

TO: Rural Development State Directors,
Rural Development Managers, and
Area Directors

ATTENTION: Rural Housing Program Directors

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

SUBJECT: Procedure for Ordering Dun and Bradstreet Commercial Credit
Reports for Single Family Housing
and Multi-Family Housing

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides guidance on ordering Commercial Credit Reports for Single Family Housing (SFH) and Multi-Family Housing (MFH) programs, including guidance in ordering individual consumer credit reports on the owner/principal(s). Commercial credit reports are required for SFH general or dealer/contractor approvals and MFH loan making, including Farm Labor Housing.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 4235 (1910-C), dated January 30, 2007.

IMPLEMENTATION RESPONSIBILITIES:

The effective allowable fee to be charged for each commercial credit report is \$40 and the fee for a consumer (individual) report is \$25 for each individual owner, principal or applicant.

EXPIRATION DATE:
November 30, 2008

FILING INSTRUCTIONS:
Preceding RD Instruction 1910-C

There are Six Regional Coordinators nationwide who have been selected to provide commercial credit reports within their regions. The National Office continues to award contract funds for the Dun and Bradstreet (D and B) Reports.

The "host" States and the States within the Region are as follows:

COLORADO

Margaret Flores-Rubio
Com: 720-544-2920
Fax: 720-544-2970

**Southwest Region: NV, UT, AZ, CO, NM, OK, TX, HI,
and West Pacific Territories**

MICHIGAN

Lenore Dryer
Com: 517-324-5199
Fax: 517-324-5225

**North-central Region: ND, SD, NE, MN, IA, WI, MI,
and IN**

VIRGINIA

Barbara Carey
Com: 804-287-1564
Fax: 804-287-1784

**Southeast Region: AL, FL, GA, NC, SC, VA,
and WV**

KENTUCKY

Elizabeth Moore
Com: 859-224-7322
Fax: 859-224-7450

**South-central Region: KS, MO, IL, KY, AR, TN, LA,
and MS**

MONTANA

Molly Moore
Com: 406-585-2515
Fax: 406-585-2565

Western Region: AK, WA, OR, CA, MT, ID, and WY

OHIO

Melodie Taylor-Ward
Com: 614-255-2418
Fax: 614-255-2561

**Northeast Region: OH, PA, NY, MD, DE, NJ, MA, CT, RI,
VT, NH, and ME**

For MFH programs, commercial credit reports are ordered for each newly formed general partner or principal organization. Credit reports are also required for established profit partnerships, corporations and general partner. An individual (consumer) report is required for each individual applicant, including co-applicants; on each general partner or principal who is an individual of a newly formed for-profit partnership or corporation and for each general partner or principal of an established for-profit partnership or corporation as necessary to make a credit determination. This would include individual applicants under Farm Labor Housing (FLH). Typically, commercial credit reports will not be requested for newly formed nonprofit organizations and may be ordered for an established nonprofit organization at the discretion of the State Director. The fee may be waived for nonprofit organizations. See 7 CFR part-3560, §3560.56(d)(5), and the MFH Loan Origination Handbook HB-1-3560, Exhibit 4-7.

For SFH Programs, commercial reports will be obtained when required to determine the financial and managerial capacity of a general contractor or dealer/contractor. Typically, when a dealer/contractor or general contractor is a firm, a commercial credit report will be ordered on the firm and an individual (consumer) credit reports on each of the principals. If the dealer/contractor or general contractor is a sole proprietorship, a commercial report as well as an individual (consumer) report will be obtained pursuant to RD Instructions 1910-C, §1910.105 and §1910.106 (f) and the Direct Single Family Housing Handbook HB-1-3550 Chapter 5, Paragraph 5.22 and Chapter 9, Paragraph 9.17.

UniFi is only to be used to obtain individual reports for single-family housing applicants.

D and B will be the only source for obtaining individual credit reports on the principal(s)/owner(s) of manufactured housing dealers, building contractors, applicants for FLH and/or MFH. Attachment 1, to this AN must be completed for each commercial credit report requested and will be faxed to the State Office, Attention: D and B Regional Coordinator. Form RD 451-2 must also be completed to remit payments for the credit reports.

If you have any questions concerning commercial credit reports, please contact Tammy S. Daniels of the Multi-Family Housing Processing Division at (202) 720-0021.

Attachment

REQUEST FOR COMMERCIAL CREDIT REPORT

To: State Director
Attn: State Coordinator for Commercial Credit Reports

BUSINESS INFORMATION:

Business Name

Business Street Address

City

State

Zip Code

Business Telephone
(including Area Code)

Business Tax ID#

DUNS # (if Known)

PRINCIPAL INFORMATION:

Name

Name

Street Address

Street Address

City

State

Zip Code

City

State

Zip Code

Home Telephone Number (including Area Code)

Home Telephone Number (including Area Code)

Social Security Number

Social Security Number

Percentage of Ownership

Percentage of Ownership

NOTE: If requesting individual reports on more than two principals, duplicate and complete a second page omitting the business information. Percentage of individual ownership should equal 100%

REPORT TYPE REQUESTED FOR: (mark one)

General Contractor _____

Dealer/Contractor _____

MFH Applicant/Borrower _____

\$ _____

Credit Report

Fee(s) Collected

Date Collected

Collecting Official

CDM/RDM

Date Requested

Office Address

Telephone (Commercial) (FAX)

TO BE COMPLETED BY STATE COORDINATOR ONLY: The above information has been reviewed for completeness and forwarded to the HOST State:

Signature of State Coordinator

TO BE COMPLETED BY ORDERING OFFICIAL IN HOST STATE:

Attachment 1
Page 2

Form RD-451-2

1. Enter the mail code of the office remitting the collection information.
2. Place an "X" in this box for normal collection(s) to be immediately applied to a computer-based borrower account. Complete for regular payments, extra payments, and final payments. DO NOT include miscellaneous collections described in Exhibit A, Miscellaneous Collections, with normal collections.
3. Prepare a separate schedule for each type of miscellaneous collection listed in Exhibit A. Insert the applicable number in the miscellaneous collections box.
4. Assign a schedule number for each Form RD 451-2 starting with 001 and continue in sequence through 990, then restart with 001. DO NOT skip a number in the sequence. Schedule numbers 991 through 999 are reserved for Finance Office use. When using two or more pages for a day's business, items 10-15 will be completed on the last page only. Identify each schedule with the page number and total number of pages; i.e., 1 of 3, 2 of 3, 3 of 3 on the lower right corner of the schedule.
5. For normal collections (item 2), enter the borrower's last name, first name, and middle initial exactly as it appears on the official records. For example, Smith, John S. When a collection applicable to more than one loan for the same borrower is remitted, ditto marks may be used to show that the item above it is to be repeated.

For miscellaneous collections (item 3), reference Exhibit A to determine specific requirements.

6. For normal collections (item 2), enter the borrower's case number (state, local, and borrower ID). For acquired property and lease related remittances, enter the property ID number and/or lessee's case number. Refer to Exhibit A for specific instructions for miscellaneous collections. For rent payments received from property that RD and FSA rents out for a borrower's account on which there is foreclosure action pending (FAP), enter "FAP - Rent Payment" on the line below the name. Enter "G" (extra) in column 1 of the loan coding section.

7. For normal collections (item 2), enter the fund code and the loan number.

For miscellaneous collections (item 3), complete the fund code and loan number EXCEPT leave this field blank for miscellaneous collection codes 2, 4, 10-14, 19, 20, 27, 29, and 37. For miscellaneous collection codes 15 and 60-69, complete fund code and lease number.

8. Enter the amount of the collection. If the collection is applicable to more than one loan for a borrower, list each "Loan Code" and amount applicable on separate lines.

If more than one remittance (check, money order, etc.) is being submitted for application to the SAME loan, the separate remittance amounts will be summarized by type of payment (regular, extra, refund, or equity receivable) and shown as one amount for each type submitted.

On extra payments or refunds for principal plus interest bonds, the amount of the collection applicable to each future installment being redeemed should be entered on separate lines.

If interest on the redeemed bonds is collected, it should be entered on a separate line and coded as regular payment.

9. Loan Coding-Types of payment: A-Administrative Internal Offset; D-Installment Set Aside; G-Extra; Q-Equity Receivable; R-Regular; U-Refund (return of unused funds); Y-Refinancing

Column 1 - Complete for all normal collections (item 2)
 Column 2 - Complete with an "X" when a loan is being fully paid.
 Column 3 - Complete when there is an "X" in column 2. Enter the final payment code:

R-Refinance, S-Sale of Property, I-Income, O-Other.

For miscellaneous collections (item 3) complete column 1 in accordance with the following table.

Miscellaneous Collection Code	Loan Coding/Column 1
1 3 6 8 32 35	R
2 4 10 11 12 13 14 15 19 20 27 29 36 37 60 thru 69	Not Applicable
5 7 21 28 30	R, G, or U
9 17 31 33	U
16	Q
50 thru 59	A

For operating type credit loans made prior to January 1, 1972, which are not fully paid, these columns may be used to show installment dates.

For payments on equity recapture receivable accounts enter, Q-Equity Receivable in column 1 (columns 2 and 3 will be left blank). For payments on equity recapture partial sales, enter Q in column 1, the first position of the partial sale number in column 2, and the second position of the partial sale number in column 3.

For payments on principal plus interest bonds (fund codes 50 through 97 except, 83 and 84) coded extra or refund, indicate the installment date (month and year only) applicable to the bonds being redeemed. For example, an installment date of October 2022 will be shown: | 10 | 2 | 2 |

10. Enter the total of collections listed on each line in item 8.

11. Complete if money orders or bank drafts are purchased for cash collections which are to be forwarded to the Wholesale Lockbox. Enter the total amount of fees.

12. The amount shown in Gross Collection (item 10) minus money order fees (item 11). This amount must balance to the FORRR.

13. Show the date the schedule is mailed to the wholesale lockbox.

14. Signature of RD or FSA employee authorized to accept collections.

15. Enter the date the collection was received in the collecting office. A separate schedule must be prepared for each date of credit.