

USDA  
Form RD 1944-7  
(Rev. 6-97)

**MULTIPLE FAMILY HOUSING  
INTEREST CREDIT AND RENTAL ASSISTANCE AGREEMENT**

FORM APPROVED  
OMB NO. 0575-0047

INSTRUCTIONS — TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )

1. BORROWER CASE NUMBER	2. PROJECT NUMBER (MFH Only)	3. LOAN NUMBER
4. TYPE OF LOAN	5. EFFECTIVE DATE OF AGREEMENT	6. INTEREST CREDIT PLAN CODE 1-Plan I      6-Plan RA 2-Plan II     7-Section 8 (1%) 5-Plan II RA   8-Section 8 (2%)
7. EFFECTIVE INTEREST RATE (Section 8 Plan Code Only)	8. REDUCED LOAN PAYMENT	9. SUBSIDY CREDIT

10. This Agreement between the United States of America, acting through the Rural Housing Service pursuant to Section 521 of the Housing Act of 1949, (herein called "the Government") and \_\_\_\_\_ (10) \_\_\_\_\_ (herein called "Borrower") supplements a \_\_\_\_\_ (11) \_\_\_\_\_ in the principal amount of \$ \_\_\_\_\_ (12) \_\_\_\_\_, at \_\_\_\_\_ (13a) \_\_\_\_\_ percent (13b) % interest, dated \_\_\_\_\_ (14) \_\_\_\_\_ which was drawn in  a single advance  multiple advances.
11. The Government shall compute interest on the borrower's account at the promissory note rate.
12. Subject to the provisions of this Agreement the Government will credit \$ \_\_\_\_\_ (16) \_\_\_\_\_ subsidy, less surcharge/overage, to the borrower's account when each MONTHLY payment is made. The borrower's subsidized payment shall be \$ \_\_\_\_\_ (17) \_\_\_\_\_ plus surcharge/overage.
13. Borrower shall submit to the Government, as required by the Government in form prescribed or approved by it, proof of borrower's income and expenses for the previous calendar year or other designated periods, and any information on the family size and income of the occupants of the housing financed with the loan evidenced by the note.
14. If the Government should determine that the borrower has defaulted under any terms or conditions of this Agreement, the note, borrower's related Loan Resolution/Agreement, and supplementary or related agreements, or any related security instrument, or violates any program regulations, at its option the Government may suspend or terminate this Agreement as of any specified date following the default.
15. No credit to the borrower's account provided for in paragraph 12 shall be made following any termination date specified pursuant to paragraph 14.
16. The Government shall credit the borrower's account, or pay the borrower rental assistance, including periods of default when determined to be in the Government's best interest, amounts equal to the difference between the payment required in paragraph 12 above and the payment required under a formula and procedure prescribed by the Government.
17. No terms or conditions of the note or any related security or other instrument shall be affected by this Agreement except as expressly set forth herein.
18. This Agreement is subject to the present regulations of the Rural Housing Service, and to its future regulations not inconsistent with the express provisions hereof.
19. Upon request, the borrower will permit representatives of the Government (or other agencies of the Department of Agriculture authorized by the Department) to inspect and make copies of any records of borrower pertaining to Rural Housing Service loans and this Agreement.
20. If the borrower has received any excessive credit or payment, in addition to any rights of recovery, the Government may deduct the amount from any subsequent credit or payment.
21. If the Government should determine that the subsidy is no longer needed for the benefit of the tenants, at its option the Government may upon written notice suspend, modify or terminate this agreement as of any specific date.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0047. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Position 2

To be used for Multi-Family Housing loans, assumption agreements, reamortizations, credit sales, conversion of payment method, loan consolidations, and for existing loans to add interest credit or change to a different plan code.

(see reverse)

PROCEDURE FOR PREPARATION : RD Instructions 1930-C, 1944-D, 1944-E, and 1965-B.

PREPARED BY : Servicing Official.

NUMBER OF COPIES : Original and one for Interest Credit only. Original and two for Rental Assistance.

SIGNATURE REQUIRED : All copies by borrower or borrower official authorized to sign for the organization and the person authorized to act as attesting official and also by the Servicing Official or other authorized Rural Development official.

DISTRIBUTION OF COPIES : Original retained in Servicing Office; copy to borrower. For Rental Assistance, copy to State Director. (If a copy is required for the Finance Office, make a copy of the original.)

REVERSE OF FORM RD 1944-7

(CORPORATE SEAL)

(18)

(NAME OF BORROWERS)

(20)

(SIGNATURE OF ATTESTING OFFICIAL)

(19)

(SIGNATURE & TITLE OF EXECUTIVE OFFICIAL)

(21)

(TITLE OF ATTESTING OFFICIAL)

(22)

(P.O. BOX OR STREET ADDRESS)

(CITY, STATE, AND ZIP CODE)

UNITED STATES OF AMERICA  
RURAL DEVELOPMENT  
RURAL HOUSING SERVICE

By (23)

(25)

(DATE OF EXECUTION)

(24)

(TITLE)

INSTRUCTIONS FOR PREPARATION

1. Enter the borrower's case number as shown in the Automated Multi-Housing Accounting System (AMAS).
2. Enter the borrower's Project Number as established in AMAS. There can be only one interest credit (subsidy) rate per project.
3. Enter the loan number for which the interest credit (subsidy) is being established.
4. Enter the type of loan, i.e., RRH, RCH, or LH.
5. Enter the effective date of the agreement as applicable:

Initial Agreement:

- a. Interim Financing - The Amortization Effective Date (AED) for the loan.

For loans closed on the first day of the month, when the funds are fully advanced, the AED will be the date of loan closing.

NOTE: If the funds are advanced in more than one check AMAS will treat the closing as multiple advance. You must call the Multi Family Housing Unit in the Finance Office to have the loan corrected.

For loans closed OTHER THAN the first day of the month, the AED will be the first day of the following month OR the first day of the next month after funds are fully advanced, whichever comes first. Until funds are fully advanced interest will continue to accrue at the Note Rate. If there is a hold back, draw the funds and deposit them in a Supervised Bank Account so the interest on the loan can be capitalized and the AED can be established.

- b. Multiple Advance Loans - The first of the month following substantial completion of construction. Until funds are fully advanced, interest will continue to accrue at the note rate. All funds must be fully advanced or canceled to establish the AED.

NOTE: When advancing funds on multiple advances, use the MIXI "Accrual Calculation" screen in AMAS to monitor the amount of principal and interest that are charged against the obligation. When the combined principal advances and interest accruals reach the Maximum Debt Limit AMAS will automatically capitalize the interest and establish the AED. At that point payments are due but Interest Credit cannot be established unless the project is substantially complete and ready for occupancy.

- c. Subsequent loan - a or b above apply.
- d. Project converted to interest credit (subsidy) - The first day of the month in which the District Director converts the project and processes the interest credit. The interest credit (subsidy) will be effective on the account:

DIAS - The day of the interest credit agreement.

PASS - The first of the month following the effective date. (Subsidy must accrue for 30 days before it is applied.)

- e. Assumption Agreement - The AED.

- A new Interest Credit Agreement must be prepared for each loan the transferee assumes. However, no change is required in AMAS unless the Plan Code is being changed. If the Plan Code is changed send a copy of the transferee's form(s) RD 1944-7 to the Finance Office with Form RD 1965-10.

- For assumptions effective OTHER THAN THE FIRST DAY OF THE MONTH, the subsidized interest rate of the transferor will pass through to the transferee. The "interest only" installment due from the transferee will be computed using the transferor's subsidized interest rate. If the transferor did not have interest credit, the transferee's "interest only" installment will be computed at the Note Rate of the transfer.

- For assumptions effective on the FIRST DAY OF THE MONTH, the AED.

- f. Reamortization - The date of the reamortization agreement, which is the AED.
- g. Credit Sale - The AED.
- h. Conversion to PASS - The date of the Conversion Agreement. For Involuntary Conversion effective OTHER THAN THE FIRST DAY OF THE MONTH, interest will be capitalized from the date of conversion to AED at the interest credit rate.
- i. Loan Consolidation - The AED.

Changed or Revised Agreement:

- j. The first day of the month in which any change or revision to an interest credit agreement is effective.

6. Enter the applicable interest credit plan code:

- 1= Plan I (3% plus Surcharge)
- 2= Plan II (1% plus Overage)
- 3= (RESERVED)
- 4= (RESERVED)
- 5= Plan II RA
- 6= Plan RA (LH or Direct Loans approved prior to August 1, 1968)
- 7= Section 8 with 1% reduction in Interest Rate from Note Rate
- 8= Section 8 with 2% reduction in Interest Rate from Note Rate

7. If Plan 7 or Plan 8, enter the Effective Subsidized Interest Rate.

8. Enter the reduced (subsidized) loan payment amount. Figure based on AMAS, either DIAS or PASS, applicable to borrower's project. Subsidized payments established on DIAS accounts with the M4Z "Daily Interest Subsidy" transactions after 5/1/85 will be unrounded.

9. PASS loans - Enter the subsidy credit i.e., the difference between the amortized note rate installment as shown on Form RD 1944-52 "Promissory Note" (and agreeing with the payment shown in AMAS) and the subsidized loan payment (Item 8).

DIAS loans - Enter N.A.

NOTE: If there is an "Interest Only" installment due for an ASSUMPTION, OTHER THAN THE FIRST DAY OF THE MONTH, enter the Subsidized "Interest Only" payment amount above Item 10 as follows:

## "INTEREST ONLY INSTALLMENT DUE MM/DD/YY SUBSIDIZED \$xxx.xxx"

Compute the installment as follows:

$$\frac{\text{Transfer Amount} \times \text{Transferor's Subsidized Interest Rate}}{360} \times (30 \text{ MINUS Transfer Effective Date}) = \text{Subsidized Interest Only Installment}$$

10. Enter the legal name of the borrower as shown on the document described in Item 11.
11. Enter the title of the document which set the currently effective rates and terms of the loan being subsidized, i.e., Promissory Note, Assumption Agreement (New Terms), Reamortization Agreement (if the interest rate or final due date of the note was changed), Conversion Agreement or Consolidated Promissory Note.
12. Enter the principal amount of the document described in Item 11.
13. Enter the applicable interest rate of the loan (as shown on the document in Item 11) in (a) words and (b) figures.
14. Enter the date of the document described in Item 11.
15. Indicate whether the loan was drawn in a single advance or multiple advances.
16. Enter the subsidy credit shown in Item 9. (Only applicable to loans in PASS.)
17. Enter the subsidized payment shown in Item 8, above.
18. Same as Item 10.
19. Signature and title of official or organization authorized to sign the agreement.
20. Signature of attesting official.
21. Title of attesting official.
22. Enter the address of the borrower.
23. Signature of Agency official.
24. Enter the title of Agency official.
25. Enter the date the agreement is signed by the Agency official.