

RD AN No 4374 (4280-B and 4287-B)  
June 5, 2008

TO: State Directors, Rural Development

ATTN: Business Programs Directors

SUBJECT: Business and Industry Guaranteed Loan and Section 9006 Renewable Energy Systems and Energy Efficiency Improvement Guaranteed Loan Program Form RD 1980-41, "Guaranteed Loan Status Report"

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to emphasize the importance of timely and accurate reporting of information contained in Form RD 1980-41, "Guaranteed Loan Status Report," as entered into the Guaranteed Loan System (GLS) database.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 4285, dated June 8, 2007, which expires on June 30, 2008.

IMPLEMENTATION RESPONSIBILITIES:

The Form RD 1980-41, status reports, are now accessible to the lender through the Lenders Interactive Network Connection (LINC). The lender must designate a Security Administrator, who can then add other users to the LINC system. An e-mail notice will be sent to the Security Administrator and other designated users semiannually (on or before June 30 and December 31)

EXPIRATION DATE:  
May 31, 2009

FILING INSTRUCTIONS:  
Preceding RD Instructions 4280-B and 4287-B

indicating the requirement to update the status report. The reports are due 30 days after the due date, with the exception of December 31, when an annual renewal fee is due. If the lender is required to pay an annual renewal fee, the report must be updated by the 15 of January to allow time for GLS to calculate the fee amount, send e-mail notification to the security administrator, and submission of payment by January 31. If the lender completes the report and marks the loan as delinquent, a default status report will be generated. The lender must complete the report either through LINC or to the State/Field offices with the amount delinquent and the correct delinquency code. The State/Field offices should provide guidance to the lender that the loan should not be designated as delinquent unless the loan is 30 days past due and can not be cured in 60 days. This will eliminate inaccurate accounting of delinquent loans. The status report input screen corresponds to the fields on the status report. If the report is not completed in LINC within 45 days of the due date, the Finance Office will notify the lender by e-mail. The field offices should monitor the receipt and update of the status reports by running GLS report GLSSR01, Past Due Status Report.

The routine and prioritized updating of Form RD 1980-41, status reports, ensures that accessible and timely information is available for critical decisions regarding the servicing to the affected loans. This can only be accomplished with your consistent monitoring of the GLS database. The State Office's performance measures will be tied to the accuracy of GLS. As a reminder, lenders are required to provide us this information as part of the Lender's Agreement. Annual lender visits, a requirement for delinquent loans, provide an opportunity to document any deficiencies and remind the lender of the provision, in writing.

In accordance with RD Instructions 4280-B, section 4280.152, all Section 9006 Renewable Energy Systems and Energy Efficiency Improvement guaranteed loans are to be serviced in accordance with this subpart.

If you have any questions, please contact the Business and Industry Division, Servicing Branch at (202) 690-4103.

*(Signed by Ben Anderson)*

BEN ANDERSON  
Administrator  
Business and Cooperative Programs