



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1178 (1910)

April 5, 1985

SUBJECT: Collection of Credit Report Fees

TO: All State Directors, District Directors, County Supervisors,
FmHA and Director, Finance Office, FmHA

Purpose: This AN is issued as a follow-up to the new credit report procedure effective November 19, 1984, which requires the collection of a credit report fee from an applicant and describes the method of documenting the collection.

Implementation Responsibilities: A credit report is ordered if the applicant appears eligible based on the information submitted on the application and the County Supervisor determines a credit report is needed. We collect the credit report fee of twenty dollars (\$20) from the loan applicant before the credit report is ordered. This would include credit reports which have not been ordered for applications on hand prior to November 19, 1984. When an additional individual credit report is ordered, in accordance with FmHA Instruction 1910-B, Section 1910.53 (d), on the co-applicant, an additional twenty dollar (\$20) fee will be collected from the co-applicant. Remember, joint credit reports are not authorized.

Applicants will not pay a credit report fee when:

1. They are being considered for a Section 504 loan.
2. They are being considered for a Section 502 loan of less than \$7,500.
3. They have paid a credit report fee to FmHA for the original credit report.
4. The County Supervisor determines a credit report is not needed and one is not ordered.

FmHA Instruction 1910-B Section 1910.61(a) requires that the collection of the fee be recorded by the person who collected it by stamping Form FmHA 410-4, "Application for Rural Housing Assistance (Non Farm Tract)," "Credit Report Fee Paid" and then entering the amount of the fee collected, the date collected, and the collecting official's name in the appropriate spaces on the stamp. The date and amount of the credit report fee collected will also be entered in Column 8 of Form FmHA 1905-4, "Application and Processing Card - Individual."

Collections of credit report fees will be promptly remitted to the Finance Office on a separate Form FmHA 451-2, "Schedule of Remittances," as miscellaneous collections using Code 2. The Forms Manual Insert for Form 451-2, Item 8, requires a separate line item for each credit report fee collected. The individual's social security number should be entered for each credit report ordered. Do not combine multiple credit report fees into one line item, even if they were paid by one person or are related to one loan application.

EXPIRATION DATE: September 30, 1985

FILING INSTRUCTIONS: File Preceding
FmHA Instruction 1910-B

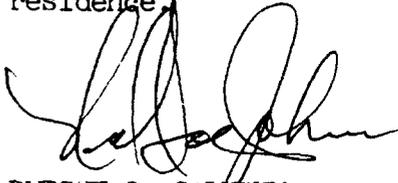


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Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

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When completing Form FmHA 1940-1, "Request for Obligation of Funds," enter credit report code 2 in Item 10. This will ensure that the credit report fee is not deducted from the borrower's first check.

Credit reports are to be ordered from the contractor serving the place of residence of the applicant in accordance with FmHA Instruction 1910-B, Section 1910.60 (a). County offices serviced by Credit Bureau Reports, Inc. (CBR) are to refer to CBR's roster to obtain the name and address of the bureau listed as covering the town where the FmHA loan applicant resides. The credit report is to be ordered from the bureau servicing the applicant's current residence.



For DWIGHT O. CALHOUN
Acting Associate Administrator