

RD-MO 3550-6
(Rev. 12/6/06)

RURAL DEVELOPMENT, USDA
Local Office _____

RURAL HOUSING FORECLOSURE CHECKLIST

Name of Borrower _____ Phone # _____
Address _____ SSN _____
Account Number _____ County _____

Date	Action
_____	1. After 45 days from date of acceleration letter, send case file to A/O if foreclosure is to be continued with name and address of newspaper in which to advertise. Post to FCL/WORK (Referred to Attorney Task #2). Include RHC/OBL Screen in file.
_____	2. A/O prepares/reviews foreclosure documents and e-mails proposed Advertising Order & Notice of Sale to Local Office. (Area Office e-mails appointment to S/O for signature).
_____	3. Received case file from A/O with Foreclosure documents - Notice of Trustee's Sale, Adv. Order, and instructions for completing Foreclosure. Appointment of Substitute Trustee will be signed and sent L/O under separate cover from S/O. L/O will review forms to assure names & legal description corresponds with Deed of Trust. POST TO FCL/WORK (First Legal Action Task #500). Enter Follow Up date for task 605 (sale date).
_____	4. L/O verifies Notice of Trustee's Sale and works through the Area IAS Requisitioner to advertise, cancel, change dates, make corrections, or determine cost of the newspaper advertisement. L/O reviews first ad for accuracy and makes sure it is run on the same day for 4 consecutive weeks or 21 days as applicable. L/O's will no longer work directly with MO Press – only the Area IAS Requisitioner should make contacts with MO Press.
_____	5. Ten days before publication, RDM personally inspect property to determine PMV. Update CUS/PRO – enter date & amount of most current appraisal. A for Contractor or B for agency employee. Complete Transaction Screen. Questionnaire, ASTM Standard E-1528 (TSQ); and if any hazardous or regulated wastes (chemicals, insecticides, old tires, car batteries, etc.) are on the site, contact State Environmental Coordinator for advice. If house is pre 1978, Lead Based issues should be addressed.
_____	6. Within 40 days of Foreclosure sale, check records for jr. liens, fed. tax liens, judgments, mechanic's liens, unpaid RE taxes, and names/addresses of all parties who have filed a request for Notice of Foreclosure Sale. (RDM or Title Company fill out RD-MO 427-4)
_____	7. Record Appointment of Substitute Trustee before sending notices and first publication.
_____	8. NOTICE OF SALE TO IRS, if applicable, 30 DAYS BEFORE SALE, to receive at least 26 days before sale.
_____	9. Mail cover letter and copies of Notice of Trustee's Sale to all parties at least 21 days prior to sale date (including original borrowers even if released from liability in a transfer). <u>Separate letter</u> to husband and wife and any cosigner or prior owners. Send Certified Mail, Return Receipt Requested, to Deed of Trust address, property address, and most recent place of residence, if different. Be sure to send a copy to all lienholders that show on lien search (see item 6).
_____	10. Delinquent RE taxes WILL NOT be vouchered for payment <u>unless</u> a tax sale would take place prior to foreclosure.
_____	11. Two weeks before sale date send to A/O the Bid Form and Net Recovery Value Worksheet.
_____	12. When applicable, RD-MO 3550-15, Affidavit of Death, filled out by someone in the community that knew borrower. Affidavit of Death and Appointment of Substitute Trustee must be recorded as separate documents.
_____	13. Bid authorization received form A/O.
_____	14. If F/C is stopped by CSC, L/O will provides CSC with the amount of foreclosure costs to be vouchered. Check CUS/TRA/HIS screen to make sure CSC has not agreed to a cure before holding sale.

Date	Action
_____	15. Foreclosure sale held. If purchased by other than Rural Development, execute receipt for purchasers and send bid proceeds to CSC (Cash Mgmt. Branch) on RD 3550-17 under borrower's name and account number. If 10% deposit - use Reason Code 00, specifically stating to put the money in UNAPPLIED BUCKET 2 coded <u>T</u> . POST TO FCL/WORK (Task 605).
_____	16. Update FCL/INFO: Bid amount from the bidding instructions is always entered as Bid Amt. Purchase amount (or our bid if acquired) is always entered in Sale Amt. Outbid: N if we purchase, Y if purchased by 3 rd party to get pop-up screen for buyer address information.
_____	17. Include in the file a copy of each original signed Note for Regional Attorney review. (If inventory and the borrower does not vacate the property, the RDM should write to the borrower. If the borrower refuses to move, the RDM should contact the State Office.)
_____	18. Send case file to Area Office with results of sale, one copy of Notice of Trustee's Sale and Certificate of Mailing (not signed or notarized) with white certified slips attached on a separate sheet of paper. If purchased by other than Rural Development, include names of purchasers as they are to appear on the deed.
_____	19. If purchased by Rural Development, solicit bids for repairs. DO NOT post Acquired to FCL/WORK (Task 606) until all fees have processed. Enter follow up date for 45 days from sale in Task 606.
_____	20. A/O prepares/reviews Trustee's Deed and forward to Regional Attorney for review.
_____	21. S/O returned case file with Trustee's Deed approved by Regional Attorney.
_____	22. If purchased by other than Rural Development:
_____	a. Deliver Trustee's Deed to purchaser with a copy of Affidavit of Publication and Certificate of Mailing attached (all signed and notarized).
_____	b. Collect balance of bid, send to CSC in the same manner as item 15 specifically stating that 10% is already in BUCKET 2 coded <u>T</u> .
_____	c. If bid more than Rural Development debt, contact S/O for advice on handling refund.
_____	d. If bid less than Rural Development debt, queue CSC (task #569) to send debt settlement package.
_____	23. If purchased by Rural Development:
_____	a. Record signed and notarized Trustee's Deed, Certificate of Mailing, and Affidavit of Publication.
_____	b. After all fees are processed, enter acquired date in task 606 of FCL/WOR Screen. System assigns REO account number (90+ previous account number). View in Right corner of FCL/INF Screen.
_____	c. Pay delinquent city and county taxes. Apply to REO Account Number.
_____	d. L/O prepare Non-Contractual Checklist (taxes and recording fees). Check if vendor has been inputted; if not, send Vendor Code Request to Lue. Send Non-Contractual Checklist, invoices and RHC/OBL Screens to State Office, Housing Section for payment/reimbursement.
_____	e. Award contract for repairs.
_____	24. Make sure there are no unapplied funds. If there are, STOP and task CSC #700 to post funds.
_____	25. Close FCL/WOR – If no unapplied funds and all fees posted, complete date for task 1101 to close FCL/WOR.
_____	26. Refer to 2033-A for disposition of file and Promissory Notes. Post to FCL/WORK (File Closed) when REO/WORK is established.