

**FORMS MANUAL INSERT**

**FORM RD 1980-13**

Used by Rural Housing and Community Development Service(RHCDS) to grant interest assistance on Guaranteed Housing Loans

Form RD 1980-13 (Rev. 5-95)		<b>ANNUAL INTEREST ASSISTANCE AGREEMENT</b> <b>Guaranteed RH Loans</b>		FORM APPROVED OMB NO.0575-0078	
Date of Note (1)	Amount of Note (2)	Type of Agreement (3) 1 <input type="checkbox"/> New 2 <input type="checkbox"/> Corrected 3 <input type="checkbox"/> Mid-Term Revision 4 <input type="checkbox"/> Cancellation		Case Number (4) Effective Date (5)	
Note Rate (1a)	Floor Rate (2a)	Loan Number (6)		Lender Identification Number (7) Branch Number (8)	

I. This agreement between the United States of America, acting through the Rural Housing Service (RHS) pursuant to the Title V of the Housing Act of 1949, (called "the Government") and the borrower whose name appears below (called "Borrower") supplements the Master Interest Assistance and Shared Equity Agreement with Promissory Note dated \_\_\_\_\_ (called Master Agreement whether one or more). (9)

**II. TO BE COMPLETED BY BORROWER (If additional space is needed, attach additional sheets)**

A. Complete the following for borrower, co-borrower, and all adult members of the household who will receive income.

Name (10)	Age	Planned Income Next 12 Months			Names and addresses of employer or source of income
		Wages	Other		
1.					
2.					
3.					

B. Number of dependents (not including foster children) residing in the dwelling

SIGNATURES OF BORROWERS. I (we) certify that this information is correct to the best of my (our) knowledge and have read and understand the requirements and conditions on the Master Agreement.

**WARNING:** Section 1001 of Title 18, United States Code, provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device ... a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

(12) <i>(Borrower)</i>	(12) <i>(Co-Borrower)</i>	(13) <i>(Date)</i>
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**III. TO BE COMPLETED BY THE LENDER**

1. Annual Income (14)	Complete this column for each Loan Note (17)
2. Deductions (15)	4. Installment (@ Note Rate) (18)
3. Adjusted Annual Income (16) (1 minus 2)	5. Installment (@ Note Rate) (19)
Low-Income Limit - Maximum (23)	6. Difference (20)
	7. Interest Assistance Monthly (21)
	Overpayment to be Offset (21)
	Total Amount (22)
	Monthly Amount (22)

**IV. MONTHLY INSTALLMENT NOTE:** Subject to the provisions of this agreement, the borrower will pay (24) dollars per month for 12 months beginning (25) (not including any amounts required for taxes and insurance escrow accounts). This agreement may be revised or cancelled as provided by the conditions listed on the Master Agreement.

Prepared by (Authorized Lender Signature & Title) (26)	UNITED STATES DEPARTMENT OF AGRICULTURE Rural Housing Service (Authorized Signature & Title) (28)
Date (27)	Date (29)

V. The Government's share of payments made under this agreement are reduced by (30) dollars per month for (31) months to offset the amount of (32) which the Government and Borrower agree represents an overpayment of assistance for the period (33) to (34).

**VI. TO BE COMPLETED BY RHS SERVICING OFFICE ONLY:** The lender is entitled to a processing fee for the preparation of this agreement. Enter 1 for system generated check, 2 for manual check (Finance Office Only), or 3 for no check issued. (35)

Date of Processing Fee (36) (Finance Office Only)

**VII. FINANCE OFFICE USE ONLY** (37)

Check Issue Code (38)	(Date) (39)	(Amount)
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Information provided on this form is used by RHS to calculate the amount of interest subsidy the borrower will receive and the amount of loan installment the borrower will pay in the ensuing year. Information collected is necessary to receive the subsidy benefits.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Position 2

(see reverse)

- PROCEDURE FOR PREPARATION : RD Instructions 1980-D.
- PREPARED BY : Lender and Agency official.
- NUMBER OF COPIES : Original and Two
- SIGNATURES REQUIRED : Borrower, Lender, and Agency approval official.
- DISTRIBUTION COPIES : Copy to borrower, copy to lender, original retained in Agency case file.

## INSTRUCTIONS FOR PREPARATION

### ITEM NUMBER

- 1 Enter the date of the promissory note.
- 1a Enter the interest rate on the promissory note.
- 2 Enter the amount of the promissory note.
- 2a Enter the borrower floor rate as per Attachment A to Form RD 1980-12 for the borrower's income.

**NOTE:** For 1 and 2 above - If more than one note is covered by a Master Interest Assistance Agreement, list each note.

- 3 Type of Agreement.

New - All agreements completed at the beginning of the loan subsidy period

Corrected - A revision of a New or Mid-Term Adjustment. Used to correct errors in existing agreement and not for adjustments due to changes in circumstances.

Mid-Term Adjustment - A change in the agreement during the course of the year for a borrower presently receiving loan subsidy. A Mid - Term Adjustment typically is the result of a change in the borrower's circumstances.

Cancellation - Termination of interest assistance payments. Used to stop interest assistance payments when the borrower ceases to occupy the property or is determined ineligible for interest assistance.

- 4 Enter the borrower's agency case number
- 5 Enter the effective date of the agreement . The effective date is:
  - a. For new loans or transfers, the loan closing date.
  - b. for expiring agreements, the anniversary date of the previous agreement.
  - c. For corrected agreements, the effective date of the agreement which is being corrected.
  - d. For Mid -Term Adjustments, the date change becomes effective.

- 6 Enter the Agency loan number of the loan receiving assistance. If this agreement is for multiple Rural Housing loans, enter RH.
- 7 Enter the lender's tax identification number.. If the loan is not serviced by the lender, enter the tax identification number of the lender's servicing agent.
- 8 Enter the lender's (or the lender's servicing agent's) branch number. (This number is assigned by agency)
- 9 Enter the date of the Master Interest Assistance Agreement. If more than one, enter the dates of all outstanding agreements.
- 10 Enter the name , age, current verified income of the borrower, spouse, and all adult members of the household who will receive income and the name and address of the source of income.
- 11 Enter the number of dependents eligible for a \$480 deduction.
- 12 Obtain the borrower and co-borrower signatures.
- 13 Enter the date the borrower and co-borrower sign.
- 14 Enter the amount of annual income determined in accordance with Agency Instruction 1980-D. Calculations used to determine income will be fully documented and retained in the lender's case file.
- 15 Enter the total amount of all deductions allowed. Calculations used to determine these deductions will be fully documented and retained in the lender's case file.
- 16 Item 14 minus item 15 rounded to the nearest \$10.
- 17 Enter the annual total of all monthly installments for each note covered by a Master Interest Assistance Agreement. Use the actual note installment. Do not round the figures. Do not add in any portion of the payment required for taxes and insurance or other escrow accounts.
- 18 Enter the annual total of all monthly principal and interest installments using the floor subsidy rate for which the borrower is eligible in accordance with the Master Interest Assistance Agreement.

19 Item 17 minus item 18.

**NOTE:** Item 19 should reflect the total difference of all loan notes considered.

20 Divide item 19 by 12 to obtain the monthly payment and enter the figure here.

21 Enter the total amount of any overpayment of previous loan subsidy to be offset. See example below. Complete only if the date of the last interest assistance actually paid is later the effective date (item 5) of this agreement. Compute as follows:

Example:

Interest Assistance Established	1-17-90	\$ 300.00
Effective Date of Midterm Change	4-17-90	\$ 200.00
Last Payment Made	5-06-90	
Total Paid (as of)	5-06-90	
	(4@ \$300)	\$1,200.00
Total should have paid to	5-06-90	
	(3@ \$300)	
	(1@ \$200)	
	Total	\$1,100.00
Total amount of offset (item 21)		\$ 100.00

22 enter the monthly amount of offset. This figure is obtained by dividing the amount in item 21 by the number of months needed to repay the overpaid amount. This should be the shortest time necessary to achieve repayment of any overpayments. Prior written Agency concurrence is required for offset periods exceeding 12 months.

23 Enter the area low income limit for the borrower's household size.

24 Enter the borrower's share of the principal and interest payments due to the lender each month. This is obtained by subtracting the amount in item 20 from the monthly note installment (item 17 divided by 12 months) Do not include any offset amounts.

25 Enter the effective date of the first payment under this agreement.

- 26 Enter the authorized lender's signature and title.
- 27 Enter the date of signature.
- 28 Enter the authorized Agency signature and title
- 29 Enter the date this document is approved by the Agency.
- 30 Enter the amount the monthly interest assistance is being reduced due to offset. This is the same as item 22.
- 31 Enter the number of months required to repay any overpaid subsidy.
- 32 Enter the total amount to be offset. This is the same as item 21.
- 33 Enter the due date of first overpayment.
- 34 Enter the due date of the last overpayment.
- 35 Enter the appropriate code for payment of processing fees.

**CODE**

- 1-System Generated Check
- 2-Manual Check (Reserved for Finance Office use.)
- 3-No Check Issued (Lender not entitled to processing fee)

**NOTE:** Items 36-39 for use of Finance Office only.

- 36 Enter the day of the manual check for a processing fee.
- 37 Enter the appropriate check issuance code.38 Enter the date of the manual check for interest assistance payment.
- 39 Enter the amount of the manual check for the interest assistance payment.