



United States
Department of
Agriculture

Rural
Housing
Service

Oregon AN No. 1198(1980)

101 SW Main, Suite 1410
Portland, OR 97204-3222
PHONE: (503) 414-3335
FAX: (503) 414-3394
Office Hours 8:00 am - 4:30 PM

March 12, 2001

SUBJECT: Guaranteed Rural Housing (GRH) Program
Existing Home Thermal Standards

TO: Rural Development Managers
Rural Development
Oregon

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance on Section 1980.313 (f) of RD Instruction 1980-D dealing with thermal standards of an existing dwelling for the GRH Program.

COMPARISON WITH PREVIOUS AN:

This AN replaces Oregon AN No. 1135(1980-D) which expired 2/28/00.

IMPLEMENTATION RESPONSIBILITIES:

Section 1980.341(b)(1)(ii) of RD Instruction 1980-D indicates inspections for existing dwellings must be made to determine that the dwelling:

"...meets thermal standards..."

Section 1980.313(f) of RD Instruction 1980-D states that dwellings financed shall meet the standards outlined in Exhibit D of RD Instruction 1924-A, except for an existing dwelling. If documentation establishes that the actual cost of heating and cooling is not significantly greater than those costs for a dwelling that meets Agency thermal standards, the dwelling can be acceptable for an RD guarantee.

EXPIRATION DATE:
March 31, 2002

FILING INSTRUCTIONS:
Proceeding RD Instruction 1980-D

USDA is an equal opportunity provider and employer.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, DC 20250

The Agency has obtained weatherization data from utility companies, Oregon Department of Energy and contractors. Based on this data, the minimum acceptable insulation for an existing dwelling to be financed under the GRH program is:

- ◆ Minimum ceiling insulation of R-19. If less than R-19, ceiling insulation shall be brought up to State Code requirement.
- ◆ Minimum insulation of R-3 for all exposed water pipes in an unheated crawl space.
- ◆ Minimum insulation of R-11 for heat ducts in unheated basement, crawl space or attic.
- ◆ Minimum insulation of R-11 for hot water heaters in unheated space.
- ◆ Exterior doors require weather-stripping.
- ◆ Exterior doors must be solid core wood, insulated steel or of an insulated material. Hollow core doors are unacceptable.

The Agency has removed the requirement for insulated glass or storm windows, however strongly recommended. It is highly encouraged that dwellings be fully weatherized.

Attached to this Administrative Notice (AN) is an "Inspection Form - Oregon" which can be completed by the FHA appraiser at inspection of the property for valuation. The inspection form outlines the minimum thermal requirements and also notes Agency differences between HUD and Rural Development regarding minimum acceptable foundation standards and termite and dryrot inspections.

By utilizing the attachment, lenders can satisfy requirements in regards to required inspections set forth in RD Instruction 1980-D.

If you have any questions regarding this Administrative Notice (AN), please feel free to contact Single Family Housing at (503) 414-3335.

LYNN SCHOESSLER
State Director

Attachment