



United States Department of Agriculture
Rural Development
Committed to the Future of Rural Communities

AUG 18 2015

TO: All Rural Development Employees

ATTN: Rural Development State Directors
Rural Development Administrators

FROM: Lisa Mensah 
Under Secretary

SUBJECT: Rural Development Single Family Housing Direct Program

With the end of fiscal year 2015 at hand, I know the entire Rural Development family is aware of the importance of obligating all of our Congressionally appropriated funds. Our programs are of vital importance to the rural people and communities we serve.

On April 9, 2015, I wrote to our State Directors about the importance of having a successful fiscal year with the Single Family Housing 502 Direct Program, given that we had not achieved our program obligation goals in the past years. Looking at the current funding report, it is evident that many of you have put in place strategies needed to reach the goal of obligating 100 percent of your state's funds. We must, however, make this goal a reality at the national level and doing so will require even more effort as we close out this fiscal year. Accordingly, I have discussed this effort with Secretary Vilsack who has asked me for regular updates.

Therefore, I am directing an "all hands" effort to obligate dollars for our Single Family Housing Direct Programs.

At this time, our first priority must be to process and obligate the applications in our pipeline. As of today, we have obligated 69.4% of Section 502 Direct funds. Regardless of your state's current percent of formula allocation obligated, I ask that you help raise these national obligation levels. I have approved overtime funds as requested by the State Offices for staff working on Section 502 Direct loans.

EXPIRATION DATE:
September 30, 2015

FILING INSTRUCTIONS:
Housing Programs

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202)690-7442 or email at program.intake@usda.gov.

I further ask that you take advantage of the following temporary authorizations, which are available through September 30, 2015:

- Obligation of a loan subject to an appraisal.
- Use of new loan proceeds in lieu of processing new rates and terms assumptions.
- Relaxation of certain refinancing provisions outlined in Handbook-1-3550, "Direct Single Family Housing Loans and Grants – Field Office Handbook." (Previous Guidance Issued)
- Obligation of a new construction loan subject to Form RD 1924-25, "Plan Certification."
- As a reminder, the results of pre-qualification reviews are not binding and should not hinder the submission of an application; therefore, a pre-qualification is not required when an applicant submits Form RD 410-4, "Uniform Residential Loan Application" which triggers disclosure and official Agency action requirements.

I also request that you:

- Reach out to your partners (packagers, realtors, housing nonprofits, etc.) and get them to join in the "all hands" effort.
- Ensure that your staff focuses their attention on decision-ready applications (i.e. applications where the information needed to determine the applicant's eligibility has been provided and a purchase agreement and/or construction contract has been signed). If decision-ready applications are not on hand, the focus should be on getting applications to this point.

I understand that there are challenges, but these programs are too important to low and very-low income homebuyers in rural America to let any program funds go unused. I know you feel the same, and I appreciate your support in this critical effort.

Sent by Electronic Mail on August 18, 2015, at 5:15pm by the Under Secretary's Office. No further distribution of this communication will be required.