the Division, and may seek further review by the Director, under the provisions of this part prior to seeking judicial review.

§ 11.3 Applicability.

(a) Subject matter. The regulations contained in this part are applicable to adverse decisions made by an agency, including, for example, those with respect to:

(1) Denial of participation in, or receipt of benefits under, any program of an agency;

(2) Compliance with program requirements;

(3) The making or amount of payments or other program benefits to a participant in any program of an agency; and

(4) A determination that a parcel of land is a wetland or highly erodible land.

(b) Limitation. The procedures contained in this part may not be used to seek review of statutes or USDA regulations issued under Federal law.

§ 11.4 Inapplicability of other laws and regulations.

The provisions of the Administrative Procedure Act generally applicable to agency adjudications (5 U.S.C. 554, 555, 556, 557, & 3105) are not applicable to proceedings under this part. The Equal Access to Justice Act, as amended, 5 U.S.C. 504, does not apply to these proceedings. The Federal Rules of Evidence, 28 U.S.C. App., shall not apply to these proceedings.

§ 11.5 Informal review of adverse decisions.

(a) Required informal review of FSA adverse decisions. A participant must seek an informal review of an adverse decision issued at the field service office level by an officer or employee of FSA, or by any employee of a county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act, 16 U.S.C. 590h(b)(5), before NAD will accept an appeal of an FSA adverse decision. Such informal review shall be done by the county or area committee with responsibility for the adverse decision at issue. The procedures for requesting such an informal review before FSA are found in 7 CFR part 780. After receiving a decision upon review by a county or area committee, a participant may seek further informal review by the State FSA committee or may appeal directly to NAD under Sec. 11.6(b).

(b) Optional informal review. With respect to adverse decisions issued at the State office level of FSA and adverse decisions of all other agencies, a participant may request an agency informal review of an adverse decision of that agency prior to appealing to NAD. Procedures for requesting such an informal review are found at 7 CFR part 780 (FSA), 7 CFR part 614 (NRCS), 7 CFR part 1900, subpart B (RUS), 7 CFR part 1900, subpart B (RBS), and 7 CFR part 1900, subpart B (RHS).

(c) Mediation. A participant also shall have the right to utilize any available alternative dispute resolution (ADR) or mediation program, including any mediation program available under title V of the Agriculture Credit Act of 1987, 7 U.S.C. 5101 et seq., in order to attempt to seek resolution of an adverse decision of an agency prior to a NAD hearing. If a participant:

(1) Requests mediation or ADR prior to filing an appeal with NAD, the participant stops the running of the 30-day period during which a participant may appeal to NAD under Sec. 11.6(b)(1), and will have the balance of days remaining in that period to appeal to NAD once mediation or ADR has concluded.

(2) Requests mediation or ADR after having filed an appeal to NAD under Sec. 11.6(b), but before the hearing, the participant will be deemed to have waived his right to have a hearing within 45 days under Sec. 11.8(c)(1) but shall have the right to have a hearing within 45 days after conclusion of mediation or ADR.

§ 11.6 Director review of agency determination of appealability and right of participants to Division hearing.

(a) Director review of agency determination of appealability.

(1) Not later than 30 days after the date on which a participant receives a determination from an agency that an agency decision is not appealable, the participant must submit a written request to the Director to review the determination in order to obtain such review by the Director.

(2) The Director shall determine whether the decision is adverse to the individual participant and thus appealable or is a matter of general applicability and thus not subject to appeal, and will issue a final determination notice that upholds or reverses the determination of the agency. This final determination is not appealable. If the Director reverses the determination of the agency, the Director will notify the participant and the agency of that decision and inform the participant of his or her right to proceed with an appeal.

(3) The Director may delegate his or her authority to conduct a review under this subsection to any subordinate official of the Division other than a Hearing Officer. In any case in which such review is conducted by such a subordinate official, the subordinate official's determination shall be considered to be the determination of the Director and shall be final and not appealable.

(b) Appeals of adverse decisions.

(1) To obtain a hearing under Sec. 11.8, a participant personally must request such hearing not later than 30 days after the date on which the participant first received notice of the adverse decision or after the date on which the participant receives notice of the Director's determination that a decision is appealable. In the case of the failure of an agency to act on the request or right of a recipient, a participant personally must request such hearing not later than 30 days after the participant knew or reasonably should have known that the agency had not acted within the timeframes specified by agency program regulations, or, where such regulations specify no timeframes, not later than 30 days after the participant reasonably should have known of the agency's failure to act.

(2) A request for a hearing shall be in writing and personally signed by the participant, and shall include a copy of the adverse decision to be reviewed, if available, along with a brief statement of the participant's reasons for believing that the decision, or the agency's failure to act, was wrong. The participant also shall send a copy of the request for a hearing to the agency, and may send a copy of the adverse decision to be reviewed to the agency, but failure to do either will not constitute grounds for dismissal of the appeal. Instead of a hearing, the participant may request a record review.

(c) If a participant is represented by an authorized representative, the authorized representative must file a declaration with NAD, executed in accordance with 28 U.S.C. 1746, stating that the participant has duly authorized the declarant in writing to represent the participant for purposes of a specified adverse decision or decisions, and attach a copy of the written authorization to the declaration.

§ 11.7 Ex parte communications.

(a) Ex parte communications.

(1) At no time between the filing of an appeal and the issuance of a final determination under this part shall any officer or employee of the Division engage in ex parte communications regarding the merits of the appeal with any person having any interest in the appeal pending before the Division, including any person in an advocacy or investigative capacity. This prohibition does not apply to:

(i) Discussions of procedural matters related to an appeal; or

(ii) Discussions of the merits of the appeal where all parties to the appeal have been given notice and an opportunity to participate.

(2) In the case of a communication described in paragraph (a)(1)(ii) of this section, a memorandum of any such discussion shall be included in the hearing record.

(b) No interested person shall make or knowingly cause to be made to any officer or employee of the Division an ex parte communication relevant to the merits of the appeal.

(c) If any officer or employee of the Division receives an ex parte communication in violation of this section, the one who receives the communication shall place in the hearing record:

(1) All such written communications;

(2) Memoranda stating the substance of all such oral communications; and

(3) All written responses to such communications, and memoranda stating the substance of any oral responses thereto.

(d) Upon receipt of a communication knowingly made or knowingly caused to be made by a party in violation of this section the Hearing Officer or Director may, to the extent consistent with the interests of justice and the policy of the underlying program, require the party to show cause why such party's claim or interest in the appeal should not be dismissed, denied, disregarded, or otherwise adversely affected on account of such violation.

§ 11.8 Division hearings.

(a) General rules.

(1) The Director, the Hearing Officer, and the appellant shall have access to the agency record of any adverse decision appealed to the Division for a hearing. Upon request by the appellant, the agency shall provide the appellant a copy of the agency record.

(2) The Director and Hearing Officer shall have the authority to administer oaths and affirmations, and to require, by subpoena, the attendance of witnesses and the production of evidence. A Hearing Officer shall obtain the concurrence of the Director prior to issuing a subpoena.

(i) A subpoena requiring the production of evidence may be requested and issued at any time while the case is pending before the Division.

(ii) An appellant or an agency, acting through any appropriate official, may request the issuance of a subpoena requiring the attendance of a witness by submitting such a request in writing at least 14 days before the scheduled date of a hearing. The Director or Hearing Officer shall issue a subpoena at least 7 days prior to the scheduled date of a hearing.

(iii) A subpoena shall be issued only if the Director or a Hearing Officer determines that:

(A) For a subpoena of documents, the appellant or the agency has established that production of documentary evidence is necessary and is reasonably calculated to lead to information which would affect the final determination or is necessary to fully present the case before the Division; or

(B) For a subpoena of a witness, the appellant or the agency has established that either a representative of the Department or a private individual possesses information that is pertinent and necessary for disclosure of all relevant facts which could impact the final determination, that the information cannot be obtained except through testimony of the person, and that the testimony cannot be obtained absent issuance of a subpoena.

(iv) The party requesting issuance of a subpoena shall arrange for service. Service of a subpoena upon a person named therein may be made by registered or certified mail, or in person. Personal service shall be made by personal delivery of a copy of the subpoena to the person named therein by any person who is not a party and who is not less than 19 years of age. Proof of service shall be made by filing with the Hearing Officer or Director who issued the subpoena a statement of the date and manner of service and of the names of the persons served, certified by the person who made the service in person or by return receipts for certified or registered mail.

(v) A party who requests that a subpoena be issued shall be responsible for the payment of any reasonable travel and subsistence costs incurred by the witness in connection with his or her appearance and any fees of a person who serves the subpoena in person. The Department shall pay the costs associated with the appearance of a Department employee whose role as a witness arises out of his or her performance of official duties, regardless of which party requested the subpoena.

The failure to make payment of such charges on demand may be deemed by the Hearing Officer or Director as sufficient ground for striking the testimony of the witness and the evidence the witness has produced.

(vi) If a person refuses to obey a subpoena, the Director, acting through the Office of the General Counsel of the Department and the Department of Justice, may apply to the United States District Court in the jurisdiction where that person resides to have the subpoena enforced as provided in the Federal Rules of Civil Procedure (28 U.S.C. App.).

(3) Testimony required by subpoena pursuant to paragraph (a)(2) of this section may, at the discretion of the Director or a Hearing Officer, be presented at the hearing either in person or telephonically.

(b) Hearing procedures applicable to both record review and hearings.

(1) Upon the filing of an appeal under this part of an adverse decision by any agency, the agency promptly shall provide the Division with a copy of the agency record. If requested by the appellant prior to the hearing, a copy of such agency record shall be provided to the appellant by the agency within 10 days of receipt of the request by the agency.

(2) The Director shall assign the appeal to a Hearing Officer and shall notify the appellant and agency of such assignment. The notice also shall advise the appellant and the agency of the documents required to be submitted under paragraph (c)(2) of this section, and notify the appellant of the option of having a hearing by telephone.

(3) The Hearing Officer will receive evidence into the hearing record without regard to whether the evidence was known to the agency officer, employee, or committee making the adverse decision at the time the adverse decision was made.

(c) Procedures applicable only to hearings.

(1) Upon a timely request for a hearing under Sec. 11.6(b), an appellant has the right to have a hearing by the Division on any adverse decision within 45 days after the date of receipt of the request for the hearing by the Division.

(2) The Hearing Officer shall set a reasonable deadline for submission of the following documents:

(i) By the appellant:

(A) A short statement of why the decision is wrong;

(B) A copy of any document not in the agency record that the appellant anticipates introducing at the hearing; and

(C) A list of anticipated witnesses and brief descriptions of the evidence such witnesses will offer.

(ii) By the agency:

(A) A copy of the adverse decision challenged by the appellant;

(B) A written explanation of the agency's position, including the regulatory or statutory basis therefor;

(C) A copy of any document not in the agency record that the agency anticipates introducing at the hearing; and

(D) A list of anticipated witnesses and brief descriptions of the evidence such witnesses will offer.

(3) Not less than 14 days prior to the hearing, the Division must provide the appellant, the authorized representative, and the agency a notice of hearing specifying the date, time, and place of the hearing. The hearing will be held in the State of residence of the appellant, as determined by the Hearing Officer, or at a location that is otherwise convenient to the appellant, the agency, and the Division. The notice also shall notify all parties of the right to obtain an official record of the hearing.

(4) Pre-hearing conference. Whenever appropriate, the Hearing Officer shall hold a pre-hearing conference in order to attempt to resolve the dispute or to narrow the issues involved. Such pre-hearing conference shall be held by telephone unless the Hearing Officer and all parties agree to hold such conference in person.

(5) Conduct of the hearing.

(i) A hearing before a Hearing Officer will be in person unless the appellant agrees to a hearing by telephone.

(ii) The hearing will be conducted by the Hearing Officer in the manner determined by the Division most likely to obtain the facts relevant to the matter or matters at issue. The Hearing Officer will allow the presentation of evidence at the hearing by any party without regard to whether the evidence was known to the officer, employee, or committee of the agency making the adverse decision at the time the adverse decision was made. The Hearing Officer may confine the presentation of facts and evidence to pertinent matters and exclude irrelevant, immaterial, or unduly repetitious evidence, information, or questions.

Any party shall have the opportunity to present oral and documentary evidence, oral testimony of witnesses, and arguments in support of the party's position; controvert evidence relied on by any other party; and question all witnesses. When appropriate, agency witnesses requested by the appellant will be made available at the hearing. Any evidence may be received by the Hearing Officer without regard to whether that evidence could be admitted in judicial proceedings.

(iii) An official record shall be made of the proceedings of every hearing. This record will be made by an official tape recording by the Division. In addition, either party may request that a verbatim transcript be made of the hearing proceedings and that such transcript shall be made the official record of the hearing. The party requesting a verbatim transcript shall pay for the transcription service, shall provide a certified copy of the transcript to the Hearing Officer free of charge, and shall allow any other party desiring to purchase a copy of the transcript to order it from the transcription service.

(6) Absence of parties.

(i) If at the time scheduled for the hearing either the appellant or the agency representative is absent, and no appearance is made on behalf of such absent party, or no arrangements have been made for rescheduling the hearing, the Hearing Officer has the option to cancel the hearing unless the absent party has good cause for the failure to appear. If the Hearing Officer elects to cancel the hearing, the Hearing Officer may:

(A) Treat the appeal as a record review and issue a determination based on the agency record as submitted by the agency and the hearing record developed prior to the hearing date;

(B) Accept evidence into the hearing record submitted by any party present at the hearing, and then issue a determination; or

(C) Dismiss the appeal.

(ii) When a hearing is cancelled due to the absence of a party, the Hearing Officer will add to the hearing record any additional evidence submitted by any party present, provide a copy of such evidence to the absent party or parties, and allow the absent party or parties 10 days to provide a response to such additional evidence for inclusion in the hearing record.

(iii) Where an absent party has demonstrated good cause for the failure to appear, the Hearing Officer shall reschedule the hearing unless all parties agree to proceed without a hearing.

(7) Post-hearing procedure. The Hearing Officer will leave the hearing record open after the hearing for 10 days, or for such other period of time as the Hearing Officer shall establish, to allow the submission of information by the appellant or the agency, to the extent necessary to respond to new facts, information, arguments, or evidence presented or raised at the hearing. Any such new information will be added by the Hearing Officer to the hearing record and sent to the other party or parties by the submitter of the information. The Hearing Officer, in his or her discretion, may permit the other party or parties to respond to this post-hearing submission.

(d) Interlocutory review. Interlocutory review by the Director of rulings of a Hearing Officer are not permitted under the procedures of this part.

(e) Burden of proof. The appellant has the burden of proving that the adverse decision of the agency was erroneous by a preponderance of the evidence.

(f) Timing of issuance of determination. The Hearing Officer will issue a notice of the determination on the appeal to the named appellant, the authorized representative, and the agency not later than 30 days after a hearing or the closing date of the hearing record in cases in which the Hearing Officer receives additional evidence from the agency or appellant after a hearing. In the case of a record review, the Hearing Officer will issue a notice of determination within 45 days of receipt of the appellant's request for a record review. Upon the Hearing Officer's request, the Director may establish an earlier or later deadline. A notice of determination shall be accompanied by a copy of the procedures for filing a request for Director review under Sec. 11.9. If the determination is not appealed to the Director for review under Sec. 11.9, the notice provided by the Hearing Officer shall be considered to be a notice of a final determination under this part.

§ 11.9 Director review of determinations of Hearing Officers.

(a) Requests for Director review.

(1) Not later than 30 days after the date on which an appellant receives the determination of a Hearing Officer under Sec. 11.8, the appellant must submit a written request, signed personally by the named appellant, to the Director to review the determination in order to be entitled to such review by the Director. Such request shall include specific reasons why the appellant believes the determination is wrong.

(2) Not later than 15 business days after the date on which an agency receives the determination of a Hearing Officer under Sec. 11.8, the head of the agency may make a written request that the Director review the determination. Such request shall include specific reasons why the agency believes the determination is wrong, including citations of statutes or regulations that the agency believes the determination violates. Any such request may be made by the head of an agency only, or by a person acting in such capacity, but not by any subordinate officer of such agency.

(3) A copy of a request for Director review submitted under this paragraph (a) shall be provided simultaneously by the submitter to each party to the appeal.

(b) Notification of parties. The Director promptly shall notify all parties of receipt of a request for review.

(c) Responses to request for Director review. Other parties to an appeal may submit written responses to a request for Director review within 5 business days from the date of receipt of a copy of the request for review.

(d) Determination of Director.

(1) The Director will conduct a review of the determination of the Hearing Officer using the agency record, the hearing record, the request for review, any responses submitted under paragraph (c) of this section, and such other arguments or information as may be accepted by the Director, in order to determine whether the decision of the Hearing Officer is supported by substantial evidence. Based on such review, the Director will issue a final determination notice that upholds, reverses, or modifies the determination of the Hearing Officer.

The Director's determination upon review of a Hearing Officer's decision shall be considered to be the final determination under this part and shall not be appealable. However, if the Director determines that the hearing record is inadequate or that new evidence has been submitted, the Director may remand all or a portion of the determination to the Hearing Officer for further proceedings to complete the hearing record or, at the option of the Director, to hold a new hearing.

(2) The Director will complete the review and either issue a final determination or remand the determination not later than--

(i) 10 business days after receipt of the request for review, in the case of a request by the head of an agency; or

(ii) 30 business days after receipt of the request for review, in the case of a request by an appellant.

(3) In any case or any category of cases, the Director may delegate his or her authority to conduct a review under this section to any Deputy or Associate Directors of the Division. In any case in which such review is conducted by a Deputy or Associate Director under authority delegated by the Director, the Deputy or Associate Director's determination shall be considered to be the determination of the Director under this part and shall be final and not appealable.

(e) Equitable relief. In reaching a decision on an appeal, the Director shall have the authority to grant equitable relief under this part in the same manner and to the same extent as such authority is provided an agency under applicable laws and regulations.

§ 11.10 Basis for determinations.

(a) In making a determination, the Hearing Officers and the Director are not bound by previous findings of facts on which the agency's adverse decision was based.

(b) In making a determination on the appeal, Hearing Officers and the Director shall ensure that the decision is consistent with the laws and regulations of the agency, and with the generally applicable interpretations of such laws and regulations.

(c) All determinations of the Hearing Officers and the Director must be based on information from the case record, laws applicable to the matter at issue, and applicable regulations published in the Federal Register and in effect on the date of the adverse decision or the date on which the acts that gave rise to the adverse decision occurred, whichever date is appropriate under the applicable agency program laws and regulations.

§ 11.11 Reconsideration of Director determinations.

(a) Reconsideration of a determination of the Director may be requested by the appellant or the agency within 10 days of receipt of the determination. The Director will not consider any request for reconsideration that does not contain a detailed statement of a material error of fact made in the determination, or a detailed explanation of how the determination is contrary to statute or regulation, which would justify reversal or modification of the determination.

(b) The Director shall issue a notice to all parties as to whether a request for reconsideration meets the criteria in paragraph (a) of this section. If the request for reconsideration meets such criteria, the Director shall include a copy of the request for reconsideration in the notice to the non-requesting parties to the appeal. The non-requesting parties shall have 5 days from receipt of such notice from the Director to file a response to the request for reconsideration with the Director.
(c) The Director shall issue a decision on the request for reconsideration within 5 days of receipt of responses from the non-requesting parties. If the Director's decision upon reconsideration reverses or modifies the final determination of the Director rendered under Sec. 11.9(d), the Director's decision on reconsideration will become the final determination of the Director under Sec. 11.9(d) for purposes of this part.

§ 11.12 Effective date and implementation of final determinations of the Division.

(a) On the return of a case to an agency pursuant to the final determination of the Division, the head of the agency shall implement the final determination not later than 30 days after the effective date of the notice of the final determination.

(b) A final determination will be effective as of the date of filing of an application, the date of the transaction or event in question, or the date of the original adverse decision, whichever is applicable under the applicable agency program statutes or regulations.

§ 11.13 Judicial review.

(a) A final determination of the Division shall be reviewable and enforceable by any United States District Court of competent jurisdiction in accordance with chapter 7 of title 5, United States Code.

(b) An appellant may not seek judicial review of any agency adverse decision appealable under this part without receiving a final determination from the Division pursuant to the procedures of this part.

§ 11.14 Filing of appeals and computation of time.

(a) An appeal, a request for Director review, or any other document will be considered ``filed'' when delivered in writing to the Division, when postmarked, or when a complete facsimile copy is received by the Division.

(b) Whenever the final date for any requirement of this part falls on a Saturday, Sunday, Federal holiday, or other day on which the Division is not open for the transaction of business during normal working hours, the time for filing will be extended to the close of business on the next working day.

(c) The time for filing an appeal, a request for Director review, or any other document expires at 5:00 p.m. local time at the office of the Division to which the filing is submitted on the last day on which such filing may be made.

APPENDIX 5

APPRAISAL GUIDELINES

(Refer to RD Instruction 1922-C)

Effective Dates and Interest Rates
for Above-Moderate Rural Housing (RH)
or Other Real Estate (ORE) Loans

Effective Date	Interest Rate (%)
March 11, 1978	8.75 + .50
June 3, 1978	9.00 + .50
July 4, 1978	9.50 + .50
May 23, 1979	10.00 + .50
October 15, 1979	10.50 + .50
November 14, 1979	11.50 + .50
February 27, 1980	12.00 + .50
March 6, 1980	13.00 + .50
April 19, 1980	14.00 + .50
May 14, 1980	13.00 + .50
June 14, 1980	11.50 + .50
September 20, 1980	12.00 + .50
December 20, 1980	13.50 + .50
May 27, 1981	15.50 + .50
September 14, 1981	16.50 + .50
October 1, 1981	17.50 + .50
November 9, 1981	16.50 + .50
December 7, 1981	15.50 + .50
February 22, 1982	16.50 + .50
April 8, 1982	15.50 + .50
August 30, 1982	15.00 + .50
September 20, 1982	14.00 + .50
October 25, 1982	13.50 + .50
November 1, 1982	12.50 + .50
December 6, 1982	12.00 + .50
May 23, 1983	11.50 + .50
July 11, 1983	12.00 + .50
August 8, 1983	12.50 + .50
September 19, 1983	13.00 + .50
December 1, 1983	12.50 + .50

Effective Dates and Interest Rates for
Above-Moderate Single Family Housing (SFH) Nonprogram Loans

Effective Date	Interest Rate (%)
July 8, 1985	13.00
September 1, 1985	12.375
December 2, 1985	11.375
May 1, 1986	10.375
June 1, 1986	10.00
March 1, 1987	9.75
April 1, 1987	9.00
July 1, 1987	9.50
October 1, 1987	10.00
November 1, 1987	10.50
January 1, 1988	10.00
April 1, 1988	9.50
June 1, 1988	10.00
October 1, 1988	10.25
December 1, 1988	10.00
February 1, 1989	10.25
April 1, 1989	10.00
May 1, 1989	10.25
July 1, 1989	10.00
August 1, 1989	9.50
September 1, 1989	9.25
May 1, 1990	9.75
August 1, 1990	9.50
February 1, 1991	9.25
December 1, 1991	8.75
October 1, 1992	8.25
May 1, 1993	7.75
November 1, 1993	7.00
May 1, 1994	8.00
July 1, 1994	8.50
January 1, 1995	9.25
May 1, 1995	8.50
July 1, 1995	8.00
January 1, 1996	7.25
June 1, 1996	7.75
February 1, 1998	7.25
August 1, 1998	6.75
October 1, 1998	7.25
November 1,1998	6.875
December 1, 1998	6.625
January 1, 1999	6.875
February 1, 1999	6.750
March 1, 1999	6.875
May 1, 1999	7.25
July 1, 1999	7.375
August 1, 1999	7.625
October 1, 1999	7.750

Effective Dates and Interest Rates for
Above-Moderate Single Family Housing (SFH) Nonprogram Loans

Effective Date	Interest Rate (%)
December 1, 1999	7.875
October 1, 2000	7.375
January 1, 2002	6.625
May 1, 2002	7.250
November 1, 2002	6.500
July 1, 2003	6.250
August 1, 2003	5.875
September 1, 2003	6.250

(01-23-03) SPECIAL PN
Revised (09-10-03) PN 363

DETERMINATION OF AMOUNT OF UNAUTHORIZED ASSISTANCE

A. When the recipient was at fault, choose the interest rate (from page 5 or 6 of this appendix) that was in effect when the loan was approved and compute interest on the entire loan at that interest rate from the date the loan was closed to the date the letter to the borrower of unauthorized assistance is sent. Add the interest to the beginning principal balance, and subtract that from any payments the borrower has made on the loan. The result is the amount of unauthorized assistance.

B. When the recipient received interest credits to which he or she was not entitled, the amount of unauthorized assistance is considered to be the monthly amount of unauthorized interest credit times the number of months the incorrect agreement has been (or was) in effect, without the addition of interest. This formula will be used both in cases where the recipient was at fault and where the recipient was not at fault.

C. When the recipient was not at fault and:

1. The entire loan was unauthorized, the amount of unauthorized assistance is the outstanding balance (principal and interest) due as of the date of the repayment. The interest rate will be the rate set in the note.

2. The entire loan was made at the wrong interest rate, the amount of unauthorized assistance will be computed as follows:

Outstanding principal balance x (correct rate - note rate) x length of time the loan was outstanding. For example, suppose a borrower received a $35,000 loan on February 1, 1982, at 11 percent. The loan should have been made at 13 percent. The borrower has made several payments and reduced the outstanding principal balance to $33,500. The borrower will repay the loan on February 1, 1984. To figure the amount of unauthorized assistance; multiply $33,500 x 2 percent x 2 years. The 2 percent is the difference between the current rate and the note rate. If the borrower was properly granted interest credits, the unauthorized assistance for the time the interest credit agreement was in effect will be zero. For example, suppose a borrower's note should have been written at 13 percent but was improperly written at 11 percent. The borrower was granted interest credits and has been repaying at a rate of 1 percent. It makes no difference what the note and the current rates were; the borrower was entitled to repay the loan at 1 percent, in accordance with the interest credit agreement.

INTEREST RATES TO BE CHARGED ON LUMP-SUM REPAYMENTS
WHEN UNAUTHORIZED ASSISTANCE WAS RECEIVED BECAUSE
RECIPIENT WAS AT FAULT

For Fiscal Year (FY)	Interest Rate to Be Charged (%)
1979	8.974
1980	10.734
1981	13.094
1982	14.208
1983	10.880
1984	12.255
1985	11.236
1986	9.015
1987	8.227
1988	8.461
1989	8.990
1990	8.590
1991	7.936
1992	7.042
1993	6.200
1994	5.350
1995	7.797
1996	6.770
1997	7.110
1998	5.980

INTEREST RATES TO BE CHARGED ON LUMP-SUM REPAYMENTS
WHEN UNAUTHORIZED ASSISTANCE WAS RECEIVED BECAUSE
RECIPIENT WAS AT FAULT (Con.)

For Fiscal Year (FY)	Interest Rate to Be Charged (%)
1999	5.81
2000	6.36
2001	5.75
2002	5.62

* The interest rate for FY 2002 will not be available until early FY 2003. If cases of unauthorized assistance received in FY 2002 are being serviced prior to the provision of a rate for FY 2002, use the interest rate for FY 2001 to compute the amount due.

APPENDIX 7

STATE SUPPLEMENTS

Refer to State Supplements.

APPENDIX 8

SECTION 306C WWD GRANTS TO INDIVIDUALS

I. GENERAL. This appendix sets forth the policies and procedures for making initial and subsequent Water and Waste Disposal (WWD) grants to individuals authorized by Section 306C(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(c)), as amended. The objective of the Section 306C WWD individual grant program is to facilitate the use of community water and/or waste disposal systems by the residents of colonias along the U.S./Mexico border. WWD grants are processed similarly to Section 504 grants, except as modified by this appendix.

II. DEFINITIONS. The following definitions apply to this appendix.

(a) **Colonia**. Any identifiable community designated in writing by the State or county in which it is located; determined to be a colonia on the basis of objective criteria including lack of potable water supply, lack of adequate sewage systems, lack of decent, safe, and sanitary housing, and inadequate roads and drainage; and existed and was generally recognized as a colonia before October 1, 1989.

(b) **Individual**. Resident of a colonia located in a rural area.

(c) **Rural areas**. Includes unincorporated areas and any city or town with a population not in excess of 10,000 inhabitants according to the most recent decennial census of the United States.

(d) **System**. A community or central water supply or waste disposal system.

III. GRANT PURPOSES. Grant funds may be used to pay the reasonable costs for individuals to:

(a) Extend service lines from the system to a residence;

(b) Connect service lines to a residence's plumbing;

(c) Pay reasonable charges or fees for connecting to a system;

(d) Pay for necessary installation of plumbing and related fixtures within dwellings lacking such facilities (this is limited to one bath tub, sink, commode, kitchen sink, water heater, and outside spigot); and

(e) Construct and/or partition off a portion of the dwelling for a bathroom, not to exceed 4.6 square meters (48 square feet) in size.

IV. GRANT RESTRICTIONS

(a) **Maximum grant**

(1) Maximum grant to any individual for water service lines, connections, and/or construction of a bathroom is $3,500.

(2) Maximum grant to any individual for sewer service lines, connections, and/or construction of a bathroom is $4,000.

(3) Lifetime assistance to any individual for initial or subsequent Section 306C WWD grants may not exceed a cumulative total of $5,000.

(4) Document the amount of assistance provided each grantee on a list of Section 306C WWD recipients and retain it in the office operational file.
Maintenance of the list will permit destruction of closed Section 306C WWD assistance case folders as prescribed in §2033.10(b)(4)(i) of RD
Instruction 2033-A. The list must include the following information recorded at the time a Section 306C WWD grant is made:

(i) Grantee name, address, and case number;

(ii) Name of co-grantees, if any;

(iii) Amount of the grant; and

(iv) Date grant was made.

(b) **Limitation on use of grant funds**. Section 306C WWD grant funds ***may not*** be used to:

(1) Pay any debt of obligation of the grantee other than obligations incurred for items listed in Section III of this appendix;

(2) Pay individuals for their own labor; or

(3) Pay costs that are not considered reasonable by the Agency.

V. ELIGIBILITY REQUIREMENTS. Section 306C WWD applicants must meet the following requirements (applicants need not be age 62 or older):

(a) Own a dwelling located in a colonia and must present evidence of ownership (see Chapter 12 for requirements).

(b) Have a total taxable income based on the latest Federal income tax form from all individuals residing in the household that is below the most recent poverty income guidelines established by the Department of Health and Human Services; and

(c) Must not be delinquent on any Federal debt.

APPENDIX 9

HUD INCOME LIMITS

INSTRUCTIONS:

When the HUD income limits arrive from the State Office, copy the relevant page or pages, and insert them here for easy reference.

APPENDIX 10

AREA LOAN LIMITS

When the Area Loan Limits arrive from the State Office , copy the relevant page or pages, and insert them here.

APPENDIX 11

NET RECOVERY VALUE WORKSHEET

I. BACKGROUND		
(1) Case Number:	(2) Borrower Name/ID	
(3) Proposed Liquidation Option:		(4) Calculation Date:
(5) Estimated Holding Period[1]:		
II. CALCULATION OF NET RECOVERY VALUE		
(6) Market Value (use current appraisal)		(6)
(7) Deductions from Market Value		
A. Prior liens to be paid by the Agency		$_____
B. Junior liens to be paid by Agency (N/A for foreclosures)		$_____
C. Selling expenses to be paid by Agency [2]		$_____
D. Holding costs[3]		$_____
E. Depreciation During Holding Period		$_____
F. Administrative Costs[4]		$_____
G. Management Costs[5]		$_____
H. Total Reductions (sum of items 7A through 7G)		$_____
(8) Additions to Present Market Value		
A. Appreciation during holding period		$_____
B. Income during holding period		$_____
C. Total Additions (sum of items 8A and 8B)		$_____
(9) NET RECOVERY VALUE (6 minus Item 7G plus Item 8C)		

[1]To calculate holding period use number of months from calculation to:

- filing the release, for release of valueless lien
- closing of new loan and payoff, for refinancing
- closing of loan or transfer and assumption, for sales
- filing warranty deed for deed-in-lieu of foreclosure
- payoff and release for debt settlement offer subsequent to acceleration
- filing of deed and expiration of redemption rights, for foreclosures
- plus the time for marketing and disposition, if acquired

[2] Selling expenses; advertising, commissions for selling agents, required seller certifications, surveys, points, closing costs if to be paid by RHS.

[3] Holding costs: monthly interest accrual multiplied by number of months in the holding period.

[4] Administrative costs: costs of liquidation, including Attorney and other fees, such as filing, recordation, advertising, document service that are customarily incurred in a liquidation or foreclosure action and payment of prior liens.

[5] Management Costs: cost of cleaning, securing and maintaining the property during the holding period, including utilities, real estate taxes and other assessments accruing for custodial or REO properties.

APPENDIX 12

(This Appendix was intentionally left blank)

APPENDIX 13

(This Appendix was intentionally left blank)

VERIFICATION OF PENSIONS AND ANNUITIES

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

A. INCOME FROM ANNUITIES

1. $ _____ Current monthly gross amount received. Will the applicant continue to receive this monthly amount for the next twelve months? ___ Yes ___ No If, no please explain.
2. Describe any deductions from the gross amount that are taken.

B. VERIFICATION OF ASSETS

1. $_____ Current market value of assets held in the retirement or pension plan.
2. Can the applicant withdraw amounts from the retirement account without retiring or terminating employment? _____ Yes _____ No. If yes, explain the terms of the withdrawal, including any penalties.
3. Can the applicant borrow against amounts in the retirement account? ___ Yes ____ No
   If yes, explain the terms (maximum amount, interest rate, repayment term, purposes, etc.)

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF STUDENT INCOME AND EXPENSES

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

1. Describe any financial assistance the above-reference student receives.

Amount	**Source**	**Purpose for Which Funds May Be Used**

2. Describe any expenses the above-referenced student has for:

$_____ Tuition
$_____ Housing
$_____ Books
$_____ Supplies and Equipment
$_____ Transportation
$_____ Misc. Personal Expenses
$_____ Total

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF MEDICAL EXPENSES

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

1. Please list the purpose of any accumulated medical bills, identify to whom the amount is owed, and provide the amount to be paid during the coming 12 months.

Amount	**Owed To**	**Medical Expenses for**

2. Medical Insurance Premiums

   $_____ Amount Paid Payment Period: __ per month, ___ per year

   Medical Insurance Premiums

   $_____ Amount Paid Payment period: __ per month, ___ per year

3. List other anticipated medical expenses

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF SOCIAL SECURITY BENEFITS

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

Social Security Data

_____ Date of Birth

_____ Gross Monthly Social Security Benefit Amount, Type of Benefit

_____ Gross Monthly Supplemental Security Income Payment Amount (including State Supplement) Type of Benefit

_____ Amount of Monthly Deductions for Medicare Paid by the Applicant

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF PUBLIC ASSISTANCE

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

Number in Family: _____	Rate Per Month
Aid to Families with Dependent Children	$_____
General Assistance	$_____
Does this amount include Court Awarded Support Payments	☐ Yes ☐ No
Amount Specifically Designated for Shelter and Utilities	$_____
Other Assistance - Type: _____	$_____
Total Monthly Grant	$_____
Other Income - Source: _____	$_____
*Maximum Allowance for Rent and Utilities	$_____
Amount of Public Assistance given during the past 12 months	$_____

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF CHILD/DEPENDENT CARE

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

Name of Person or Agency Providing Care: _____

Address: _____

_____

_____

Name(s) of person or Persons Cared for: _____

_____

_____

Specify Hours _____ and Days _____ of Care.

Average Amount Paid for Care: $_____ ☐ Week ☐ Month

Estimated Amount to be Paid in coming 12 months (including full-time summer care of school children, if applicable): $_____

Will any amount of this expense be reimbursed by an outside source: ☐ Yes ☐ No

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF UNEMPLOYMENT BENEFITS

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

1. Are benefits being paid now? ☐ Yes ☐ No
2. If yes, what is Gross Weekly payment? $_____
3. Date of Initial Payment _____
4. Duration of Benefits _____ weeks

   Is claimant eligible for future benefits? ☐ Yes ☐ No
5. If yes, How many weeks? _____
6. If no, what is termination date of benefits? _____

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF BUSINESS EXPENSES

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

Based on business transacted during _____ 20____, to _____ 20____

1. Gross Income $_____
2. Expenses:
   - (a) Interest on Loans $_____
   - (b) Cost of Goods/Materials $_____
   - (c) Rent $_____
   - (d) Utilities $_____
   - (e) Wages/Salaries $_____
   - (f) Employee Contributions $_____
   - (g) Federal Withholding Tax $_____
   - (h) State Withholding Tax $_____
   - (i) FICA $_____
   - (j) Sales Tax $_____
   - (k) Other $_____
   - (l) Straight Line Depreciation $_____

   Total Expenses $_____
3. Net Income $_____

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

VERIFICATION OF SUPPORT PAYMENTS

REQUEST FOR INFORMATION

Federal regulations require us to verify financial information provided by applicants for housing assistance. We ask your cooperation in supplying the information requested. The attached Form 3550-1, Borrower's Certification and Authorization provides the applicant's authorization.

Your prompt return of the requested information will be appreciated. A self-addressed return envelope is enclosed for your convenience. If you have questions, please call _____ at _____.

APPLICANT IDENTIFICATION

Name _____ Social Security Number_____

REQUESTED INFORMATION

Name of Person Paying Support: _____

Address: _____

_____

_____

For ( ) Former Spouse

( ) Children

Children Names are:

_____

_____

_____

_____

Amount of Support

$_____ ☐ Week, ☐ Month, ☐ Year

VERIFIER INFORMATION: Please sign this verification form and print the name, address and telephone number of the verifier.

Name:_____ Title:_____

_____ Telephone Number:_____

(Signature)

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

CERTIFICATION OF DISPOSITION OF ASSETS

I/we certify that during the two years (24 months) period preceding the effective date of my certification or recertification of eligibility for program participation, I/we _____ have _____ have not disposed of more than $1,000 in asset(s) for less than fair market value.

If asset(s) were disposed of for less than fair market value, describe:

Asset	Date of Disposition
1.	
2.	
3.	

The amount received for the asset(s) disposed:

1.

2.

3.

_____ _____

Signature of Applicant Date

_____ _____

Signature of Spouse Date

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)

RECORD OF ORAL VERIFICATION

APPLICANT INFORMATION

Re: _____

Address: _____

_____

Date Received: _____

INFORMATION VERIFIED

Item Verified: _____

Person Contacted: _____

Representing: _____

INFORMATION SUPPLIED

_____ _____

Signature of Person Receiving Verification Date and Time

WARNING: Knowingly and willingly making a false or fraudulent statement to any department of the United States Government is a felony punishable by fine and imprisonment (Title 18, Section 1001, U.S. Code)