

RD AN No. 4454 (1980-D)
June 29, 2009

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors,
Guaranteed Loan Coordinators,
Area Directors and Area Specialists

FROM: Tammye H. Trevino (*Signed by Tammye H. Trevino*)
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Owning Multiple Dwellings

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide additional guidance and clarification regarding §1980.346(a), of RD Instruction 1980-D. This guidance applies to manually underwritten loans and all loans entered in the Guaranteed Underwriting System (GUS), regardless of the underwriting recommendation.

COMPARISON WITH PREVIOUS AN:

No previous AN has been published on this subject.

EXPIRATION DATE:
June 30, 2010

FILING INSTRUCTIONS:
Preceding RD Instruction 1980-D

BACKGROUND:

The objective of the Single Family Housing Guaranteed Loan Program (SFHGLP) is to assist eligible households to obtain decent, safe, and sanitary dwellings and related facilities for their own use as their primary residence in rural areas. RD Instruction 1980-D restricts applicants from owning multiple dwellings in certain cases, specifically in §1980.346(a), under eligibility criteria as follows:

The applicant must...*”Be a person who does not own a dwelling in the local commuting area or owns a dwelling which is not structurally sound, functionally adequate.”*

IMPLEMENTATION RESPONSIBILITIES:

In response to questions received, additional clarification is needed to bring consistency in the understanding and intent of §1980.346(a), of RD Instruction 1980-D.

Loan applicants are limited to retaining ownership in **one** dwelling other than the one associated with the loan request. To retain ownership of the dwelling and meet this eligibility criteria, the retained dwelling must be outside of the applicant(s) local commuting area **or** not be structurally sound, functionally adequate.

Manufactured homes that are not anchored on a permanent foundation are not considered structurally sound and functionally adequate under §1980.346(a).

Questions regarding this AN should be directed to:

Debbie Terrell	918.534.3254	debra.terrell@wdc.usda.gov
Kris Zehr	309.452.0830 x 111	kristina.zehr@wdc.usda.gov
Josh Rice	304.253.9597 x 112	joshua.rice@wdc.usda.gov
Dave Chaput	202.720.1456	david.chaput@wdc.usda.gov