

Form RD 3560-12 (02-05) FORM APPROVED  
OMB NO. 0575-0189

**REQUEST FOR AUTHORIZATION TO WITHDRAW RESERVE FUNDS**  
(PART I)

BORROWER: \_\_\_\_\_ (1) PROJECT: \_\_\_\_\_ (2)

AMOUNT REQUESTED: \$ \_\_\_\_\_ (3) DATE REQUESTED: \_\_\_/\_\_\_/\_\_\_ (4)

CURRENT RESERVE BALANCE AS OF \_\_\_/\_\_\_/\_\_\_: \$ \_\_\_\_\_ (5)

(6) PURPOSE AND DESCRIPTION: (Attach invoices or scope of work and cost estimates for items in excess of \$5,000)

(7) Capital Replacement/Improvement  Operating & Maintenance Expense  Recurring

(8) IS THIS REQUEST PART OF AN APPROVED CAPITAL IMPROVEMENT PLAN? YES  NO

(9) WILL A COMPANY WITH AN IDENTITY OF INTEREST WITH THE MANAGEMENT AGENT OR OWNER PERFORM ANY OF THE WORK? YES  NO  If Yes, please identify the company: \_\_\_\_\_

(10) CHECK  WITHDRAWAL SLIP  IS ENCLOSED WITH THIS REQUEST.  
CHECK  WITHDRAWAL SLIP  WILL BE SENT UPON COMPLETION.

If the amount of reserve funds used is more or less than the amount approved by Rural Development, we will advise the Rural Development Servicing Official so the reserve account can be adjusted accordingly.

(11) Signed: \_\_\_\_\_  
Name and Title: \_\_\_\_\_

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(PART II)

(12) AMOUNT APPROVED: \$ \_\_\_\_\_

(13) DISAPPROVED:  (See attachment for appeal rights and reasons for denial.)

(14)  INSPECTION REQUIRED: Advise Rural Development when work is complete.

(15) Approval Official: \_\_\_\_\_ (16)  
Name and Title: \_\_\_\_\_ (DATE)

According to the Paperwork Reduction Act of 1995, no persons are 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 0575-0189. The time required to complete this information collection is estimated to average 30 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.

Prepared by MFH borrower/manager to request approval to withdraw funds for a project's reserve account.

(see reverse)

- PROCEDURE FOR PREPARATION : 7 CFR part 3560 and HB-2-3560.
- PREPARED BY : Borrower or authorized representative.
- NUMBER OF COPIES : Original and one copy.
- SIGNATURES REQUIRED : Borrower or authorized representative and Servicing Official.
- DISTRIBUTION COPIES : Original returned to Borrower or authorized representative.  
Copy filed in Borrower's servicing file.

## INSTRUCTIONS FOR PREPARATION

### General Instructions:

Part I is to be completed by the Borrower or authorized representative.

Part II is to be completed by the Agency.

### Part I

- (1) Insert borrower name.
- (2) Insert project name.
- (3) Insert dollar amount of withdrawal requested.
- (4) Insert date request is being made.
- (5) Insert most current verified reserve account balance and insert the date of the verification.
- (6) Describe the purpose and provide a description of the item(s) for which reserves will be used.  
Attach copies of all estimates, invoices, scope of work, etc.
  - (a) If the cost exceeds \$5,000, copies of written bids must be attached.
  - (b) If there is an identity of interest (IOI) between the borrower and property manager and the contractor or vendor, 2 bids, in addition to the IOI's bid, will be required for all expenditures from reserves that exceed \$2,500. (An explanation of why the borrower was unable to obtain 2 bids may be provided in some cases.) The IOI entity must submit its bid directly to the servicing official PRIOR to the borrower or authorized representative requesting bids from other firms.
  - (c) If the activities involve substantial changes to the structure or expenditures exceed \$100,000, the construction requirements of RD Instruction 1924-A will apply. A detailed description of the project, including specifications and drawings, a copy of the bid documents, and a copy of the construction contract (after Agency has approved the bidding process) must be attached.
- (7) Indicate if the request is for capital replacement/improvement, operating and maintenance request, or a recurring item.
- (8) Indicate by checking Yes or No, if the request is part of an approved capital improvement plan. If No, then attach an explanation as to why the item was not addressed in the annual capital budget.
- (9) Indicate by checking Yes or No, the existence of an IOI relationship.
- (10) Indicate whether a check or withdrawal slip is enclosed with the request or will be provided upon completion of the project.
- (11) Signature of borrower or authorized representative.

### Part II

- (12) Insert actual withdrawal amount approved by the Agency.
- (13) Check if request is denied and attach appeal rights and reasons for denial.
- (14) Check if Agency inspection is required.
- (15) Signature, name, and title of Servicing Official.
- (16) Date approved or disapproved.