

RD AN No. 4412 (1980-D)  
January 5, 2009

TO: State Directors  
Rural Development

ATTN: Rural Housing Program Directors, Area Directors,  
Guaranteed Rural Housing Coordinators and Specialists

FROM: Russell T. Davis (*Signed by Russell T. Davis*)  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program  
Correction of Date of Obligation, Increase or Decrease  
of Obligation Amount for the Current or Prior Fiscal Year

**PURPOSE/INTENDED OUTCOME:**

This Administrative Notice (AN) provides guidance to field staff on correcting the date of obligation for the Single Family Housing Guaranteed Loan Program (SFHGLP) and provides guidance on increasing or decreasing the amount of obligation for a SFHGLP loan, including a loan obligated with prior fiscal year (FY) funds.

**COMPARISON WITH PREVIOUS AN:**

This AN revises and replaces RD AN No. 4314 (1980-D) dated November 2, 2007.

**EXPIRATION DATE:**  
December 31, 2009  
1980-D

**FILING INSTRUCTIONS:**  
Preceding RD Instruction

**BACKGROUND:**

From time to time, the need arises to change the date of a SFHGLP obligation of funds due to the following circumstances:

- the lender closed the SFHGLP loan prior to the date of obligation;
- the obligation was accidentally deleted prior to the closing of the SFHGLP loan;
- the lender closed a loan for an amount higher than stated on the issued Conditional Commitment and higher than the amount obligated for the loan.

**IMPLEMENTATION RESPONSIBILITIES:**

The following procedures outline the process to follow when it becomes necessary to change the date of SFHGLP obligation.

**CURRENT FISCAL YEAR:**

Should an obligation amount need to be increased or an obligation date need to be changed for current fiscal year loans so the loan can be closed on the system, the field office must complete the process listed below:

1. De-obligate the entire loan through the Guaranteed Loan System (GLS) Web screens by inserting zero (0) in the loan amount of the Obligation screen. Press the "Submit to Program Loan Accounting System (PLAS)" button. Next, select the radio button "Do Not Withdraw. Return application to 'Approved' status." (This initiates a full 1D process in PLAS.)
2. Update the Guaranteed Rural Housing (GRH) request for this borrower by increasing the Agency Approved Loan Amount on the application screen. (This step cannot be accomplished until the 1D process in step 1 has processed overnight. This step should only be completed if increasing the obligation amount.)
3. Re-approve the application by inserting the Approval Date on the GLS Application Screen.
4. Go to the obligation request and input the required data. Then, click "**APPLY CHANGES**" and *Print* the obligation request screen. The obligation request screen you print should have a Request Status of "ENTERED." **DO NOT "SUBMIT"** these changes to PLAS. Annotate the new obligation date on the screen print. Make sure the date you annotate is prior to the date the lender closed the loan.
5. Send a copy of the revised obligation request screen printed in step 4 that includes the date annotated on the screen, with a request to process the obligation to the Guaranteed Loan Branch in St. Louis, Missouri as follows:
  - by fax to (314) 457-4279
  - or scan the completed document and email it to your Guaranteed Loan Branch technician in St. Louis for your state.

If you have questions, contact the Guaranteed Loan Branch at (314) 457-4192 or your Deputy Chief Financial Officer (DCFO) technician for your state.

In some situations, increasing the amount of the obligation during the current fiscal year does not require a date change because the lender has not yet closed the loan. In these cases, you can make the changes to the obligation, as listed in steps 1 through 4 above; however, click on the *Submit to PLAS* option instead of *Apply Changes*. Since the lender has not yet closed the loan, these obligations will still be dated prior to the date of the closing. This procedure applies to loans created in GLS without the assistance of the Guaranteed Underwriting System (GUS). For loans created in GUS during the current fiscal year **and** the amount of the obligation needs increased, follow the following procedures:

1. De-obligate the entire loan through the Guaranteed Loan System (GLS) Web screens by inserting zero (0) in the loan amount of the Obligation screen. Press the “Submit to PLAS” button. Next, select the radio button “Withdraw Application return Loan Amount to State Available funds” (This initiates a full 1D process in PLAS.)
2. From the GLS menu, select “Guaranteed Underwriting.”
3. At the GUS Home page, select “Existing Application.”
4. A “Loan List” will appear. Find the loan in GUS by utilizing any of the key loan filtering options. The Loan List displays loans for the past seven days. Modify the “Beginning Date” to find loans obligated greater than the seven days displayed.
5. Open the “USDA Administration” page.
6. At the bottom of the page, select “Reinstate Application.” This selection activates the “Release Back to Lender” button located to the left of “Reinstate Application.”
7. While the lender is correcting data, return to GLS and re-create a reservation in GLS.
8. Once the application is returned to the Agency with a final submission, the Agency will complete the USDA Administration page and select “Submit to GLS.”
9. Return to the “GLS GRH Request List” and retrieve the application.
- 10.
11. Go the “Obligation Request” page and input the required data. Select “Submit to PLAS.”

### **PRIOR FISCAL YEAR:**

If there is a need to change the date of an obligation or increase the amount of an obligation with funds from a previous fiscal year, **DO NOT** update the obligation via the GLS Web system. All of these requests are to be submitted directly to the Guaranteed Loan Branch in St. Louis, Missouri as follows:

- by fax to (314) 457-4279
- or scan the completed document and email it to your Guaranteed Loan Branch technician in St. Louis for your state.

If you have questions, contact the Guaranteed Loan Branch at (314) 457-4192 or your DCFO technician for your state.

Each request should include a short explanation why the increase is necessary and an Obligation screen printed off the GLS Web system with the correct figures written on the screen.

All requests to increase the obligation amount for a GRH loan with prior fiscal year funds are subject to the availability of funds at the time of the request.

The Guaranteed Loan Branch will make the required obligation date correction and change in obligation amount.

**PARTIAL AND FULL DE-OBLIGATION OF LOANS:**

For loans obligated in GLS requiring a partial amount or the full amount of the loan to be de-obligated, the de-obligation can be accomplished using the GLS. If only a partial de-obligation of the SFHGLP loan is necessary, field staff can complete a partial de-obligation by decreasing the loan amount on the GLS obligation screen to the lower loan amount. The system will automatically initiate a partial 1D de-obligation. For full de-obligations, change the loan amount on the GLS obligation screen to zero (0). The system will automatically initiate a full 1D de-obligation. You will then have to indicate if the loan should be withdrawn or should not be withdrawn and returned to "Approved Status."

Note: De-obligations of less than ten dollars (\$10) must be processed like an increase in the obligation amount.

Questions pertaining to this AN can be directed to Debbie Terrell at 918.534.3254 or Dean Daetwyler at 202.690.0514 of the Single Family Housing Guaranteed Loan Division or the Guaranteed Loan Branch in St. Louis at (314) 457-4192.