



Rural Business & Cooperative Services  
Rural Housing Service  
Rural Utilities Service

United States  
Department of  
Agriculture

**Rural  
Development**

Single Family Housing Program Division  
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July 14, 2003

**SUBJECT:** Toxic Mold in Single Family Housing Real Estate Owned (REO) properties  
Washington State

**TO:** All Single Family Housing Staff  
USDA, Rural Development, Washington

**PURPOSE/INTENDED OUTCOME:**

To provide Rural Development staff with guidance on the implementation of Appendix 8 of Washington Instruction 1940-G (Natural Resource Management Guide) regarding mold in single family housing REO properties.

**COMPARISON WITH PREVIOUS AN:**

There is no previous AN on this subject.

**IMPLEMENTATION RESPONSIBILITIES:**

At the present time, no established Federal, State, or Agency standards for evaluating mold in single family housing or in applying the results of mold tests exist. The web based Washington State Natural Resources Management Guide (NRMG) should be consulted in addition to the following instructions for all properties brought into the direct Section 502 program and for all REO properties.

**If mold is present in REO property, the Agency will not have the mold tested.** To protect the Government's interest, a Seller's Disclosure and Purchaser's Acknowledgement form (Appendix 8 in NRMG) will be completed by the Agency, initialed by the Purchaser(s) and signed by the Agency, Purchaser(s), and Agent on the sale of any REO property. The acknowledgement allows the purchaser(s) ten (10) days to have the mold tested at their own expense. If the mold test is positive, the purchaser(s) can decide if they still wish to purchase the property. Program eligible purchaser(s) can apply for additional credit sale funds to cover the cost of remediation.

The State of Washington Department of Health (DOH), Office of Environmental Health and Safety does not certify or license persons or companies for mold or general indoor air quality investigations, sampling, remediation, or training. DOH has useful information and a number other resource links on their web site @ <http://www.doh.wa.gov/ehp/ts/IAQ.HTM>.

If you have any questions, please contact the Single Family Housing Division or the State Environmental Coordinator.

/s/

JACKIE J. GLEASON  
State Director

EXPIRATION DATE  
July 31, 2004

FILING INSTRUCTIONS  
HB-1-3550-Appendix 7 and 1940-G