

DELINQUENCY AUDIT WORKSHEET FORM RD 1951-63

GENERAL INSTRUCTIONS

- A. The delinquency audit worksheet is to be used to request an audit by the Finance Office for problem cases. The audit worksheet should be forwarded to the State Office problem case coordinator and a copy retained in the field office.
- B. Complete a worksheet for each loan requiring an audit beginning with the date of the loan according to the promissory note.
- C. Complete the worksheet by entering the information which is determined to be correct based on County Office records. The information needed to complete the worksheet is available from various sources.

Source data needed to complete an audit include:

- Promissory Note
- Form RD 1944-6 or 1944-A6, Interest Credit Agreement
- Form RD 1951-9, Statement of Loan Account
- Form RD 452-2, Schedule of Remittance
- ADPS, Account Information (IA) Status Screen
- ADPS, Online History (OH) Inquiry Screen

If applicable, a copy of the initial and any subsequent interest credit agreements *must* accompany Form RD 1951-63.

INSTRUCTIONS FOR PREPARATION

- Item 1 Enter the borrower's name.
- Item 2 Enter the borrower's 15 digit case number.
- Item 3 Enter the fund code and loan number.
- Item 4 Enter the amount of loan. Enter the *original* amount of loan for transfers by Same Rates and Terms Assumption Agreement.
- Item 5 Enter the date of loan. Enter the *original* date of loan for transfers by Same Rates and Terms Assumption Agreement.
- Item 6 Place an "X" in the box that identified the borrower's type of installment. Annual loans which have been converted to monthly should be identified as annual on the worksheet.

Item 7(A) Enter the annual installment due date.

Item 7(B) Enter the annual total of initial/regular installments.

For annual and/or annual converted to monthly payment borrowers, enter the amount of the initial and regular annual installments as shown on the promissory note.

For monthly payment borrowers compute the initial and regular installments as follows:

- *Initial annual installment for monthly borrower.* The monthly installment amount (as shown on the promissory note) times the number of months in the initial installment year. Based on the first month's due date being less than 15 days, or 15 days or more from the loan closing date, the month of loan closing may or may not be included in the calculation for the initial installment. The month of loan closing will be excluded if the first month's due date is less than 15 days from the loan closing date. The month of loan closing will be included in the initial annual installment due if there are 15 or more days between the loan closing date and the first due date.

Examples: Monthly installment amount is \$200, loan closing date is 6/03/88, installment due date shown in item 7A is 01/01/89, *first month's due date is 6/15/88*. Six months X \$200 = \$1200 due for initial installment. Monthly installment amount is \$200, loan closing date is 6/30/88, installment due date is 01/01/89, *first month's due date is 6/20/88*. Seven months X \$200 = \$1400 due for initial installment.

- *Regular annual installment for monthly borrowers.* Multiply the monthly installment shown on the promissory note times 12 and enter the result.

The amount entered should include the annual installment amount, the amount of any unamortized cost items, default charges and credits, and monthly amortized advance installment due as of the installment due date entered in Item 7A.

Item 8 Enter the amount of *reduced rate interest credit* received for the installment due as follows:

- For monthly payment borrowers, multiple the amount of interest credit times number of months during which the interest credit agreement is in effect.

Example: *Monthly Interest Credit Payment Plan:* Annual installment due 01/01/89, monthly interest credit is \$8, interest credit effective date is 06/03/88. Six months X \$8 = \$48 received for annual installment due.

- For annual payment borrowers, insert the amount of interest credit. This amount must be divisible in whole dollars by the number of months the interest credit will be in effect (divide the interest credit amount by 12, round down, then multiply times the number of months the agreement is in effect.)

Example: *Annual Interest Credit Payment Plan*: Annual installment due 01/01/89, annual interest credit is \$103, interest credit effective date is 06/03/88. One hundred three dollars divided by 12 = \$8.58 or \$8 rounded down. \$8 X 7 months = \$56 annual interest credit received for the annual installment due. Under the reduced rate method, an annual borrower receives interest credit for the month the agreement is effective.

The amount of interest credit may be obtained from Forms RD 1944-6 and 1944-A6.

Item 9 Enter the amount of net installment computed as follows:

- For borrowers receiving reduced rate interest credit, the annual installment amount due (Item 7B) minus amount of reduced rate interest credit (Item 8).

- For borrowers receiving note rate subsidy, the note rate installment due for the number of months the loan received note rate subsidy.

- For borrowers not receiving reduced rate interest credit or note rate subsidy, the annual installment due in Item 7B should be entered in Item 9.

Item 10 Enter the amount of *note rate subsidy* received for the installment due. Multiply the amount of monthly subsidy times the number of months during which the interest credit agreement is in effect and enter the result. The amount entered must be evenly divisible by the number of months subsidy has been received.

The amount of note rate subsidy applied to the account may be obtained from Online History and/or Form RD 1951-9, Annual Statement of Loan Account.

NOTE: For annual borrowers, note rate subsidy will be applied on the first of each month following the effective date of the interest credit agreement.

Item 11 Enter total amount of cash payments applied to the account as of the installment date shown in Item 7A with the exception of extra payments (coded G) and refund payments (coded U) on Form RD 451-2 which are not reflected in schedule status.

Item 12 Schedule status is determined by the difference between the amount of net installment (Item 9) minus the amount of note rate subsidy (Item 10) *plus* cash payments applied (Item 11).

On Schedule (O) - If the amount entered in Item 9 is equal to the amount entered in Item 10 *plus* Item 11, insert (O) in item 12.

Ahead Schedule (A) - If the amount entered in Item 9 is less than the amount entered in Item 10 *plus* Item 11, insert the difference in item 12 preceded by (A).

Behind Schedule (B) - If the amount entered in item 9 is greater than the amount entered in Item 10 *plus* Item 11, insert the difference in Item 12 preceded by (B).

Item 13 Enter the net schedule status by totaling the schedule status amounts entered in Item 12. This figure should coincide with the total current status on the AI status screen.