USDA
Form RD 3560-17
(02-05)

**MULTI-FAMILY HOUSING
NOTE CONSOLIDATION**

INSTRUCTIONS - TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED

1. BORROWER CASE NUMBER   2. PROJECT NUMBER   3. FUND CODE

4. BORROWER NAME   5. LOAN NUMBERS

6. DATE OF CONSOLIDATION   7. TOTAL AMOUNT OF CONSOLIDATION   8. TYPE NOTE CODE   9. BOND CODE

0 1

10. REPAY PERIOD   11. INTEREST RATE   12. INTEREST ONLY DUE DATE

13. INSTALLMENT AMOUNT-DIAS   14. DIAS-AMORTIZED INSTALLMENT DATE

| 15. KIND OF INSTRUMENT | DATE EXECUTED | PRINCIPAL AMOUNT | UNPAID ON DATE HEREOF | | | INT. RATE | INS. CHARGE RATE |
			PRINCIPAL	ACCRUED INTEREST	LATE FEES		
TOTALS							

16. TOTAL CONSOLIDATION $

United States of America
Rural Housing Service

17.

_____
APPROVAL DATE

18.

_____
STATE DIRECTOR
Rural Development

Position 2

Used by the Servicing Office to notify the RD St. Louis Office when a borrower's loans are being consolidated or in conjunction with a new terms transfer or when an initial and subsequent loan(s) closed on the same date at the same rate and terms are being consolidated.

PROCEDURE FOR PREPARATION   : 7 CFR part 3560, HB-3-3560, AMAS Manual, Chapter 4.

PREPARED BY   : Servicing Office.

NUMBER OF COPIES   : Original and one.

SIGNATURES REQUIRED   : Servicing Official.

DISTRIBUTION OF COPIES   : Original to RD St. Louis Office; copy retained in case file.

(02-24-05) SPECIAL PN

INSTRUCTIONS FOR PREPARATION

Loan Consolidation is combining and rescheduling the rates and terms of two or more MFH loans of the same type in conjunction with a new-term transfer OR combining an initial and one or more subsequent loans closed on the same date at the same rates and terms (the term will not change after the consolidation).

1. Enter the borrower's case number.

   Example: |0|4|0|1|0|0|1|2|3|4|5|6|7|8|9|

2. Enter the borrower's Multi Family Housing project number.

   Example: |0|1|-|8|

3. Enter the fund code of the loans being consolidated. 84 - 515
                                                          83 - LH

4. Enter the name of the borrower.

   Example: |J|O|H|N|S|O|N| |D|A|V| I |D| |K| | | | | |

5. Enter the loan numbers of all loans on the project, including the subsequent loan, if any. Enter the loan numbers from left to right. If more than six blocks are needed, insert above the blocks.

6. Consolidation can occur on the AED. It cannot be effective earlier than the latest AED on the project. Cannot occur before all loans being consolidated are fully advanced.

7. Enter the total consolidation amount from Item (16).

   Example: | | | | |2|1| ,|5|6|2| .|2|0|

8. Enter note code:

   01 = Amortized – Semiannual (DIAS)
   02 = Amortized – Annual (DIAS)
   03 = Coupon – Semiannual
   04 = Coupon – Annual
   05 = Non-Coupon – Semiannual
   06 = Non-Coupon – Annual
   07 = Planning Advances
   08 = Amortized Principal Plus – Annual
   09 = Interim Receipt
   10 = Amortized - PASS
   11 = Amortized – Monthly (DIAS)

   Example: |1|0|

9. Enter bond code:

   0 = Not applicable
   1 = Serial Bonds
   2 = Single Bond

10. Enter the number of periods (months, semiannual, years) over which the loan will be repaid not to exceed the final due date shown on the consolidated promissory note. (The repayment period for MFH loans cannot exceed the maximum period allowed by the respective loan program.)

11. Enter the interest rate in figures from the consolidated note.

    Example: 8.5% = $\underline{|0|8|}$. $\underline{|5|0|0|}$

12. Enter the due date for the first interest only installment on labor housing loans closed on an annual basis.

13. Enter the amortized installment amount for labor housing loans closed on an annual basis.

14. Enter the first date of the amortized installment for LH.

15. Enter the kind of instrument (promissory note, assumption agreement, reamortization (new terms)), date of original instrument, original principal amount, and unpaid balances in the applicable column.

    NOTE: Where the AED for all loans being consolidated are the same and we consolidate on the AED, the unpaid principal columns, only, will be used since there will be no unpaid interest. The total of the unpaid principal column will be entered in Total Consolidation and Item (7).

       EXAMPLE: New term transfer closed 2-15-05 = 3-1-05 AED
                 Subsequent loan closed 2-15-05   = 3-1-05 AED
                  Consolidation closed 3-1-05

       Where the AED for all notes being consolidated are NOT THE SAME and we are consolidating as of the latest AED, use the M1XI screen for the project to accrue unpaid principal and interest through the 30th day of the preceding month prior to the consolidation date and enter this information in the applicable unpaid balance column. The total unpaid principal, interest (including any unpaid overage), and any unpaid late fees will be shown in Item (7) and Item (16).

       EXAMPLE: Original loan 01 closed 1-19-05   = 2-1-05 AED
                   Subsequent loan 02 (multiple advances)
                   closed 7-19-05 with last advance
                  on 12-1-05 = AED 1-1-06
                   Consolidation closed 1-1-06 or any later first of the month.

16. Sum of amounts shown in Item (15).

17. Self-explanatory.

18. Self-explanatory.