

RD AN No. 4337 (1980-D)
February 28, 2008

TO: State Directors
Rural Development

ATTN: Rural Housing Program Directors,
Area Directors, Area Specialists

FROM: Russell T. Davis (*Signed by Russell T. Davis*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Conditional Commitment for Loan Guarantee
Proposed New Construction

PURPOSE/INTENDED OUTCOME:

The purpose of the Administrative Notice (AN) is to renew guidance surrounding the expiration date of the Single Family Housing Guaranteed Loan Program (SFHGLP) Conditional Commitment when new construction is involved.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN 4249 which expires on February 28, 2008, and remains unchanged from the previous issuance.

EXPIRATION DATE:
March 31, 2009

FILING INSTRUCTIONS:
Preceding RD Instruction 1980-D

IMPLEMENTATION RESPONSIBILITIES:

Form RD 1980-18, "Conditional Commitment for Single Family Housing Loan Guarantee," sets forth the conditions of loan guarantee approval. Typically, the commitment is valid for 90 days from the date of issuance. The Agency may grant one 90-day extension in accordance with section 1980.354(a)(1)(ii) of RD Instruction 1980-D. This extension is intended for circumstances beyond the lender and borrowers control that delay loan closing. Extensions should not be granted after loan closing.

In some areas, construction extends beyond the 180 days permitted and noted above. A footnote on Form RD 1980-18 permits the term of the commitment to correspond with the projected date of completion when new construction is involved.

In cases involving new construction whereby the expiration date of the commitment exceeds the typical 180 days that could be granted, the expiration of the Conditional Commitment should not exceed 1 year from the issuance of the commitment unless the State Director sets a written policy to allow a longer term based upon special circumstances within the State.

If you have any questions regarding this notice, please call Debbie Terrell of the Single Family Housing Guaranteed Loan Division at 918-534-3254 or by email at debra.terrell@wdc.usda.gov.