

UNNUMBERED LETTERS ISSUED FOR THE JULY OF 2011

Dated	Subject	Distribution
07-13-11	Business and Industry Guaranteed and Direct Loan Programs Write-Down of Debt for an Existing Borrower	S/D
07-18-11	Rescission of Previously-Issued Unnumbered Letter	S/D
07-19-11	Multi-Family Housing Administrator Exception Authority Requests	S/D
07-26-11	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, AD & RDM

July 13, 2011

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Business and Industry Guaranteed and Direct Loan Programs  
Write-Down of Debt for an Existing Borrower

The purpose of this Unnumbered Letter (UL) is to clarify the Agency's policy regarding the write-down of debt for an existing borrower.

The Business and Industry (B&I) Guaranteed Loan Program regulations are silent on the writing down of a loan and allowing the same principals to remain in control of the operation. Accordingly, writing down debts for this program requires the use of the Administrator's general settlement authority under section 7 U.S.C. 1981(b)(4). The B&I Direct Loan Program regulations permit writing down certain debts in accordance with 7 CFR Part 1956, subpart C. Pursuant to 7 CFR Part 1956.118(a), State Directors can write down debts ". . . less than \$50,000 including principal, interest, and other charges." In the event that the State Director wishes to write down the debt on a B&I direct loan under the authority of this section and leave the borrower in business, National Office concurrence is recommended.

For all B&I guaranteed and direct loans requiring the Administrator's approval, the Agency hereby reiterates its policy to not allow debt write-down/adjustments and leave the same principals in charge of the business. An exception to this policy requires the approval of the Administrator. Documentation should be forwarded to the Administrator in accordance with RD Instruction 4287-B, Appendix A. Your request for Modification or Administrative Action must be in the proper format, including a complete explanation of the request, financial analysis, any appropriate supporting documentation, and the State Director's recommendation.

If you have any questions on the information provided, please contact the B&I Division directly at (202) 690-4103.

*(Signed by Judith A. Canales)*

JUDITH A. CANALES  
Administrator  
Business and Cooperative Programs

EXPIRATION DATE:  
July 31, 2012

FILING INSTRUCTIONS:  
Community/Business Programs

July 18, 2011

TO: State Directors  
Rural Development

ATTN: Program Directors  
Multi-Family Housing

FROM: Tammye Treviño *(Signed by Tammye Treviño)*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Rescission of Previously-Issued Unnumbered Letter

This purpose of this Unnumbered Letter (UL) is to rescind a previously-issued UL, "Use of the Systematic Alien Verification for Entitlements Database for Farm Labor Housing Programs," dated June 9, 2011.

The Agency is evaluating the issue further and may issue additional guidance on this topic in the future.

If you have any questions regarding this UL, please contact Stephanie White, the Director of the Multifamily Housing Programs' Portfolio Management Division, at 202-720-1615.

EXPIRATION DATE:  
July 31, 2012

FILING INSTRUCTIONS:  
Housing Programs

July 19, 2011

TO: State Director  
Rural Development

ATTENTION: Program Directors and Coordinators  
Multi Family Housing

FROM: Tammye Treviño (Signed by Tammye Treviño)  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Multi-Family Housing Administrator Exception Authority Requests

The purpose of this Unnumbered Letter (UL) is to reinforce the documentation requirements contained in Agency regulations. The intended outcome is to improve the quality of requests to ensure a prudent, timely and effective response is provided.

Requests for use of the Administrator's exception authority to permit a case-by-case exception to regulatory provisions not required by statute must contain the following documentation:

1. A citation of the regulatory provision involved.
2. Supportive information and data satisfying the requirements of the exception provision.
3. A recommended alternative course of action.

Recent requests have not always highlighted the normal regulatory provisions that apply for which an exception is recommended. Citation of the regulatory sections involved must be provided.

Supportive information and data may include background information, budgets, and physical inspection reports. Documentation related to the financial and social impacts may be provided. Information outlining how the adverse impact can be mitigated is required.

EXPIRATION DATE:  
July 31, 2012

FILING INSTRUCTIONS:  
Housing Programs

An alternative course of action needs to be affirmatively recommended by the State Director. Program Loan Specialists and Housing Program Directors should not be the recommending officials of record. A narrative description of the alternative course of action should be provided.

Questions concerning the provisions of this UL may be directed to Melinda Price of the Multifamily Housing Preservation and Direct Loan Division at 614-255-2403 or e-mail [Melinda.price@wdc.usda.gov](mailto:Melinda.price@wdc.usda.gov).

July 26, 2011

TO: State Directors  
Area Directors  
Rural Development Managers

ATTN: Rural Housing Program Directors

FROM: Tammye Treviño (Signed by Tammye Treviño)  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Interest Rate Changes for Housing Programs  
and Credit Sales (Nonprogram)

The following interest rates, effective August 1, 2011, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
<b>ALL LOAN TYPES</b>		
Treasury Judgment Rate	0.190%	0.170%

The new rate shown above is as of the week ending June 24, 2011. The actual judgment rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve website for the weekly average 1-year Constant Maturity Treasury Yield ([http://www.federalreserve.gov/releases/h15/data/Weekly\\_Friday\\_H15\\_TCMNOM\\_Y1.txt](http://www.federalreserve.gov/releases/h15/data/Weekly_Friday_H15_TCMNOM_Y1.txt)).

**RURAL HOUSING LOANS**

Rural Housing (RH) 502 Very-Low or Low	4.250	4.250
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EXPIRATION DATE:  
August 31, 2011

FILING INSTRUCTIONS:  
Administrative/Other Programs

Interest Rate Changes for Housing Programs  
and Credit Sales (Nonprogram)

2

Single Family Housing (SFH) Nonprogram	5.750	4.750
Rural Housing Site (RH-524), Non-Self-Help	4.250	4.250
Rural Rental Housing and Rural Cooperative Housing	4.250	4.250

Please notify appropriate personnel of these rates.

Sent by Electronic Mail on 7/26/11, at 9:00 am by Policy Analysis Division. State Directors should advise other personnel as appropriate.