



United States  
Department of  
Agriculture

Rural  
Development

WASHINGTON AN 937 (7 CFR 3550)

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February 10, 2004

SUBJECT: Processing Prior Lienholder Foreclosure Sales

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

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide Rural Development offices with guidance for processing prior lienholder foreclosure sales.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces Washington AN 896 which expired October 31, 2003

**IMPLEMENTATION RESPONSIBILITIES:**

Field offices will use the attached Exhibit A for processing Prior lienholder foreclosure sales. A copy of the checklist will be placed in the local/area office case file as well as the foreclosure processing file in the Single Family Housing Program Division (SFHPD). As actions are taken on the account by the responsible party, the checklist will be dated and initialed to document that the appropriate actions have been taken. When the appropriate documentation has been received from the local/area office per the checklist, then Exhibit B will be used by the SFHPD to calculate the net recovery value (NRV) and determine the Agency's bid amount for prior lienholder foreclosure sales.

Any questions regarding this AN should be directed to the Single Family Housing Program Division.

/s/  
JACKIE J. GLEASON  
State Director

Attachments: Exhibit A and Exhibit B

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**EXPIRATION DATE:**

February 28, 2005

USDA, Rural Development is an Equal Opportunity Lender, Provider, and Employer

Complaints of discrimination should be sent to:

USDA, Director, Office of Civil Rights, Washington D.C. 20250-9410

**FILING INSTRUCTIONS:**

HB-1-3550, Appendix 7