

NAHMA Rural Housing Update: USDA-RD releases Unnumbered Letter on Management of Loan Payoffs

Dear NAHMA Members,

Recently, USDA-RD published an [Unnumbered Letter](#) discussing **options for handling properties with an RD mortgage that has reached its maturity date**, superseding the UL issued in April of 2015.

The UL provides additional guidance to Agency staff, owners, and managers of Section 515 and Sections 514/516 properties reaching their maturity date naturally or through “Paid Ahead” status, and to discuss possible efforts to retain properties in the RD portfolio.

Below are the steps that Servicing Offices need to take to review any accounts that are within 36 months of naturally maturing:

1. Review Loan Status
2. Notify Borrowers of Options
3. Process a “Re-am Lite” (intended to speed processing the re-amortization request)
4. Track Borrower and Tenant Notifications

The attachments from the previous UL have been revised to include a new “Borrower Notification Letter” and sample “Tenant Notification Letter,” as well as the format of the “Request for Exception to Avoid Maturity.”

Thanks,

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NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing.