

PART 2033 - RECORDS

Subpart A - Records Management In Rural Development Field Offices

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PART 2033 - RECORDS

Subpart A - Records Management in Rural Development Field Offices

§2033.1 Purpose.

This Instruction prescribes the policies, procedures, and methods for maintaining and managing Rural Development, formerly Farmers Home Administration (RD), records in State, District, and County Offices. The use of the Rural Development Operational Records Manual is mandatory and should be used in conjunction with this Instruction.

§2033.2 [Reserved]

§2033.3 Authority and responsibility.

(a) Authority. Federal regulations require Rural Development to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Agency, and are designed to furnish the information necessary to protect the legal and financial rights of the Government and persons directly affected by Rural Development activities.

(b) Responsibility. State Directors, District Directors, and County Supervisors are responsible for maintaining adequate documentation of all official transactions including those shown in Attachments 1 and 2 of Exhibit C of this Instruction. Chiefs of Administrative Programs (CAPs)/Administrative Officers (AOs) are responsible for training office staffs in the application of this Instruction and for a continuing review of records management activities in offices within their State. They are also responsible for keeping the State Director, District Director, and County Supervisor advised on records management problems and, when circumstances warrant, contacting the National Office, Support Services Division (SSD), General Services Branch (GSB) for clarification, correction, or necessary additions to this Instruction. The National Office, Records Unit will conduct periodic reviews to ensure implementation of the requirements of this Instruction.

§2033.4 Definitions.

Applicant. Any person or legally recognized group of persons or other legal entity seeking Rural Development program assistance through written applications, for certain subsequent loans, or by oral request.

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Association borrower. Associations, organizations, cooperations (co-ops), municipalities, water districts, authorities, or any other legal entity not eligible as an individual person for Rural Development program assistance, and all Business and Industry (B&I) borrowers (including individual) and Multi-Family Housing (MFH) borrowers who executed a loan agreement.

Block. One or more chronological segments of cutoff, or closed, records that are in the same series and are dealt with as a unit for disposition purposes.

Case folder. The one or more file folders, envelope jackets, mailing tubes, or other filing devices containing the total cumulative official records concerning an applicant/borrower.

- (1) The "initial" case folder contains the records needed for routine servicing of borrower accounts.
- (2) A "continuation" case folder is an additional folder begun when necessary to hold infrequently used records or to provide for an increased volume of material.

Closed case folder. The one or more folders on a borrower who is classified as "paid up" or "otherwise satisfied" and no longer has an obligation to, or unresolved legal action pending with, Rural Development.

Disposal authority. Legal approval empowering an Agency to transfer permanent records to the National Archives or carry-out the disposal of temporary records.

Electronic records. Any record that is created, used, maintained, transmitted, and disposed of in electronic form. Such records may be stored in computer memory (random access memory) or flexible disks. Offices may or may not have nonrecord paper copies of electronic records. Electronic records are also referred to as machine-readable records because they require machine processing for conversion to human-readable form. Examples of these types of records include those on magnetic tapes, disks and drums, video files, optical disks, and floppy disks.

Essential Rural Development records. Designated files or documents requiring special protective measures in the event of fire, flood, tornado, civil disorder, or other disruptive emergency situation.

Federal Records Center (FRC). A facility for the low-cost storage and servicing of records pending their disposal or transfer to the National Archives.

§2033.4 (Con.)

File break/File cutoff. Breaking or ending files at regular intervals, usually at the close of a fiscal or calendar year, to permit their disposal or transfer in complete blocks and for correspondence files, to permit the establishment of new files.

Individual borrower. An individual person receiving Rural Development program assistance; EXCEPT those individuals receiving B&I program assistance or who executed an MFH loan agreement.

Nonrecord material. Informational type material made or acquired for convenient reference purposes consisting of reader files; extra copies of documents; reference publications in the format of books, pamphlets, and factsheets; commercial advertising matter; rough drafts; personal papers; or any similar material maintained solely for the user's benefit.

Office. This means State, District, and County Offices.

Position filing. A method of filing functionally related records in a predetermined position within a file folder.

Records. Includes all books, papers, maps, photographs, machine-readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the Government or because of the informational value of data in them. Library and museum material made or acquired and preserved solely for reference or exhibition purposes, extra copies of documents preserved only for convenience of reference, and stocks of publications and of processed documents are not included.

Records disposition. Removal and destruction as wastepaper or by shredding, burning, or other suitable disposal methods of records exceeding established retention periods. (Note: Destruction methods must not compromise the confidentiality of information contained in the records.)

Records inventory. The actual physical inventory measured in cubic foot volume, of ALL "official" records maintained in an office.

Retention period. The legally established period of time which must elapse before a record is eligible for disposition.

Supervisor. State Director, District Director, and County Supervisor.

Table of Contents/Processing Checklist. These two items are used interchangeably and refer to an optionally designed State index form used in borrower case folders to assist in identifying the exact location of a specific record.

Temporary folder. A substitute folder placed in the files during the prolonged absence of a regularly maintained case folder to hold records accumulated during the interim period. (Note: Temporary folders should be frequently reviewed to preclude the loss or misplacement of the official case folder.)

§2033.5 Types of records.

(a) Official records. For the purpose of this Instruction, the term "official record" means the "record copy" of all documentary material regardless of physical form or characteristics, prepared, received, or processed which indicates the policies, procedures, decisions, and essential transactions of an office in its conduct of Rural Development programs. The requirement concerning the maintenance and disposition of procedural issuances are given in RD Instructions 2006-A and 2006-B. Official records are divided into the following categories:

(1) Program records. Includes case folders on applicants and borrowers (Individual and Association) and "essential Rural Development records."

(i) The "official" case folder for an applicant/borrower will be maintained by the office having primary responsibility for processing and; servicing a specific type of program assistance. (e.g., State Offices normally administer B&I programs; District Offices administer MFH and Community Facilities (CF) programs; County Offices administer ALL other programs and usually serve as the initial contact point for persons seeking Rural Development program assistance.) This requirement does not preclude the necessary programmatic interchange of case folders and information between the various office levels and Office of the General Counsel (OGC). However, the responsible office supervisor shall ensure that the "official" case folder contains ALL information concerning an applicant/borrower.

§2033.5(a)(1) (Con.)

(ii) An "essential Rural Development record"

(A) Is the original of any document or record which provides evidence of indebtedness or obligation to Rural Development and includes, but is not limited to, the following items:

- (1) Original Promissory Notes.
- (2) Original Consolidation MFH Promissory Notes.
- (3) Original Renewal Promissory Notes.
- (4) Assumption Agreements.
- (5) Accelerated Repayment Agreements.
- (6) Grant Agreements.
- (7) Stock Certificates.
- (8) Charged-off Notes (see RD Instruction 1956-B or 1956-C).
- (9) Valuable Documents (see RD Instruction 2018-E).
- (10) Cost Voucher Documents (see RD Instruction 2024-A).
- (11) Subsidy Repayment Agreements.
- (12) Used and unused receipt books (Form RD 451-1, "Acknowledgment of Cash Payment").

(B) These items require maximum protection at all times and, will remain in a "locking-type" file cabinet except when in actual use.

(2) Operational records. Office files maintained under multi-digit file code subject headings, established by using the "1900 and 2000" series "Table of Contents" and contain official records material necessary for the functional management of general program, fiscal, personnel, and administrative operations.

(3) Personnel records. Official Personnel Folders (OPF) and associated material. These folders are subject to Office of Personnel Management (OPM) regulations. Instructions for filing, maintenance, and disposition of these records are contained in Federal Personnel Management Regulations, Department Personnel Management Regulations, and directives issued by the National Office, Human Resources (HR) as required.

(4) Regulative records. Regulative records contain rules, regulations, instructions, procedures, and similar directive type material issued by the National Office, State Office, Finance Office, National Finance Center, or other Federal, State, or local regulative source. Procedures for filing, maintenance, and disposition of this type of material are usually contained within the specific publication.

(5) Unnumbered letters. Unnumbered letters will be used to provide general information to two or more Rural Development employees or offices. These letters will not be used to establish, change, or modify authorized directives. To provide uniformity in filing throughout the Agency, unnumbered letters will be filed by broad program areas in chronological order within a binder or folder. The expiration date and category for filing will appear in the bottom left and bottom right corners of the first page, respectively. The three categories are Housing Programs, Community/Business Programs, and Administrative/Others Programs.

(b) Unofficial records/nonrecord material. Information type material made or acquired for convenient reference purposes consisting of reader files; extra copies of documents; reference publications in the format of books, pamphlets, and factsheets; commercial advertising matter; rough drafts; personal papers; or any similar material maintained solely for the user's benefit. Such material will not be made a part of the "official" files, and maintenance and disposition will be the option of the user.

(c) Electronic records. Electronic records are subject to the same laws and regulations as paper records and will be maintained and disposed of in accordance with this Instruction, Departmental Regulations, and the National Archives and Records Administration (NARA) guidelines.

§2033.5(c) (Con.)

(1) Determining record material. In determining record material, use the following criteria:

(i) Is the record identified in the Agency records control schedule or other Agency regulations?

(ii) Will the electronic copy serve as the official documentation of the transaction?

(iii) If the answers to paragraphs (c)(1)(i) and (ii) of this section are yes, then the records should be properly identified and maintained in accordance with this Instruction. It should be labeled with the file code, record name, brief description of the record, dates of origination, revision(s), and retention period to assure easy accessibility for future use of the file.

(2) Indexes. Indexes will also be established in a manner which will allow the ready retrieval of the material whenever necessary throughout the authorized retention period. The indexes will include the following:

(i) Name of organization unit responsible for the data.

(ii) The file series.

(iii) The time covered by the records.

(iv) Name of the equipment used to create the record.

(3) Nonrecord material associated with electronic records. Guidelines will not be established for the retention of nonrecord material. This material will be created solely for the purpose of convenience and reference, and will not be made a part of the official indexes. Nonrecord material will be disposed of by the user when no longer needed for reference purposes. They may include the following types of information:

(i) Reader file copies of correspondence.

(ii) Tickler, follow-up, or suspense copies of correspondence.

(iii) Identical duplicate copies of all documents maintained in the same file.

- (iv) Extra copies of printed or processed materials, official copies of which have been retained for record purposes.
- (v) Superseded manuals and other directives maintained outside the office that is responsible for retaining them.
- (vi) Materials documenting such fringe activities of agencies as employee welfare activities and charitable fund drives.
- (vii) Routing slips.
- (viii) Working papers.
- (ix) Drafts of reports and correspondence.
- (x) Transmittal sheets.
- (xi) Blank forms.
- (xii) Transcribed stenographic materials.
- (xiii) Correspondence and other records of short term value that, after action has been completed, have neither evidentiary nor informational value, such as requests for publications and communications on hotel reservations.
- (xiv) Information copies of correspondence and other papers on which no documented administrative action is taken.

(4) Disposal of electronic records. As with the paper version, electronic records must be disposed of in a timely manner. Because of the relatively small space required to store electronic records, they are subject to be held longer than the authorized retention period. However, because of legal ramifications, records eligible for disposition must be completely removed from the system. They may be removed or disposed of by erasing or overwriting, not merely deleting the information from the system. Electronic records MUST not be kept beyond the authorized retention periods. Permanent electronic records will be maintained in accordance with the requirements of NARA regulations. They will be converted to paper, microfilm, or other media approved by the Archivist of the United States for retiring purposes. Such records, along with adequate documentation and adjunct files to permit access to them, will be transferred to the National Archives as soon as possible after it is determined that their purposes have been served. For assistance in retiring electronic records, contact the National Office, SSD.

§2033.6 Records filing and maintenance requirements.

(a) Filing. Official records contain legal evidence of all transactions between Rural Development and the persons with which it conducts business. Therefore, the following rules must be applied to filing operations:

(1) Withholding documents or records from the official files is prohibited. ANY exception to this policy requires National Office approval.

(2) Removal or transfer of official records from Rural Development custody is prohibited except as expressly provided for in this Instruction, or in accordance with National Office approval obtained incident to a specific removal or transfer action. (Note: Records transmitted to OGC for programmatic review and approval are considered to be within Rural Development custody.)

(3) Theft, falsification, mutilation, or unauthorized destruction of official records by Rural Development employees is punishable under public law.

(4) Loss, theft, damage, or destruction of official records by fire, water, vandalism, civil disorder, or other disruptive situation will be immediately reported by telephone and by followup letter through the State Director to the National Office, for advice and guidance concerning the actions to be taken.

(5) Oral or written information of a confidential nature that may come to an employee's knowledge must neither be revealed to nor discussed by any person except when the employee's official duties require dissemination. This includes, but is not limited to, information obtained by employees from any source concerning the personal and financial affairs of applicants/borrowers, fellow employees, or other persons involved in Rural Development activities.

(6) Procedures governing the availability of official records for public access and use are prescribed in RD Instructions 2015-E and 2018-F. Office employees are expected to be familiar with the restrictions of RD Instructions 2015-E and 2018-F in order to avoid violation of procedures. (Caution: Records requested by the general public must be RETAINED until the request is fully processed even though the established retention requirements may have been met.)

(7) The requirements for retention and destruction of official records prescribed in this Instruction are mandatory and will not be changed without prior National Office approval.

(b) Filing equipment. Procedures for ordering filing equipment are prescribed in RD Instruction 2024-C. The various types of equipment and authorized use are specified below:

(1) Filing cabinets.

(i) Letter-size four or five drawer file cabinets will be used by County Offices for filing all official records.

(ii) Legal-size four or five drawer file cabinets may be used by State and District Offices for filing "association-type" applicant/borrower case folders.

(iii) Locking-type fire proof filing cabinets/safes will be used by offices for filing and protection of "essential Rural Development records" and other sensitive materials.

(2) Open-shelf file units.

(i) Three-shelf unit. Offices may use this unit for Rural Development Procedure Manuals, continuation folders, closed borrower case folders, or any other purpose which best meets the need of the office.

(ii) Five-shelf unit. This unit may be used for storing and maintaining preprinted forms and similar materials. Forms are normally stocked in numerical order; however, it is recommended that the most frequently used forms be placed on the more accessible shelves.

(3) Map and plan files. These units are available in 9- or 27-tube configurations and should be used for filing "as built plans," "project maps," "plot plans," or similar engineering type records.

(c) File maintenance. Office supervisors will establish and maintain files in locations most convenient to the primary users. One or more persons should be delegated primary responsibility for daily maintenance of a given segment of files. State Offices will prepare a State Supplement showing file codes, file station locations, and the person(s) responsible for a particular group of records. New personnel should be adequately trained and become thoroughly familiar with all office activities prior to being assigned to filing operations.

§2033.6(c) (Con.)

(1) Alphabetical filing.

(i) File names of individuals by surname first, the given name next, and the middle name(s) or initial(s) last. A dual surname, such as "Garcia-Valdex," should be filed by the first surname.

(ii) File names of associations and organizations, including municipalities, as written in their legal or official title. Words such as "the," "of," "for," or "and" should not be considered in determining correct file sequence.

(iii) Consider names beginning with prefixes, such as "Mc," "O," or "Van" as one word and file alphabetically as written, beginning with the first letter.

(iv) File abbreviations as though written in full.

(2) Cross reference and chargeout.

(i) Use Form RD 2033-1, "X-Reference Card," to indicate the exact file location of a folder when the label identification has been changed, such as a name change or when a folder is moved to another location.

(ii) Use Form RD 2033-2, "Out Card," as a substitute for a folder whenever there is a need to record which office employee is using a specific folder. When the folder is returned remove Form RD 2033-2 from the files. Review "Out Cards" periodically to prevent loss or misplacement of the regular file.

(3) Folder maintenance requirements.

(i) Operational-files. Use "right cut" four-position letter size folders for operational record files. Material may be filed in these folders using "position filing," divider sheets to separate by fiscal year (FY) or office designation, or any other method to arrange material for ease in record usage and disposition.

(ii) Case folders. Use right-tab letter size folders for all four-position and eight-position applicant/borrower case folders. Use four-position folders for operating-type credit-only borrowers, and eight-position folders for real estate and organization-type borrowers.

(iii) Continuation folders. Use "continuation folders" to hold infrequently used documents or when the volume of material warrants separation from the "initial" folder. When this is done, the "initial" folder is considered as the "1 of _____" folder, the first continuation folder as the "2 of _____" folder, and will continue on depending on the total number of folders. Continuation folders may be filed as a separate series apart from the active files.

(iv) Temporary folders. Use a "temporary folder" to replace and accumulate material whenever it becomes necessary to remove a regularly maintained folder for an extended period of time, such as transmittal to the Regional Attorney, State Office, National Office, or other loan or servicing action. Temporary folders should be frequently monitored to prevent loss or misplacement of the original folder.

(v) Labeling. Label each folder with sufficient information to adequately identify the folder contents.

(A) Borrower case folder labels should include: Name of the borrower, coborrower, case number, project number of MFH loans, borrower's classification of "active," "collection-only," or "judgement," program type, and folder continuation number when applicable.

(B) Operational file folder labels should include: alpha-numeric file code number and subject heading, and should also show Fiscal Year (FY), office, or other subdivision information. Labels may be color-coded, preprinted, different sizes, or any combination thereof; to separate and identify various file segments by office, project, program, type of borrower, FY, or any manner which best serves office needs. CAPs/AOs should encourage uniform labeling systems throughout each State.

§2033.6(c) (3) (Con.)

(vi) Position filing. Position filing within a folder is the segregated arranging of functionally related material in a predetermined folder position. The "filing position" is the specific place where records are fastened within a folder. The top inside left cover is designated as position "1;" the bottom inside left cover is position "2;" the top inside right cover, or the top of the insert leaf in eight-position folders, is position "3;" the remaining file positions "4" through "8" are designated by continuing this sequence. Further guidance concerning the contents of each filing position is provided in Exhibit A of this Instruction.

(vii) Folder arrangement. File folders may be arranged in any manner which best serves office needs. (Note: Different record series should be maintained as separate identifiable groups.) For example: Essential Rural Development records; OPFs; and other types of confidential information such as audit reports, employee investigations, and employee financial interest statements must be maintained in "locking-type" file cabinets. Pending applications/preapplications should be separated from "active" borrower files. Active borrower files should be separated from "closed" borrower files. Closed borrower files, continuation folders, or other files, which are infrequently used, may be maintained in the less accessible file space and should be properly and adequately identified. These folders may be filed in alphabetical order or further divided by program type, project, processing stage, District or County Office designation, or other means for control and identification purposes.

(viii) Removal of records. In order to maximize the use of filing space and equipment, records eligible for disposal, as prescribed in this Instruction, MUST be removed from all filing equipment. Offices having access to additional storage space may transfer inactive or long term records to such space, providing these areas are frequently monitored to prevent excessive accumulation of unneeded material. Supervisors responsible for official borrower case folders shall ensure that all participating offices are notified when disposition of official borrower case folders takes place, in order that the participating offices may dispose of related materials.

(ix) Transfer of records. Records that are closed or inactive BUT must be maintained for regulatory or legal purposes, may be retired to the FRC. However, the following retentions must be met before the records are eligible to be retired. Financial records must be at least 3 FYs old. Borrower case files labeled "Loss to the Government" must have a retention of 3 FYs following the FY in which the loan is closed, and contract files must be retained in the office 1 FY after the case is closed before retiring to the FRC. States should coordinate the retiring process directly with the FRC serving their area. The office having custody of the records is responsible for preparing the Standard Form (SF)-135, "Records Transmittal and Receipt," and preparing the records for transfer to the FRC. (See Forms Manual Insert (FMI).) The SF-135, SF-135A, "Records Transmittal and Receipt (Continuation)," and any attachments must be forwarded to the National Office, Records Officer, for prior approval before submitting to the FRC. General preparation instructions are on the back of the form. Preparation instructions are supplemented as follows:

- (A) Insert record group for Rural Development (96).
- (B) Insert disposal authorities for operational files (found in the last column, of the Operational Records Manual).
- (C) Insert disposal authority for borrower case folders (found in the Operational Records Manual).
- (D) Insert disposal date (calculate date from established retention period).

(x) Retrieval of transferred records. Transferred records may be retrieved from the FRC by submitting Optional Form (OF)-11 "Reference Request - Federal Records Centers." (See FMI.) Request for such records should be made through the State Office. To readily identify a file retrieved from the FRC the office should flag the record or box of records to indicate such.

§ 2033.7 Program case folders (applicant/borrower).

Each office shall establish and maintain an "official record" case folder, for each applicant/borrower receiving program assistance, for which the office has primary program processing and servicing responsibility. Because of the necessary and/or frequent interchange of applicant/borrower information between the various office levels, offices may establish duplicate applicant/borrower informational folders to accommodate certain kinds of record information. Such folders, when established, must be clearly identified as "duplicate" case folders and contain the originating office's identification. "Official record" folders must be filed as a separate series.

(a) Applications/preapplications.

(1) Pending applications. File pending applications as a separate series in one or more A-Z sets of third-cut folders generally preceding the "active" borrowers' case folders. Keep the application and related material together as a single assembly of papers. Establish separate folders for individual applicants at the discretion of the office supervisor. Establish separate folders for association applicants. File pending applications as a single alphabetical group or subdivided by those program type, processing step, packager, project, district or county designation, or any combination thereof best serving office needs. Maintain applications which have been rejected, withdrawn, canceled, or expired as prescribed in paragraph (a)(2) of this section.

(2) Rejected, withdrawn, canceled, or expired applications. Remove the application and related papers from the "pending" file series and maintain as follows:

(i) Return such documents as plat maps, plans, specifications, engineering data, feasibility studies, etc., to the applicant, PROVIDED these documents are not needed as a basis for rejection.

(ii) For applicants indebted to Rural Development (individual or association), file the "rejected" or "withdrawn" application and any remaining material in the existing borrower case folder. Mark the face of the application "REJECTED or WITHDRAWN (date)." If the application involved a "grant only" or "combination loan and grant," include the word "GRANT" when marking the application. See § 2033.10(b)(4)(iii) and (iv) of this Instruction for disposition of these case folders.

(iii) For applicants not indebted to Rural Development (individual or association), file "loan only" applications in a REJECTED, WITHDRAWN, CANCELED, or EXPIRED series A-Z file. File "grant only" or "combination loan and grant" applications in a separate A-Z file series. Dispose of these applications as follows:

(A) Destroy individual "loan only" applications 2 FYs and 1 month after the end of the FY in which the application was rejected, withdrawn, canceled, or expired; or 1 FY after the end of the FY in which final action was taken on an application involving an appeal, investigation, or litigation, whichever is later.

(B) Destroy individual "grant only," and "combination loan and grant" applications 3 FYs after the end of the FY in which the application was rejected, withdrawn, canceled, or expired; or 1 FY after the end of the FY in which final action was taken on an investigation or litigation, whichever is later.

(C) Destroy association "loan only," "grant only," and "combination loan and grant" applications as prescribed for "individual" applications in paragraphs (a)(2)(iii)(A) and (B) of this section, EXCEPT when the same association makes more than one application. In this event, retain actual applications until 2 FYs and 1 month after the end of the FY in which the last application was rejected.

(b) Conditional commitment applications. Documents accumulated in accordance with HB-1-3550 will be segregated into two categories and maintained as follows: (Revised 01-23-03, SPECIAL PN.)

(1) Master file. Establish a four-position folder under the name and address of the commitment applicant. This folder will contain the records and information required by HB-1-3550. A separate folder may be established for each project. Records in these folders may be destroyed 2 FYs after the FY in which final action has been taken on all conditional commitments covered by the application. (Revised 01-23-03, SPECIAL PN.)

§2033.7(b) (Con.)

(2) Individual dwelling folder. Establish an eight-position folder for each dwelling covered by the commitment application. Label this folder with the name of the commitment applicant and the address or block and lot number of the specific dwelling. This folder will contain the required information supplied by the commitment applicant. When a qualified applicant applies for a loan to purchase a home on which a conditional commitment has been issued, this folder becomes the applicant's borrower case folder with the label changed accordingly.

(3) Return of documents. If the commitment applicant's application is withdrawn or rejected; or the conditional commitment for any dwelling is not issued, is canceled, or expires; return the plans, specifications, and related materials concerning the dwelling and/or property to the commitment applicant. Any remaining material will be kept in the commitment applicant's master folder.

(c) Loan docket folder. For loans that need to be submitted to the State Office for approval, fasten all forms and other documents in the designated positions in accordance with Exhibit A of this Instruction, EXCEPT documents to be signed by the loan approving official and of documents to be submitted to the Finance Office. The original and copy(ies) of documents to be signed in the State Office will be kept together in order for the name and title of the approving official to be typed thereon.

§2033.8 Maintenance of active borrower case folders.

(a) Arrangement of materials within folders. Records are arranged within borrower case folders by using the "position filing" method, as prescribed in Exhibit A of this Instruction, for the eight different categories of items or transactions. Fasten material filed in case folders to the prescribed filing position using metal fasteners.

(1) Use a "Table of Contents" or "Processing Checklist" as prescribed in Exhibit B of this Instruction in each "association-type" loan folder showing the location of each document. Divider sheets (blank paper, with or without tabs) may be used within a filing position to separate specific types of records, or within a case folder to separate records accumulated for different borrowers. When divider sheets are used to differentiate between borrowers, a brief statement of the former borrower's account status should be entered on the divider sheet.

(2) File all documents in the designated position EXCEPT when the volume, size, or unique subject matter requires separation for better maintenance purposes. In these circumstances, place a divider sheet in the position where the material would normally be filed and identify the continuation folder, envelope jacket, mailing tube, or other area where the material is located. Listed below, in paragraphs (i) through (viii) of this paragraph, are examples of files which may be maintained separately:

- (i) Appeal hearing file: Containing tape recordings, hearing notes, transcripts, and associated appeal hearing information.
- (ii) Appraisal file: Including plat maps, plans, photographs, bound reports, or similar material.
- (iii) Bond document files: When Bond Counsel is used, as prescribed in RD Instruction 1942-A, §1942.19, bond transcript documents will be kept intact as received from Bond Counsel. Correspondence to and from Bond Counsel will also be placed in this file.
- (iv) Construction and engineering file: Containing plans, specifications, copies of contracts, engineering drawings, and similar construction information.
- (v) Feasibility studies: Containing reports, statistical data, market studies, brochures, bound documents, and similar information.
- (vi) Litigation files: For cases involving litigation, such as bankruptcy or other legal action which generate large volumes of evidentiary type material.
- (vii) Rights-of-way files: When volume warrants, contain material establishing evidence or rights-of-way. Documents, except Forms RD 442-21, "Right-of-Way Certificate," and RD 442-22, "Opinion of Counsel Relative to Rights-of-Way," may be returned to the borrower when all necessary permits have been obtained and recorded.
- (viii) Multi-Family Housing files: Because of the volume associated with these files, separate eight-position folders will be established as follows and disposition conducted as shown below, in paragraphs (A) through (D) of this paragraph:

§2033.8(a)(2)(viii) (Con.)

(A) Loan File:

Containing preapplication, application, and closing documents; assumption documents; consolidation documents; reamortization documents; prepayment documents, etc.

POSITION "1" - Processing checklists; security agreements; financing statements; lien searches.

POSITION "2" - Loan obligations documents; copies of promissory notes, assumption agreements, and reamortization requests and agreements; interest credit and rental assistance requests and agreements; supervised bank accounts for other than construction; check requests and evidence of check receipts; consolidation forms.

POSITION "3" - Preapplication and application information; initial operating budget, utility allowance, management plan/agreement; running records up to the operational stage; District Director recommendation letter and State Office response; prepayment requests and supporting documentation.

POSITION "4" - Correspondence up to the date when the project is operational.

POSITION "5" - Organizational documents and regulations; options; real estate instrument; loan agreements; title information; mortgage title insurance; closing instructions and other closing records.

POSITION "6" - Construction information prior to start of construction.

POSITION "7" - Property insurance; position fidelity bonds.

POSITION "8" - Appraisal with all attachments; site information.

RETAIN UNTIL ACCOUNT IS SATISFIED.

(B) Construction File:

Containing plans, specifications, bid documents, copies of contracts, partial pay estimates, supervised bank account information, cost information, cost certification, and similar construction information.

Monthly construction inspections. RETAIN 3 YEARS AFTER FINAL INSPECTION AND THEN DESTROY. THE FINAL INSPECTION WILL BE RETAINED UNTIL THE ACCOUNT IS SATISFIED.

Preliminary plans and specifications. Return to borrower when final plans and specifications are approved.

Final plans and "as built" plans and specifications. RETAIN 10 YEARS AFTER THE EXPIRATION OF BUILDERS WARRANTY.

Partial pay estimates. RETAIN 3 YEARS AFTER COST CERTIFICATION IS ACCEPTED AND THEN DESTROY.

POSITION "1" - Interim lender letter; Deposit Agreement and supervised bank account records.

POSITION "2" - Partial pay estimates and pay requests; construction inspections; cost certification.

POSITION "3" - Change orders and running records.

POSITION "4" - Preconstruction conference report; construction contract; correspondence.

POSITIONS "5-8" - As needed for bid documents and continuation of material in Positions "1" through "4."

Material may be moved to position "6" of the "Loan File" when construction is 100 percent complete if material is not too bulky.

EXCEPT AS NOTED, RETAIN UNTIL ACCOUNT IS SATISFIED.

§2033.8(a)(2)(viii) (Con.)

(C) Current Servicing File:

Containing copy of loan agreement and affirmative fair housing marketing plan; supervisory visit reports, compliance reviews, and site visits; budgets and utility allowances; annual reports, audits, and annual analyses; current management plan and management agreement; notice of evictions; correspondence and running records; problem case reports and corresponding correspondence.

Form RD 1930-7, "Multiple Family Housing Project Budget." RETAIN A 3-YEAR HISTORY OF APPROVED BUDGETS.

Exhibit A-6 of RD Instruction 1944-E and supporting documentation. RETAIN A 3-YEAR HISTORY OF APPROVED UTILITY ALLOWANCES.

Notice of evictions. RETAIN 3 YEARS AFTER TENANT VACATES AND THEN DESTROY.

Supervisory visit reports, site visits, and compliance reviews. RETAIN LAST THREE SUPERVISORY VISIT REPORTS, SITE VISITS, AND COMPLIANCE REVIEWS.

Annual reports, audits, and annual analysis. RETAIN LAST THREE ANNUAL REPORTS, AUDITS, AND ANNUAL ANALYSIS. RETAIN CURRENT AND PREVIOUS ENERGY AUDIT.

Note: If an account is a problem case or an investigation or audit is in process, do not destroy material until problem is resolved or the investigation/audit is closed.

POSITION "1" - Copy of loan agreement; affirmative fair housing marketing plan; management plan; management agreement; financial statement; security agreement; project and pet rules.

POSITION "2" - If desired, a copy of promissory notes; assumption agreements; interest credit agreements; rental assistance agreements; reamortization agreements; consolidation forms; conversion to Pre-Amortization Schedule System (PASS) forms.

POSITION "3" - Running records.

POSITION "4" - Correspondence.

POSITION "5" - Annual reports; audits; year-end reports; energy audits; 2 percent Operation and Maintenance (O&M) return documentation; budget; utility allowance; rent change documentation.

POSITION "6" - Supervisory visit reports; compliance reviews; site visit reports.

POSITION "7" - If desired, a copy of insurance policies.

POSITION "8" - Problem case information.

Material from the servicing file may be moved to a continuation folder until eligible for disposition when no longer applicable to current operations.

EXCEPT AS NOTED, RETAIN UNTIL ACCOUNT IS SATISFIED.

(D) Monthly Report File:

Containing the Monthly Reports, Tenant Certifications, Project Worksheets, and correspondence dealing with the monthly reports.

Form RD 1944-8, "Tenant Certification." RETAIN TENANT CERTIFICATION UNTIL 3 YEARS OLD AND THEN DESTROY.

Form RD 1944-9A, "Multiple Family Housing Statement of Payment Due." RETAIN IN BATCH FORM AND DESTROY AFTER 30 DAYS IF NO APPEALS OR WAIVER OF LATE FEES.

Form RD 1944-29, "Project Worksheet for Interest Credit and Rental Assistance." RETAIN A 3-YEAR HISTORY OF PROJECT WORKSHEETS.

M2A Screens: RETAIN UNTIL THE PAYMENT HAS BEEN PROCESSED AND IS INCLUDED IN AUTOMATED MULTI-FAMILY ACCOUNTING SYSTEM (AMAS) HISTORY AND THEN DESTROY.

§2033.8(a)(2)(viii)(D) (Con.)

POSITION "1" - Project worksheets and M2A screens.
(Optional; may be batch retained until
disposition.)

POSITION "2" - Tracking logs.

POSITION "3" - Running record.

POSITION "4" - Correspondence concerning project
worksheets; payments; and tenant
certifications.

POSITION "5" - Monthly Reports; letter waiving monthly
reports; letter reinstating monthly
reports.

POSITION "6" - Expired Tenant Certifications. (Optional;
may be kept in binders for each project
until disposition.)

POSITION "7" - Master tenant list.

POSITION "8" - Current Tenant Certifications. (Optional;
may be kept in binders for each project
until disposition.)

EXCEPT AS NOTED, RETAIN UNTIL ACCOUNT IS SATISFIED.

(b) Maintenance of borrower case folders requiring "special handling."

(1) Appeal cases. For borrowers who have made an appeal, mark the
face of the case folder "APPEALED (date)." Destroy these folders 1
FY after the end of the FY in which the final action was taken on
the appeal (provided the 25-month retention for rejected or
withdrawn application has been met) or destroy 1 FY after the case
folder is considered closed, whichever is later.

(2) Assumption transaction. In assumption transactions, establish a new folder for the "transferee" and place a Form RD 2033-1 under the "transferor's" name in the "active" case folder series. Any needed loan servicing or legal documents, such as security instruments, title opinions, copies of notes, affidavits of borrower and seller, latest appraisal, etc., in the "transferor's" folder will be refiled in the "transferee's" folder. Insert divider sheets where necessary. Any remaining material in the transferor's file will be considered "closed" provided all Rural Development loan indebtedness has been satisfied.

(3) Asset sales. Label case folders for borrowers involved in the Asset Sale "FY Asset Sale" and remove them to a separate location from the active files. These files, even though considered "closed" will not be destroyed for a period of 2 FYs from the FY in which the borrower's loan(s) was sold or subsequently assigned during a loan substitution. After the borrower's case folders are retained for a period of 2 FYs, the case folders are considered closed and, as they will have already met the retention period for "closed" borrower files are now eligible for disposition. If a borrower case file is returned to Rural Development during the 2-year retention period, the case file will be removed from the Asset Sale location and returned to "active" file status.

(4) Collection-only or judgement. In the event transferors of title by voluntary conveyance, assumption, or through foreclosure action are reclassified to collection-only or judgement, a new case folder for the transferor will be established for the final collection and/or settlement of indebtedness. Only the essential account servicing material and pertinent correspondence will be transferred from previous folder(s). A cross-reference to the transferee will be inserted in Position "3" of this new folder.

(5) Litigation, claims, and information requests. Case folder(s) for borrowers who are or may be involved in legal action, employee's fiscal liability action, Tort Claims, Freedom of Information or Privacy Act requests, will be marked "DO NOT DESTROY" on the face of the folder(s) at the time of notification by the State Director or National Office. These records will be retained until notification is received from the State Director or National Office to remove the "DO NOT DESTROY" legend.

§2033.8(b) (Con.)

(6) Loss to the Government.

(i) A borrower case file in which a financial loss to the Government occurred, will be screened at the time the case is closed, to determine if the loss can be used as a basis for the denial of future credit. The following criteria will be used when screening the borrower case file and will be applied to all programs.

(A) If the borrower acted in bad faith by not following agreements, approved financial plans, making unauthorized capital expenditures, and failure to carry out supervisory and/or financial management practices agreed to in writing.

(B) If there has been an Office of the Inspector General (OIG) investigation or audit or an OGC opinion that clearly demonstrates the Agency experienced a loss due to misrepresentation, fraud, conversion, or criminal activities and it has been determined that the loss will not be recovered.

(C) Poor financial and/or production management.

(D) Poor credit history.

(ii) If documents in the case file meet any of the criteria in paragraph (b) (6) (i) of this section, the file will be retained for a period of 7 FYs. Those cases that have resulted in a loss to the Government but do not meet the criteria in paragraph (b) (6) (i) of this section, will be retained for a 3 FYs period and then destroyed.

(A) Records to be retained specifically for Single Family Housing (SFH) loan programs include:

(1) Copy of the most recent appraisal.

(2) Copy of the OIG or audit report, if applicable.

(3) Documentation reflecting full amount of the loan; i.e., Promissory Note or Form RD 1940-1, "Request for Obligation of Funds."

(4) Form RD 1956-1, "Application for Settlement of Indebtedness," if applicable.

(5) Printed copy of the Account Information (AI) screen as of the date of settlement, conveyance to Rural Development, or foreclosure.

(6) Running case record documentation reflecting problem loan servicing and whether or not the loss was due to reasons beyond the borrower's control (such as economic conditions).

(B) Records to be retained specifically for the B&I guaranteed and direct loan programs include:

(1) Any final bankruptcy opinions and/or foreclosure documents.

(2) Any OGC opinions pertinent to the situation.

(3) Any security agreements, Uniform Commercial Code (UCC) filings.

(4) Corporate financial statements for the last 3 years.

(5) Credit reports.

(6) Form RD 449-1, "Application for Loan and Guarantee."

(7) Form RD 449-2, "Statement of Collateral," at inception of loan and a "Statement Regarding the Collateral" to be liquidated.

(8) Form RD 449-4, "Statement of Personal History."

(9) Form RD 449-29, "Project Summary -- Business and Industrial Loan Division."

(10) Form RD 449-34, "Loan Note Guarantee."

(11) Form RD 449-39, "Field Visit Review (Business and Industrial Loans)."

§ 2033.8(b)(6)(ii)(B) (Con.)

(12) Form RD 1944-33 or RD 1944-34, "Loan Agreement."

(13) Form RD 1980-59, "Quarterly Delinquent/Problem Loan Report," for the last year of operation.

(14) Front page of appraisal reports at loan inception and at the time of liquidation.

(15) Lender's payment ledgers.

(16) Personal financial statements of guarantors for the last 3 years.

(C) Records to be retained specifically for the Community Programs (CP) guaranteed and direct loan programs include:

(1) Any OGC opinions pertinent to the situation.

(2) Copies of Guide 22 of RD Instruction 1942-A or other written evidence signed by the borrower which reflects failed agreements.

(3) Copy of bond transcript or ordinance.

(4) Correspondence reflecting problem loan servicing by Agency.

(5) Documentation on appeals.

(6) Final loss settlement checklist.

(7) Final report of loss.

(8) Form RD 1942-43, "Project Summary Community Facilities (Other Than Utility-Type Projects)," RD 1942-45, "Project Summary - Water and Waste Disposal and Other Utility Type Projects," or the Automated Community Facilities Project Summary (Revised 03-19-03, PN 357.)

(9) Form RD 1956-1.

(10) Grant agreement.

(11) Lender's loan agreement.

(12) OIG investigation or audit that clearly demonstrates misrepresentation, fraud, or criminal activities.

(13) Problem/delinquent servicing reports for the last year of operation.

(14) Running record reflecting problem loan servicing by Agency.

(15) Specimen bond.

(16) Unauthorized assistance determinations with related documentation.

(iii) Guaranteed loan losses at this time are not significant in most County Offices, therefore, the entire guaranteed file should be maintained for either 3 or 7 years.

(7) MFH prepayment reports. The loan files for prepaid loans will be considered "closed" and will be destroyed as noted in §2033.10 of this Instruction. However, a file with the borrower's name, case number, project number, and the notation "PREPAID LOAN" will be kept through the expiration of the restricted use period and will contain the following: prepayment request, prepayment report and supporting documentation, release of mortgage with the prepayment restrictions, if applicable, and any other documentation in reference to the prepayment and any subsequent actions.

(8) Property acquisition. When property is taken into Government inventory, the former borrower's case folder(s) should be identified to reflect the acquisition action. The case folder(s) may be continued in the "active" case folder series or relocated to a separate series for future processing and servicing activities as specified in RD Instruction 1955-B. If the case folders are relocated, a "cross-reference" should be maintained in the "active" file series under the former borrower's name. Acquired property case folders will be considered "closed" as prescribed in § 2033.10(a)(3) of this Instruction.

(i) If acquired real estate is leased while in Government inventory, file the records on the lessee in the former borrower's initial case folder. Insert divider sheets where required. Enter the lessee's name in pencil on the folder label and establish Form RD 2033-1 under the lessee's name in the "active" case folder series.

§ 2033.8(b) (8) (Con.)

(ii) If acquired real estate is sold for cash, relabel the former borrower's case folder(s) with the name of the purchaser. Maintain the folder(s) in the "active" borrower series, under the purchaser's name, until the redemption period, if applicable, has expired.

(iii) If acquired real estate is sold on credit basis, establish a new folder for the purchaser. Material in Positions "6" and "8," and any other needed records in the former borrower's case folder(s), will be refiled in the purchaser's folder. Until final payment is made, maintain Form RD 2033-1 under the former borrower's name in the "active" case folder series.

(iv) If acquired real estate is sold as individual parcels, the former borrower's case folder(s) and the parcel purchaser's records will be maintained in a manner best serving the needs of the office.

§ 2033.9 Removal of material from "active" borrower case folders (individual and association).

Official record material should not be removed from an "active" borrower case folder and destroyed until the entire case folder is considered "closed" and becomes eligible for disposition, except as provided in Exhibit A and §2033.8(a) (2) (viii) of this Instruction. The increasing number of appeals, claims, audits, investigations, legal actions, and public information requests requires maintenance of all information concerning a borrower's account(s). Through the proper use of "continuation folders" and by relocating such folders to the less active file space or other storage facilities, offices should be able to maintain and manage official record accumulations with a minimum of problems. Offices incurring records maintenance or storage problems should contact the CAP/AO for guidance and assistance. Storage problems which cannot be resolved by field offices will be referred to the National Office, Records Unit. All "active" borrower case folders should be reviewed at least once every 5 years. During this review, remove and destroy extra or duplicate copies of forms. Interim construction drawings, specifications, and similar type materials should be returned to the borrower. Also, during this review, relocate any "inactive" record material to "continuation folders." Upon completion of the review of a borrower's case folder(s), enter the FY in which the review was conducted, in pencil, on the folder label following the last 5-year review.

§ 2033.10 Closed borrower case folders.

(a) Determining "closed" borrower case folders.

(1) When a borrower (active, collection-only, debt settlement, or judgement) is reclassified "paid up" by payment-in-full, payment of approved settlement amount, or "otherwise satisfied," as prescribed in RD Instruction 404.1, and no longer has an obligation to or unresolved legal action pending with Rural Development, the one or more case folders are considered "closed."

(2) Guaranteed loans will be considered "closed" when the requirements of any "guarantee" document have been terminated and all obligations due Rural Development or the lender have been paid in full or otherwise satisfied.

(3) In acquired property cases, the former borrower's case folder(s) will not be considered "closed" until the redemption period, if any, has expired.

(4) Grant-only or combination loan and grant case folders.

(i) Section 504 Rural Housing grant-only or combination loan and grant case folders are considered "closed" 3 FYs after the end of the FY in which the Section 504 Repayment Agreement is signed, or when the loan is satisfied, whichever is later.

(ii) Farm Labor Housing grant-only or combination loan and grant case folders are considered "closed" 50 years after the year in which the grant is made. However, if there is a default under the obligations of the Labor Housing grant agreement and the grant agreement is terminated by the Government, the case folder will be considered "closed" only when the Government's requirements are satisfied.

(iii) Industrial Development, Community Facilities, and Water and Waste Disposal Development grant-only or combination loan and grant case folders are considered "closed" ONLY when all of the grantee's grant obligations, as shown in any grant agreement, have been satisfied, subordinated, released, or terminated, provided the loan has been paid in full or otherwise satisfied. For Community Facilities grants used to acquire or improve real property or purchase equipment, the record retention period is based on the useful life of the property or equipment, or until the property or equipment is replaced, sold, transferred, or is of little or no value, as required by 7 CFR 3015, 3016, or 3019 in effect at the time and which may be subsequently modified.

(Revised 07-19-99, SPECIAL PN.)

§2033.10(a)(4) (Con.)

(iv) Self-Help Technical Assistance and Comprehensive Areawide Water and Sewer Planning grants are considered "closed" at the end of 5 years after all funds have been properly accounted for, conditions of the grant agreement have been met, and the plan is serving the purpose for which it was developed. Documentation in the case folder must indicate that these conditions have been met.

(v) Technical Assistance and Training grants are considered "closed" 3 FYs after the end of the FY in which the project is completed, as shown in any grant agreement.

(vi) Section 533 Housing Preservation grants are considered "closed" either 3 FYs after the expiration of the grant agreement for assistance to homeowners or 3 FYs after the expiration of the owner agreement for assistance to rental properties or co-ops.

(b) Maintenance and disposition of "closed" borrower case folders.

(1) Labeling. Concurrent with determining a borrower's case folder to be "closed," label the folder with the legend "CLOSED CASE 19__" with the FY entered in the blank space. Additional information will be entered on the label of "closed" loan cases which have resulted in a loss to the Government and cases remaining subject to compliance review.

(i) For "closed" loan case folders which have resulted in a loss to the Government, add "LOSS TO GOVERNMENT." (See paragraph (b)(4)(ii) of this section for disposition information.)

(ii) For recipients of development grants for water and waste disposal (no loan involved) which remain subject to compliance review after the closing, add "SUBJECT TO COMPLIANCE REVIEW" on the label of the case folder.

(2) Return of documents. When an account is "closed," check the case folder(s) for legal documents (deeds, leases, title, opinions, abstracts, insurance policies, waterstock or grazing certificates) or soil maps and plans prepared by the National Resources Conservation Service (NRCS), and final or "as built" plans and specifications. These materials should be returned to the borrower as they will have served their purpose in Rural Development account servicing. When returning documents use Form RD 140-4, "Transmittal of Documents," or other written means for establishing a record of their return.

(3) Filing "Closed" case folders. "Closed" case folders for which destruction is authorized in paragraph (b) (4) of this section should be arranged by name in one or more series according to office needs, but kept separate from "active" borrower case folders.

(4) Disposition.

(i) Destroy "closed" case folders with the legend "CLOSED CASE 19__," 1 FY after the end of the FY in which closed.

(ii) Destroy loan case folders (meeting criteria in §2033.8(b)(6)(i) of this Instruction) labeled "LOSS TO GOVERNMENT," 7 FYs after the end of the FY in which closed. Destroy other "Loss to the Government" folders 3 FYs after the FY in which closed.

(iii) Destroy "closed" case folders marked "APPLICATION REJECTED OR WITHDRAWN," 25 months after the application was rejected or withdrawn, or 1 FY after the case folder is considered "closed," whichever is later.

(iv) Destroy "closed" case folders marked "GRANT APPLICATION REJECTED," 3 FYs after the end of the FY in which the grant-only or combination loan and grant application was rejected, or 1 FY after the end of the FY in which the case folder is considered "closed," whichever is later.

(v) Destroy "closed" case folders marked "APPEALED" 1 FY after the end of the FY in which the final action was taken on the appeal (provided the 25-month retention period for a rejected or withdrawn application has been met), or 1 FY after the case folder is considered "closed," whichever is later.

§2033.10(b) (4) (Con.)

(vi) Retain "closed" case folders for grants, subject to civil rights' compliance review, until compliance reviews are no longer required as prescribed in RD Instruction 1901-E. To prevent the inadvertent destruction of these folders during the review period, maintain them as a separate, clearly identified group.

(vii) Retain "closed" case folders marked "DO NOT DESTROY" until permission to destroy is received from the State Director or National Office.

(5) Destruction and Salvage. When destroying official borrower case folders, offices may use any method which will ensure complete obliteration of confidential record information. Reusable folders should be salvaged for future use.

§2033.11 Section 504 housing assistance borrowers.

The total amount outstanding of Section 504 loan will not exceed \$20,000. The total amount of a Section 504 grant to any individual recipient will not exceed \$7,500, including any prior Section 504 grant assistance. Combination loan and grant assistance will not exceed \$27,500.

(a) Section 504 borrower list. A list of borrowers, arranged by county, who have received Section 504 assistance will be retained in the operational file folder 1944 - "Section 504 Loans and/or Grant Borrower List." This list will include the following information recorded at the time a Section 504 loan and/or grant is made.

- (1) Borrower or grantee(s) name, address, and case number.
- (2) Name of co-owner/grantee(s), if any.
- (3) Amount of the loan and/or grant.
- (4) Date loan and/or grant was made.

(b) Maintenance and disposition. Section 504 housing assistance case folders will be maintained, closed, and disposed of in accordance with §§2033.8 and 2033.10 of this Instruction. The maintenance of the borrower list will permit destruction of closed Section 504 assistance case folders as prescribed in §2033.10(b) (4) of this Instruction.

§2033.12 Destroying official record material.

All materials eligible for destruction MUST be promptly destroyed. The following destruction methods may be used.

- (a) Destroy file material as trash. This may be done by the office or by services available through public refuse disposal facilities.
- (b) Sell or donate as waste paper.
- (c) Donate to nonprofit groups collecting waste paper for recycling purposes, providing no storage, transportation or other costs, or the possible disclosure of confidential information, is involved.

§2033.13 Authority for disposition of Rural Development records.

No official records may be destroyed without approval by the NARA, General Services Administration, and the General Accounting Office.

§§2033.14 - 2033.50 [Reserved]

Attachments: Exhibits A, B, and C.

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POSITION FILING - ACTIVE BORROWER CASE FOLDER RECORDS

I. Records are arranged within borrower case folders by using only one filing position for all transactions or items which are logically a part of eight different classes. This Exhibit designates the specific filing positions for each of these classes and lists their respective documents. Generally, record materials will be placed in date order with the most recent date on top, except for those related documents which an office may prefer to maintain together for convenience of reference. For example, documents relating to an election process which may span several weeks should be maintained together as though they were one item, without intermingling with other items.

II. The INITIAL ("1 of ___") borrower case folder should contain only those records essential to meet the supervisor's needs for routine office and out-of-office servicing. This requires a mutual determination concerning the documents needed by the office supervisor and office file personnel. Periodic review of the INITIAL folder will aid the timely retirement of infrequently used records to a continuation folder.

III. When acceptable to the Office of the General Counsel, conformed or certified copies of documents such as Certificate of Incorporation, Articles of Incorporation, and by-laws may be filed in the loan docket in lieu of the original documents. Original documents will be returned to the borrower at the time of loan closing or as soon as possible thereafter in order to avoid liability for them. Pending delivery of such documents to the borrower, they may be kept in the place and manner best serving the needs of the office supervisor.

CLASSIFICATION OF RECORDS FOR EACH FILE POSITION

POSITION "1" - CHATTEL SECURITY RECORDS, OPERATIONAL REPORTS, ASSOCIATION ANALYSIS, PROCESSING CHECKLISTS, PROJECT SUMMARIES, SPREAD SHEETS, AND AUDITS

POSITION "2" - LOAN AND GRANT ADVANCES AND REPAYMENTS, AND OTHER FINANCIAL RECORDS

POSITION "3" - APPLICATION, ECONOMIC JUSTIFICATION, PLANNING, BUDGET, RUNNING RECORDS AND FARMER PROGRAM ANALYSES RECORDS

For individual borrowers this position will contain APPLICATION AND FARM PLANNING RECORDS.

For association or organization borrowers this position will contain APPLICATION, ECONOMIC JUSTIFICATION, OPERATING PLANS, ENVIRONMENTAL IMPACT, PRIVACY ACT, RUNNING RECORDS, MANAGEMENT AGREEMENTS, AND BUDGET RECORDS.

POSITION "4" - CORRESPONDENCE

Unless provided for in one of the other positions, all CORRESPONDENCE will be maintained in this position, except correspondence to and from Bond Counsel.

POSITION "5" - REAL ESTATE RECORDS, ORGANIZATIONAL DOCUMENTS AND REGULATIONS

For individual borrowers this position will contain REAL ESTATE RECORDS (EXCLUDING APPRAISALS).

For association or organization borrowers this position will contain REAL ESTATE INSTRUMENTS, ORGANIZATIONAL DOCUMENTS AND REGULATIONS such as property options, evidence of acquired property or property rights; property title opinions, evidence of bonds, stock and/or membership certificates pledged as security to the Government; legal and regulatory evidence of the organization to conduct business; issuance of public bonds, stock and/or membership certificates; evidence of officers and membership, including meetings, resolutions, meetings waived, proxy voting and legal agreement and architectural agreement; evidence of the release and disposition of pledged security; and Regional Attorney's closing instructions and other closing records.

POSITION "6" - CONSTRUCTION, DEVELOPMENT AND FACILITIES
MAINTENANCE

This position contains construction, development, and facilities maintenance records such as evidence of technical and engineering feasibility studies; working drawings, specifications, bids, and contracts; development and inspection reports, and release of contractors; and evidence of maintenance and repair of physical facilities.

POSITION "7" - PROPERTY AND MORTGAGE TITLE INSURANCE, PROPERTY
TAX RECORDS, AND POSITION FIDELITY SCHEDULE BONDS

POSITION "8" - COMPLETE APPRAISAL WITH ALL ATTACHMENTS AND
JUSTIFICATION AND FEASIBILITY RECORDS

ACTIVE BORROWER FORMS GUIDE

Form Number	Title of Form	Position
AD 1047	Certification Regarding Debarment, Suspension, And Other Responsibility Matters - Primary Covered Transactions	5
AD 1048	Certification Regarding Debarment, Suspension, Ineligibility, and Other Voluntary Exclusion - Lower Tier Covered Transactions	5
A101	AIA Document	6
E-1527	ASTM Standard	6
FEMA 81-93	Standard Flood Hazard Determination	6
G702	AIA Document	3
HUD 935.2	Affirmative Fair Housing Market Plan	3
HUD 9822	Physical Inspection Report	6
HUD 9832	Management Entity Profile	3
I-94	Arrival-Departure Record	5
I-551	Alien Registration Card	5
140-4	Transmittal of Documents (Unreceipted Copy)	4
400-1	Equal Opportunity Agreement (Destroy 5 years after Builder's Warranty expires)	6
400-3	Notice to Contractors and Applicants (Destroy 5 years after Builder's Warranty expires)	6
400-4	Assurance Agreement	3
400-6	Compliance Statement (Destroy 5 years after Builder's Warranty expires)	6
400-7	Compliance Review for Recreational Loans to Associations (FHA Borrowers)	5

Form Number	Title of Form	Position
400-8	Compliance Review (Nondiscrimination by Recipients of Financial Assistance through Farmers Home Administration)	5
402-1	Deposit Agreement	2
402-2	Statement of Deposits and Withdrawals (Maintain in binders. Destroy 5 years after Builder's Warranty expires.)	2
402-5	Deposit Agreement (Non Rural Development Funds) (obsolete) 2	
402-6	Termination of Interest in Supervised Bank Account	2
403-1	Debt Adjustment Agreement	2
404-1	Case Reclassification	2
405-A1	Operating Type Loans Maturity Schedule (cont.)	2
410-1	Application for Rural Development Services	3
410-4	Application for Rural Housing Assistance (Nonfarm Tract) Uniform Residential Loan Application	3

Form Number	Title of Form	Position
410-7	Notification to Applicant on Use of Financial Information from Financial Institution	3
410-8	Applicant Reference Letter (A Request for Credit Reference)	3
410-9	Statement Required by the Privacy Act	3
410-10	Privacy Act Statement to References	3
424-4	Request for Compensation for Construction Defects	8
426-2	Property Insurance Mortgage Clause (Without Contribution)	7
426-6	Transmittal of Property Insurance Mortgage Clause	7
427-8	Agreement with Prior Lienholder	5
431-1	Long-time Farm and Home Plan	3
431-2	Farm and Home Plan	3
431-4	Business Analysis - Nonagricultural Enterprise	3
432-10	Business and Family Record Book	3
440-2	County Committee Certification or Recommendation	3
440-4	Security Agreement (Chattels and Crops)	1
440-4AS	Crops and Chattel Mortgage For America Samoa	1
440-4ND	Security Agreement (Chattel Property and Fixtures)	1
440-4LA	Chattel Mortgage and Crop Pledge (Louisiana)	1
440-4ALA	Crop Pledge (Louisiana)	1

Form Number	Title of Form	Position
440-6	Severance Agreement	1
440-8	Notice of Check Delivery	2
440-9	Supplementary Payment Agreement	2
440-11	Estimate of Funds Needed for 30-day Period Commencing _____ (Destroy when 5 years old.)	2
440-12	Acknowledgment of Payment for Recording, Lien Search, and Releasing Fees	1
440-13	Report of Lien Search	1
440-15	Security Agreement (Insured Loan to Individuals)	1
440-15 (State)	Chattel Mortgage or Security Agreement (Insured Loans to Individuals)	1
440-16-CA	Promissory Note	2
440-21	Appraisal of Chattel Property (Destroy when 5 years old)	1
440-22	Promissory Note (Association or Organization)	2
440-24	Position Fidelity Schedule Bond Declarations	7
440-25	Financing Statement	1
440-25	Financing Statement (State)	1
440-25A	Financing Statement (Crops)	1
440-A25	Financing Statement (Carbon-Interleaved)	1
440-26	Consent and Subordination Agreement	1
440-29	Semiannual Labor Compliance Report	6
440-32	Request for Statement of Debts and Collateral	1
440-34	Option to Purchase Real Property	5

Form Number	Title of Form	Position
440-35	Acceptance of Option	5
440-45	Nondiscrimination Certificate (Individual Housing)	3
440-47	Statement of Account	2
440-57	Acknowledgment of Obligated Funds/Check Request	2
440-57A	Supplemental Installment Information	2
440-58	Estimate of Settlement Costs	5
441-5	Subordination Agreement	1
441-8	Assignment of Proceeds from the Sale of Products	1
441-10	Nondisturbance Agreement	1
441-12	Agreement for Disposition of Jointly Owned Property	1
441-13	Division of Income and Nondisturbance Agreement	1
441-17	Certification of Obligation to Landlord	1
441-18	Consent to Payment of Proceeds from Sale of Products	1
441-25	Assignment of Proceeds from the Sale of Dairy Products and Release of Security Interest (Destroy when new assignment is made to the same farm or when cancelled by all parties)	1
442-2	Statement of Budget, Income and Equity (Destroy when 5 years old)	3
442-3	Balance Sheet (Destroy when 5 years old)	3
442-4	District Directors' Report (Destroy when 5 years old)	1
442-7	Operating Budget (Destroy when 5 years old) Except for original submission with application.	3

Form Number	Title of Form	Position
442-10	Appraisal Report - Water and Waste Disposal Systems	8
442-12	Financial Statement (Destroy when 5 years old) (Obsolete)	3
442-17	Membership List (Grazing Association) (Obsolete)	3
442-20	Right-of-Way Easement	5
442-21	Right-of-Way Certificate	5
442-22	Opinion of Counsel Relative to Rights-of-Way	5
442-28	Bond Registration Book	2
442-29	Manager's Agreement (Grazing Association) (Obsolete)	5
442-30	Water Purchase Contract	5
442-36	Application of Membership in Grazing Association (Keep supporting correspondence attached to application) (Obsolete)	3
442-37	Management Agreement - Grazing Association (Obsolete)	3
442-42	Project Summary (Irrigation, Drainage, Other Soil and Water Conservation Measures) (Obsolete)	1
442-50	Grant Agreement (Public Bodies) for Facilitating Private Business Enterprises in Rural Areas	2
443-12	Farm Ownership and Individual Soil and Water Fund Analysis (Obsolete)	2
443-16	Assignment of Income From Real Estate Security	5
444-16	Notice of Loan Approval	3

Form Number	Title of Form	Position
444-23	Payment Transmittal to Farmers Home Administration	2
444-24	Notification of Final Payment or Transfer of Account to Farmers Home Administration	2
444-27A	Amendment to Rental Assistance Agreement	2
449-1	Application for Loan and Guarantee	3
449-2	Statement of Collateral	5
449-4	Statement of Personal History	3
449-11	Certificate of Acquisition or Construction	6
449-13	Denial Letter	3
449-14	Conditional Commitment for Guarantee	2
449-17	Contract of Guarantee	2
449-20	Report of Loss (Obsolete)	2
449-22	Certification of Non-Relocation and Market and Capacity Information Report	3
449-23	Guaranteed Loan Evaluation Farmer Programs	3
449-26	Certificates of Lender and Loan Applicant (Emergency Livestock Loan) (Obsolete)	3
449-29	Project Summary -- Business and Industrial Loan Division	1
449-30	Loan Note Guarantee Report of Loss	2
449-34	Loan Note Guarantee	2
449-35	Lender's Agreement	5
449-36	Assignment Guarantee Agreement	5
449-39	Field Visit Review (Business and Industrial Loans)	5

Form Number	Title of Form	Position
450-5	Application to Move Security Property and Verification of Address	1
450-6	Notice of Transmittal of Form RD 450-5	4
450-7	Address Inquiry	4
450-10	Advice of Borrower's Change of Address, Name, Case Number, or Loan Number	2
450-11	Detail Analysis of Charges/Credits to Loans Receivable	2
450-12	Bill of Sale (Transfer by Withdrawing Member)	5
450-13	Request for Assignment of Income from Trust Property	1
451-1	Acknowledgement of Cash Payment	2
451-1A	Acknowledgment of Cash Payment (Spanish Version) (Puerto Rico)	2
451-2	Schedule of Remittances	2
451-3	Reminder of Payment to be Made	2
451-5	Notification of Insured Loan Payment and/or Unpaid Principal	2
451-5A	Notification of Insured Loan Annual Payment and Unpaid Principal	2
451-8	Journal Voucher for Loan Account Adjustments	2
451-10	Request for Statement of Account	2
451-11	Statement of Account	2
451-18	Consent and Release of Interest of United States (Insured Farm Ownership Loans)	5
451-19	Statement Showing Distribution of Payment and Balance on Insurance Contract	2

Form Number	Title of Form	Position
451-20	Notice and Acknowledgment of Final Payment	2
451-26	Transaction Record	2
451-33	Reamortization Request	2
451-36	Statement of Interest Paid During the Year	2
451-38	Statement of Interest Paid	3
452-2	Reamortization and/or Deferral Agreement	2
455-1	Request for Legal Action	2
455-2	Evidence of Conversion	2
455-3	Agreement for Sale by Borrower (Chattels and/or Real Estate)	1
455-4	Agreement for Voluntary Liquidation of Chattel Security	1
455-4	Agreement for Voluntary Liquidation of Chattel Security (LA)	1
455-5	Agreement of Secured Parties to Sale of Security	1
455-11	Bill of Sale "B" (Sale by Private Party)	1
455-12	Bill of Sale "C" (Sale Through Government as Liquidating Agent)	1
455-17	Report on Deceased Borrower	2
455-21	Notice of Acceleration and Demand for Payment	2
455-22	Information for Litigation	2
456-3	Journal Voucher for Write-Off Judgment	2
460-1	Partial Release (Chattel Security Only)	1
460-2	Subordination by the Government	5
460-4	Satisfaction	5

Form Number	Title of Form	Position
460-5	Assumption Agreement (New Terms) (Obsolete)	1
460-8	Notice of Termination of Security Interest in Farm Products	1
460-9	Assumption Agreement (Same Terms--Eligible Transferee)	2
462-3	List of Farmers Home Administration Borrowers (Destroy after new list is issued to same business firm) (Obsolete)	1
462-4	Assignment, Acceptance, and Release	1
462-7	Continuation Statement (State)	1
462-10	Farmers Home Administration's Answer to Request for Information (obsolete)	3
462-11	Request for Continuation Statement Filing Fee	4
462-12	Statement of Continuation, Partial Release, Assignment, Etc.	1
462-12	Continuation of Termination Statement (State)	1
465-1	Application for Partial Release, Subordination, or Consent	5
465-5	Transfer of Real Estate Security	5
465-6	Partial Release of Direct Real Estate Mortgage (LA)	5
465-12	Quitclaim Deed (State)	5
471-7	Notice and Acknowledgment of Sale of Insured or Guaranteed Loan	2
506	Freddie Mac Form	5
1905-1	Management System Card-Individual	2

Form Number	Title of Form	Position
1905-4	Application and Processing Card--Individual	3
1910-5	Request for Verification of Employment	3
1910-11	Applicant Certification, Federal Collection Policies for Consumer or Commercial Debts	5
1922-1	Appraisal Report -- Farm Tract	8
1922-2	Supplemental Report -- Irrigation Drainage, Levee, and Minerals	8
1922-3	Map of Property	8
1922-L3	Map of Property	8
1922-4	Township Plat Map	8
1922-5	Appraisal Review	8
1922-6	Multiple Township Plat Map	8
1922-7	Appraisal Report for Multi-Unit Housing	8
1922-8	Uniform Residential Appraisal Report	8
1922-9	Real Estate Sales Data	8
1922-10	Appraiser's Worksheet - Farm Tracts (Study of Comparable Properties)	8
1922-11	Appraisal for Mineral Rights	8
1922-14	Residential Appraisal Review For Single Family Housing	8
1924-1	Development Plan	6
1924-2	Description of Materials	6
1924-3	Service Building Specifications	6
1924-5	Invitation for Bid (Construction Contract) (Destroy 5 years after Builder's Warranty expires)	6

Form Number	Title of Form	Position
1924-6	Construction Contract	6
1924-7	Contract Change Order (To be attached to or filed with the Form RD 1924-6, which it changes)	6
1924-9	Certificate of Contractor's Release	6
1924-10	Release by Claimants	6
1924-11	Statement of Labor Performed (Deliver to borrower when all items of development have been completed and the supervised bank account closed)	6
1924-12	Inspection Report (Destroy 5 years after Builder's Warranty expires)	6
1940-3	Estimate and Certificate of Actual Cost	6
1924-15	Report of Claims for Construction Defects	6
1924-16	Record of Pre-Construction Conference (Destroy 5 years after Builder's Warranty expires).	6
1924-18	Partial Payment Estimate (Destroy 5 years after Builder's Warranty expires).	6
1924-19	Builder's Warranty	6
1924-20	Request for Subdivision Location and Feasibility Analysis	6
1924-21	Notice of Expiration of First Year of Warranty (Destroy 5 years after Builder's Warranty expires).	6
1924-25	Plan Certification	6
1927-1	Real Estate Mortgage or Deed of Trust for (State) Insured Loans to Individuals)	5
1927-4	Transmittal of Title Information	5
1927-7	Real Estate Mortgage or Deed of Trust for (State) Rural Housing Loans Only	5

Form Number	Title of Form	Position
1927-9	Preliminary Title Opinion	5
1927-10	Final Title Opinion	5
1927-11 or 12	Warranty Deed ()	5
1927-15	Loan Closing Instructions	5
1927-16	Notification of Loan Closing	5
1930-5	Bookkeeping System--Small Borrower	2
1930-6	Monthly Report	2
1930-7	Statement of Budget and Cash Flow	3
1930-8	Year End Report and Analysis for Fiscal Year Ending _____	3
1940-1	Request for Obligation of Funds	2
1940-3	Request for Obligation of Loan Funds, Guaranteed Loans	2
1940-10	Cancellation of U.S. Treasury Check and/or Obligation	2
1940-16	Promissory Note	2
1940-17	Promissory Note	2
1940-18	Promissory Note for Softwood Timber Loans	2
1940-20	Request for Environmental Information	3
1940-21	Environmental Assessment for Class I Action	3
1940-22	Environmental Checklist for Categorical Exclusions	3
1940-37	Economic Emergency Loan Analysis (Obsolete)	2
1940-38	Request for Lender's Verification of Loan Application	3

Form Number	Title of Form	Position
1940-41	Truth in Lending Disclosure Statement	2
1940-43	Notice of Right to Cancel	2
1940-51	Crop-Share Cash Farm Lease (With Subordination Agreement) (Destroy 2 years after expiration or when purpose has been served, whichever is earlier).	1
1940-53	Cash Farm Lease (With Subordination Agreement) (Destroy 2 years after expiration or when purpose has been served, whichever is earlier).	1
1940-55	Livestock-Share-Farm Lease (With Subordination Agreement) (Destroy 2 years after expiration or when purpose has been served, whichever is earlier).	1
1940-56	Annual Supplement to Farm Lease (With Subordination Agreement) (Destroy 2 years after expiration or when purpose has been served, whichever is earlier).	1
1940-59	Settlement Statement	5
1941-1	Criteria For Continuing Assistance To Delinquent Borrowers	3
1941-7	OL and Other Credit Analysis (Obsolete)	2
1942-8	Resolution of Members or Stockholders	5
1942-9	Loan Resolution Security Agreement	5
1942-14	Association Project Fund Analysis (obsolete)	2
1942-19	Agreement For Engineering Services (Destroy 5 years after Builder's Warranty expires).	6
1942-31	Association Water or Sewer System Grant Agreement (obsolete)	2

Form Number	Title of Form	Position
1942-39	Processing Checklist (Other Than Public Bodies) (Keep as top item until loan is closed. Destroy when 5 years old.)	1
1942-40	Processing Check List (Public Bodies) (Keep as top item until loan is closed. Destroy when 5 years old.)	3
1942-43	Project Summary Community Facilities (Other Than Utility-Type Projects) (obsolete)	3
1942-45	Project Summary - Water and Waste Disposal and Other Utility-Type Projects (obsolete)	1
1942-46	Letter of Intent to Meet Conditions	3
1942-47	Loan Resolution (Public Bodies)	5
1942-51	Water and Waste Disposal Grant Determination (obsolete)	2
1942-52	Cash Flow Projection	3
1942-53	Cash Flow Report	3
1942-54	Applicant's Feasibility Report	3
1944-1	Interest Credit Agreement Renewal	2
1944-3	Budget and/or Financial Statement	3
1944-4	Certification of Disability or Handicap	3
1944-5	Rural Development Manufactured Housing Dealer-Contractor Application	3
1944-6	Interest Credit Agreement	2
1944-6A	Multiple Family Housing Interest Credit Agreement	2

Form Number	Title of Form	Position
1944-7	Interest Credit and Rental Assistance Agreement	2
1944-8	Tenant Certification	2
1944-9	Multiple Family Housing Payment Transmittal	2
1944-9A	Multiple Family Housing Statement of Payment Due	2
1944-11	Conditional Commitment	3
1944-12	Rural Housing Loan Application Package	3
1944-14	Payment Assistance/Deferred Mortgage Assistance Agreement	2
1944-A14	Payment Assistance/Deferred Mortgage Assistance Agreement	2
1944-15	Interest Credit Agreement Cancellation	2
1944-25	Request for Rental Assistance	2
1944-27	Rental Assistance Agreement	2
1944-29	Project Worksheet for Interest Credit and Rental Assistance	2
1944-30	Identify of Interest (IOI) Disclosure	3
1944-31	Identity of Interest (IOI) Qualification	3
1944-33	Loan Agreement	2
1944-33A	Consolidated Loan Agreement	2
1944-34	Loan Agreement	2
1944-34A	Consolidated RRH Loan Agreement	2
1944-35	Loan Resolution	5
1944-35A	Consolidated Loan Resolution	5

Form Number	Title of Form	Position
1944-36	Application for Conditional Commitment	3
1944-37	Previous Participation Certification	3
1944-50	Multiple Family Housing Borrower/Project Characteristics	2
1944-51	Multiple Family Housing Obligation Fund Analysis	2
1944-52	Multiple Family Housing Promissory Note	2
1944-53	Multiple Family Housing Cancellation of U.S. Treasury Check and/or Obligation	2
1944-54	Multiple Family Housing Change Borrower Name/Address/Case Number/Project Number/Loan Number	2
1944-55	Multiple Family Housing Transfer of Rental Assistance	2
1944-56	Multiple Family Housing Interest Credit Agreement Cancellation	2
1944-57	Multiple Family Housing Acknowledgement of Obligated Funds/Check Request	2
1944-57A	Multiple Family Housing Supplemental 2 Installment Information	
1944-59	Certificate of Eligibility	3
1944-60	Landlord's Verification	3
1944-61	Credit History Worksheet	3
1944-62	Request for Verification of Employment	3

Form Number	Title of Form	Position
1945-15	Value Determination Worksheet (EM Loans Only)	3
1945-22	Certification of Disaster Losses	3
1945-23	Applicant's Certification (Insured Economic Emergency Loan) (Obsolete)	3
1945-26	Calculation of Actual Losses	3
1945-27	Report of Natural Disaster	3
1945-29	ASCS Verification of Farm Acreages, Production and Benefits	3
1950-9	Inquiry to Postmaster Concerning Borrower's Address	4
1951-6	Borrower Account Description Flag	2
1951-7	Request for Change In Application	2
1951-9	Annual Statement of Loan Account	2
1951-12	Correction of Loan Account	2
1951-13	Change in Interest Rate	2
1951-15	Community Programs Assumption Agreement	2
1951-23	Moratorium on Payment (Section 502-504 RH Loans)	2
1951-34	Direct Payment Plan Change	3
1951-37	Additional Payment Agreement	2
1951-39	Grant of Easement Fish and Wildlife Services	2
1951-39A	Grant of Easement	2

Form Number	Title of Form	Position
1951-43	Adjustment of Accounts Referred for IRS Offset	2
1951-47	Farmer Programs-Noncash Credit for Purchase of Easement Rights	2
1951-50	Multiple Family Housing Conversion Agreement	2
1951-51	Multiple Family Housing Exception to Late Fee	2
1951-52	Multiple Family Housing Record Administrative Adjustment - Audit Claim	2
1951-54	Multiple Family Housing Annual Statement of Loan Account As Of _____	2
1951-56	Loan Deferral	2
1951-58	Basis for Loan Account Payment Application for Farmer Program Loans	2
1955-1	Offer to Convey Security	5
1955-2	Report on Real Estate Problem Case	2
1955-20	Lease of Real Property	5
1955-40	Notice of Real Property for Sale	5
1955-44	Notice of Residential Occupancy Restriction	5
1955-45	Standard Sales Contract - Sale of Real Property By The United States	5
1955-47	Bill of Sale "A"	5
1955-49	Quitclaim Deed	5
1956-1	Application For Settlement of Indebtedness	2
1956-2	Cancellation or Charge-Off Rural Development Indebtedness 2	
1960-12	Financial Farm Analysis Summary	3

Form Number	Title of Form	Position
1962-1	Agreement For the Use of Proceeds/Release of Proceeds From Sale of Farm Product	1
1962-9	Temporary Amendment of Consent To Payment of Proceeds From Sale of Farm Product	1
1962-20	Notice of Judgment	2
1965-8	Release From Personal Liability	2
1965-9	Multiple Family Housing Assumption Agreement	2
1965-10	Information on Assumption of Multiple Family Housing Loans	2
1965-11	Accelerated Repayment Agreement	5
1965-13	Assumption Agreement (Farmer Program Loans)	2
1965-14	Proof of Claim of The United States of America (Individual)	2
1965-15	Assumption Agreement Single Family Housing Loan(s)	2
1965-16	Multiple Family Housing Reamortization Agreement	2
1965-17	Multiple Family Housing Consolidation	2
1965-17A	Multiple Family Housing-Consolidation of Projects/Loan Agreement Resolutions	2
1965-18	Multiple Family Housing Release From Personal Liability	2
1965-19	Multiple Family Housing Advice of Mortgaged Real Estate Acquired	2
1965-20	Multiple Family Housing Advice of Mortgaged Real Estate Sold	2

Form Number	Title of Form	Position
1965-22	Information on Assumption on New Terms or Other Change of Terms	2
1965-23	Supplemental Information on Assumption and/or Change of Terms	2
1980-7	Notification of Transfer and Assumption of a Guaranteed Loan	2
1980-10	Application For Loan and Guarantee (Community Programs)	3
1980-11	Guaranteed Rural Housing Lender Record Change	5
1980-15	Conditional Commitment for Contract of Guarantee (Line of Credit)	2
1980-16	Approved lender Agreement for Guaranteed Single Family Housing Loans	2
1980-17	Loan Note Guarantee and Assignment Guarantee Agreement	5
1980-18	Conditional Commitment For Single Family Housing Loan Guarantee	2
1980-19	Guaranteed Loan Closing Report	2
1980-24	Request Subsidy Payment to Guaranteed Loan Lender	2
1980-25	Request for Guarantee (Emergency Livestock Loan or Economic Emergency Loan)	3
1980-27	Contract of Guarantee (Line of Credit)	2
1980-32	Lender's Certification (Guaranteed Economic Emergency Loan) (Obsolete)	3
1980-38	Lender's Agreement (Line of Credit)	2
1980-40	Reverse A Report of Liquidation Expense	2
1980-41	Guaranteed Loan Status Report	1

Form Number	Title of Form	Position
1980-42	Notice of Substitution of Lender	2
1980-43	Lender's Guaranteed Loan Payment to Rural Development	2
1980-44	Guaranteed Loan Borrower Default Status	2
1980-45	Notice of Liquidation Responsibility	2
1980-46	Report of Liquidation Expense	2
1980-47	Guaranteed Loan Borrower Adjustments	2
1980-49	Guaranteed Loan status Update Adjustment	2
1980-50	Add, Delete, or Change Guaranteed Loan Borrower Information	2
1980-51	Add, Change, or Delete Guaranteed Loan Record	2
1980-52	Report Request	2
1980-56	Guaranteed Loan Borrower Deferment	2
1980-57	Reverse Guaranteed Loan Borrower Deferment	2
1980-58	Interest Rate Buydown Agreement	2
1980-60	Application for Loan Guarantee (Nonprofit Corporation)	3
1980-61	Commitment for Guarantee	2
1980-62	Loan Guarantee	2
1980-63	Nonprofit Lender's Agreement	5
1980-68	Lender's Agreement - Drought and Disaster Guaranteed Loan (Interest Not Guaranteed)	5

Form Number	Title of Form	Position
1980-69	Loan Note Guarantee - Drought and Disaster Guaranteed Loan (Interest Not Guaranteed)	2
1980-70	Assignment Guarantee Agreement - Drought and Disaster Guaranteed Loan (Interest Not Guaranteed)	5
1980-71	Lender's Agreement-Disaster Assistance for Rural Business Enterprise (DARBE) Guaranteed Loans	5
1980-72	Loan Note Guarantee Disaster Assistance for Rural Business Enterprise (DARBE) Guaranteed Loans	2
1980-73	Assignment Guarantee Disaster Assistance for Rural Business Enterprise (DARBE) Guaranteed Loans	5
1992-6	Acquisition or Abandonment of Secured Property	5
2006-20	Classification of Farmer Program Borrower Account	2
2006-38	Civil Rights Impact Analysis Certification	3
3550-6	Notice of Special Flood Hazards, Flood Insurance Purchase Requirements, and Availability of Federal Disaster Relief Assistance	3
3550-25	Loan Closing Instructions and Loan Closing Statement	5
3565-1	Application for Loan and Guarantee	3
3565-2	Conditional Commitment	2
3565-3	Lender's Agreement	2
3565-4	Loan Note Guarantee	2
3570-1	Project Selection Priorities	1
3570-2	Worksheet for Computing Maximum Grant Assistance	2
3570-3	Agreement for Administrative Requirements for Community Facilities Grants	2

Form Number	Title of Form	Position
4274-1	Application for Loan (Intermediary Relending Program)	3
4274-2	IRP Project Summary	1
4274-3	Intermediary Relending Program Promissory Note	2
4274-4	Intermediary Relending Program Loan Agreement	2
4274-5	Intermediary Relending Program Supplemental Loan Agreement	2
AD-622	Notice of Preapplication Review Action	3
SF-424.1	Application for Federal Assistance (For Non-Construction)	3
SF-424.2	Application for Federal Assistance (For Construction)	3

Description of Record	Position
Annual Audit Report (Destroy after 5 years for CP loans)	1
Borrower Financial Statement (Destroy after 5 years for CP loans)	1
B&I Special Ten-Point Narrative Report	1
Chattel Security Instrument	1
Monthly Reports (B&I)	1
Pre-Closing Audit Report	1
Report - Exhibit B, RD Instruction 2015-C	1
State B&I Spread Sheets and Analysis	1
Applicant's Certification of Prior Indebtedness	1
Memorandum of Understanding for Interim Financing by Lender and Rural Development	1
Copies of Bonds (Insured)	2
Lender's Loan Agreement	2
Promissory Notes (B&I)	2
Approval of Protective Advances	2
Bond (Specimen), Bond Ordinances, Bond Transcript or similar items	2
Designated Bank - Collateral Pledge	2
Labor Housing Grant Agreement	2
Deposit Slip (To be filed in any manner in this position best serving County Office needs).	2
Running Case Record (Keep as top item).	3
Evidence of Exemption from Federal Income Tax	3
Letter of Conditions	3
Market Analysis Information	3

Description of Record	Position
State Director's Determination of Level of Income	3
Association Loan User Survey Sheet	3
Applicant's and Lender's Preapplication Letter	3
Lender's Evaluation and Recommendations	3
Cost Estimates and Forecasts for Contingency Funds	3
Divorce Decrees	3
Dun and Bradstreet Reports	3
Corporate Financial Statement of Guarantors	3
S.E.C. 10K Report	3
Pro-forma Balance Sheet	3
Current Profit and Loss Statements	3
Projections of Gross Revenues and Net Earnings	3
Cash Flow Statements (3 Years) with Assumptions	3
Financial Statements for Last 3 Years	3
Sales Projections Indicating Percentage of National Local Market	3
Complete Debt Schedules	3
Interim Financial Statements	3
Aging and Turnover of Receivables and Inventory	3
Credit Reports	3
Records of Any Pending or Final Regulatory Legal Action	3
E.O. 12372, Comments From State Single Point of Contract for Intergovernmental Review of Federal Programs	3
Flood or Mudslide Hazard Area Statement	3

Description of Record	Position
National Historic Preservation Act Statement	3
State Review Board Minutes	3
Certificate of Need (For Health Care Facilities)	3
Miscellaneous Management Reports (B&I)	3
Clean air and Water Pollution Control Act Requirement Statement	3
Environmental Impact	3
Community Facilities Project Summary (Automated)	3
Correspondence (Excluding Closing Instructions) Destroy all other correspondence when 5 FY's old.	4
Notification of Character Evaluation	4
Department of Labor Certification	4
Closing Instructions	5
Mortgagee Title Insurance Policy (May be filed in Position 7 if a title insurance company's services are not used for loan closing).	5
Agreement for Service through Individual Facility	5
Agreements: Membership or Technical Services	5
Bylaws, Resolutions, or Regulations and Amendments thereto	5
Articles of Incorporation, Bylaws, and Regulations or Charter	5
Certificate of Membership or Users Certificates	5
Certificate of Incorporation	5
Evidence of filing or submitting periodic report to State agencies or others as required, to maintain legal entity	5
Evidence of Organizational Meetings (includes minutes of meetings)	5
Lists of: Association Members and interest held by each; and Officers and Directors	5

Description of Record	Position
Subscription Agreement	5
Occupancy Agreement	5
Water and/or Sewer User's Agreement	5
Evidence of Other Security Pledged (Example: Life Insurance Policies)	5
Foreclosure Notice Actions	5
Leases, Permits, Assignments, and other evidence of contract	5
Personal Liability (for loan)	5
Purchase Contract or Agreement	5
Survey of Land	5
Inventory Breakdown (B&I)	5
Lender Security Agreements	5
Rural Development Security Agreements	5
Lender Mortgages or Notes	5
Partnership Agreements	5
Schedule of Stock Ownership	5
Franchise Agreement	5
Construction Contracts and Documents (includes architectural and engineering) (Return to borrower 5 years after Builder's Warranty expires).	6
Evidence of Concurrence and Compliance with Construction Requirements of State, County, and Municipal Governments (includes Building Permits)	6
Evidence of Board of Health approval	6
Evidence of Concurrence with State Pollution Control Agency	6
Evidence that project is consistent with comprehensive area water and sewer plan	6

Description of Record	Position
Maps (before and after) (Returned to borrower after 5 years for CP loans at discretion of District Director (D/D)	6
Plans and Engineering Reports including specifications, cost estimates, and other similar documents. All preliminary blueprints and/or drawings will be destroyed upon approval of the final set. The final set (as-built plans) will normally be returned to the borrower (owner) at the discretion of D/D for CP loans two years after final inspection and acceptance of the facility by the owner and Rural Development; however, discretion may be used in returning plans to associations for an additional two years. This would provide a maximum period of four years or life of the loan for CP loans for retaining these plans in County or District Offices. All associations will be encouraged to maintain as-built plans on a current basis.	6
Plot Plans	6
Utility Availability Documents	6
Contractor's Bills, Invoices, and Statements of Labor Performed (An envelope may be used temporarily for this material. Deliver to borrower when all items of farm development have been completed, all bills have been paid, and supervised bank account closed.)	6
DHUD-Rural Development or VA construction inspection reports	6
Approval by State and Local Agencies	6
Bid Documents (Destroy 5 years after Builder's Warranty expires)	6
Bonds, Performance and Payment (Destroy 5 years after Builder's Warranty expires)	6
Insurance Policies - Property and Public Liability or Declaration Page when a master policy is in effect. (Return to Farmer Program and Section 502 RH borrowers after the first year of the loan; all other borrowers, return after cancellation or expiration of the policy unless there is a loss pending. On all loss pending cases, deliver policy to borrower only after settlement of the claim.)	7
Mortgagee Title Insurance Policy (May be filed in Position 5 if a title insurance company's services are used for loan closing)	7

Description of Record	Position
Appraisals (B&I)	8
Feasibility Studies and Reports (Return to borrower after 5 years for CP loans)	8

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TABLE OF CONTENTS FOR ASSOCIATION-TYPE BORROWER CASE FILES

A processing checklist may be used in lieu of a Table of Contents provided the location of each document in the case(s) is shown on the checklist. If a processing checklist is not used, the State Director will issue as a State Form a Table of Contents (prepared on one side of page only) to cover all National forms, State forms, and unnumbered items classified to each of the eight file positions in the borrower case folder(s). Separate Tables of Contents may be prepared for each association-type loan, such as Business and Industrial, Rural Rental Housing, and Water and Waste Disposal, listing only those forms and documents pertaining to the specific type loan. Example:

TABLE OF CONTENTS (ALL POSITIONS)
(File in position 1 as top item of initial folder)

(1)	(2)	(3)	(4)	(5)
Form No.	Description of Record	Initial Folder	"X" or Tab No.	Remarks or Continuation Folder
SF 424.1,	"Application for Federal Assistance (For Non-Construction)," or			
SF 424.2,	"Application for Federal Assistance (For Construction)"	3	X	
RD 140-4	Transmittal of Documents	4	X	
RD 400-1	Equal Opportunity Agreement	6	X	
RD 400-4	Assurance Agreement	3	X	
RD 402-1	Deposit Agreement	2	X	
RD 426-1	Valuation of Buildings	7	X	

Envelope
Jacket 1 of 2

Explanation of Columns:

- (1) State Office will enter form numbers in numerical order.
- (2) State Office will enter the title of form or description of unnumbered items. Unnumbered items will be listed following numbered forms.
- (3) State Office will enter file position.
- (4) The office responsible for maintaining the office borrower case folder will enter "X" when item is placed in initial folder, or if "Tabs" are used, enter tab number.

(5) Offices will enter description of other container(s) when a given item is not kept in the initial folder or an item is transferred to a continuation folder. This column may also be used by the responsible office, State Office, or National Office for other pertinent information, such as initialing and dating by reviewing officials.

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MAINTENANCE OF PROGRAM RECORDS ENTERED TO THE
AUTOMATED DISCREPANCY PROCESSING SYSTEM (ADPS)

This exhibit provides the records maintenance and internal control requirements for source/input and other documents that support transactions processed to ADPS via the Agency's field office terminal system. Additionally, it provides standards for the timely and accurate transcription and discrepancy correction of ADPS transactions to measure field office performance.

I. Document Processing.

A. Completed authorized source/input documents will be used to support all transactions. For internal control and audit trail purposes, there must be a clear record of responsibility for both the authorizing and the inputting of each transaction. The approving official of the related ADPS transaction, e.g., County Supervisor, Program Chief, or his/her delegate, must sign and date the appropriate authorizing form or input document, whether or not there is a signature block for the Agency representative. When there is no related authorizing form or input document, e.g., check requests, personnel should generate printouts of the completed ADPS input screen immediately after all data is entered and the screen prompt displays "Transaction has been updated." This screen printout will be signed and dated by the approving official or his/her delegate and maintained as the authorizing input document. Field office personnel who enter transactions to process must also notate their name, ADPS block number, and current processing date on the source/input document. When a screen printout is used as the transaction input document, as with check requests, the user identification number of the employee entering the transaction, the ADPS block number, and the process date will be displayed on the screen printout; inputting personnel do not need to add this information to the printout.

B. Until transactions process, field offices should file the source/input documents or input screen printouts by processing date in an ADPS Unprocessed Transaction Pending File. Each workday, ADPS Option 1, "Discrepancy Processing - Oldest Within Jurisdiction," or Option 2, "Discrepancy Processing by Case Number or Property Identification," will be accessed to determine the transactions that have processed or rejected. If the transactions are not displayed, the related source/input documents or screen printouts will be removed from the pending file and placed in the appropriate case folders.

C. Discrepancies should be corrected and the related source/input document annotated with the corrected information, as appropriate. This includes system generated discrepancies, e.g., cost items. For discrepancies where there are no source/input documents, input screen

printouts reflecting the corrected information should be generated. The approving official (or his/her delegate) must sign and date the new screen printouts. Attach previous screen printout to new screen printout. The source/input documents or screen printouts should be filed by processing date in the ADPS Unprocessed Transaction Pending File. Upon verification of the discrepancies processed by accessing ADPS Options 1 or 2, the related source/input documents or new screen printouts will be removed from the pending file and placed in the appropriate case folders. The previous screen printouts will be destroyed.

D. If field offices route manuscripted or discrepancy transactions to the Finance Office or mail documents to the Finance Office, District Offices, or State Offices for processing, the sending offices will retain the original or copies of the source/input documents, input screen printouts, and transmittal letters, as appropriate, in an ADPS Unprocessed Transaction Pending File by date sequence. For routed transactions, the field offices will access ADPS Option 2 to determine the transactions that have been processed. If the transactions are not displayed, the related source/input documents or screen printouts will be removed from the pending file and placed in the appropriate case folders. For documents mailed, the field offices will access the ADPS status screens (unless superseded by State Office guidelines) to determine whether the transactions have been processed. Upon verification of the transactions processed, the related source/input documents or screen printouts will be removed from the pending file and placed in the appropriate case folders.

E. When District or State Offices enter transactions for other field offices, personnel entering the transactions must notate their name, ADPS block number, and current processing date on the source/input documents. When there are no related source/input documents, input screen printouts should be generated. (If an input screen printout is used as the only input document, personnel entering the transactions are not required to notate their name, ADPS block number, and current processing date on the printout.) The approving official or his/her delegate must sign and date the source/input document or screen printout. The source/input documents and screen printouts will be filed by processing date in an ADPS Unprocessed Transaction Pending File. Upon verification of the transactions processed by accessing ADPS Options 1 or 2, the related source/input documents or screen printouts will be filed by processing date in an ADPS Processed Transaction File.

F. If it is necessary to process transactions using OK-to-apply codes that require authorization justifying their use, the reasons for use must be indicated on the source/input documents or input screen printouts, as appropriate. The reason must explain the unique conditions, terms, or

coding on the transaction or account that make use of the OK-to-apply code necessary. Do not use the general descriptions in the ADPS documentation as reasons. For internal control purposes, the approving official must initial and date the reason for use. The OK-to-apply codes that require authorization are identified in attachment 1 of this exhibit and the ADPS field office detail transaction and discrepancy codes manuals. District and State Offices should monitor the use of OK-to-apply codes by using the FOCUS report titled DS04, "Use of OK-to-Apply Codes."

G. If it is necessary to use action pending codes (APCs) identifying the reasons for delays in processing transactions and the APCs do not specifically describe the circumstances that require their use, e.g., APC FG - Other, the reasons for use must be clearly indicated on the source/input documents or input screen printouts, as appropriate. If additional APCs are needed to identify specific conditions that frequently occur and result in not being able to meet transaction processing timeframes, field offices may request new APCs on Form RD 2006-21, "Information Systems Management (ISM) Request for Changes to User Documentation." FOCUS Reports DS03, "Report of Manuscripted Transactions by Jurisdiction Code, Transaction Code, and Borrower Case Number," and DS01, "Aging of Discrepancies in Field Office Jurisdictions," may be used to monitor the appropriate use of APCs. Also, Report Code 533, "Analysis of Submitted/Rejected Transactions by Jurisdiction Code," Report Code 534, "Analysis of Submitted/Rejected Transactions by Operator ID," and Report Code 535, "Analysis of Submitted/Rejected Transactions by State Code," identify the APCs of transactions which have been routed to the Finance Office.

II. Transaction Timeliness

A. Transactions should be processed within 5 or 10 calendar days of the effective dates. For source/input documents prepared at the field office, 5 calendar days are permissible for processing, e.g., loan obligation. For source/input documents prepared external to the field offices, 10 calendar days are permissible for processing, e.g., loan closing. Three additional days are added to the 5 or 10 calendar day timeframes for transactions mailed to District or State Offices for processing. An exception to the 5/10 day standard is allowed for Transaction Code 8M, "Limited Resource Loan Review." Reviews performed during the month are considered timely if processed by the fifth day of the following month. Attachment 1 to this exhibit shows the timeframes in which transactions should be processed. If discrepancies occur, the transactions should be corrected within 5 or 14 calendar days of the initial rejection dates. For discrepancies due to suspend codes on the borrower accounts, 14 days are allowed for correction.

B. District and State Offices should monitor the timely processing of transactions by using the FOCUS reports titled DS03, "Report of Manuscripted Transactions by Jurisdiction Code, Transaction Code, and Borrower Case Number," and DS01, "Aging of Discrepancies in Field Office Jurisdictions." The following timeliness rate criteria will be used for evaluating jurisdictional performance levels on a monthly basis:

<u>Timeliness Rate</u>	<u>Performance Level</u>
More than 95 percent	Superior
80-95 percent	Acceptable
Less than 80 percent	Unacceptable

C. To ensure timely initial processing of transactions or correction of discrepancies, the field offices should:

- o Train a minimum of two office employees to process transactions.
- o Require loan closing agents to return closing information on the dates the loans are closed.
- o Process data as of the effective or receipt dates of the related loan making/servicing actions or the next workday thereafter.
- o Use APCs when it is necessary to delay initial processing or discrepancy correction.

III. Transaction Accuracy.

A. To ensure that transactions are processed accurately, field offices should use the ADPS manuals to review exception conditions, premanuscripting validations, and processing procedures for the specific transactions being processed. Monitoring accurate processing of data can be performed by using Report Codes 533, "Analysis of Submitted/Rejected Transactions by Jurisdiction Code;" 534, "Analysis of Submitted/Rejected Transactions by Operator ID;" and 535, "Analysis of Submitted/Rejected Transactions by State Code." The following accuracy rate criteria will be used for evaluating jurisdictional performance levels on a monthly basis:

<u>Accuracy Rate</u>	<u>Performance Level</u>
More than 90 percent	Superior
85-90 percent	Acceptable
Less than 85 percent	Unacceptable

B. Processing procedures to minimize discrepancies include the following:

- o Validate data as the source/input documents are prepared.

- o For source/input documents prepared or approved external to the field offices responsible for processing the transactions, validate the data upon receipt of the source/input documents.
- o Process data as of the effective or receipt dates of the source/input documents or the next workday thereafter.
- o Perform validations on discrepancy transactions to minimize additional discrepancies.

IV. Document Retention.

Forms and screen printouts will be retained by position in the case folders in accordance with exhibit A of this Instruction. The retention requirements for the folders will govern the entire contents. At the end of the retention periods, all documents containing sensitive borrower information should be destroyed by shredding or other method which renders the material unreadable.

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Exh C, Attachs 1 & 2 in PDF ONLY.