

## PART 1951 – SERVICING AND COLLECTIONS

### SUBPART B – COLLECTIONS

#### Section 1951.51 Purpose.

This Subpart contains policies and modifications to specific sections of the National RD Instruction 1951-B related to the handling and safeguarding of collections received by the Sub-Area and/or Area USDA Rural Development offices in Missouri. Exhibits referenced in this Subpart refer to MO 1951-B exhibits.

#### Section 1951.53 Responsibility for Funds

These requirements should be reviewed immediately by all personnel to thoroughly acquaint them with their responsibilities and periodically reviewed as a reminder of responsibilities related to collection activities. This State supplement along with National 1951-B should be reviewed immediately with new personnel.

Sub-Area Office Team Leaders and Area Directors are accountable for the performance of their staff in the execution or proper receipt, custodianship, safeguarding and transfer of all collections from the time of initial receipt through deposit or other disposition. Likewise, when any office receives money in the form of cash, checks or money orders, the office automatically assumes the responsibility for its proper disposition. Checks are to be date stamped when received.

All employees who are authorized to receive collections will have access to the locking file cabinet or combination to the safe. There should be a separation and rotation of duties to the maximum extent possible. To the extent practical, at least two employees will be involved in receiving and processing collections. One employee receives collections and prepares the cash receipts and collection logs (i.e., Form 451-1, Exhibits A, B, or C); and a second employee prepares the collection data for payment application (i.e., Forms RD 451-2, 3550-17, 3550-26, 3550-27, and 370-46B); and the first employee who received and recorded the collection (or third person) balances the daily collection items. The daily collection logs (Exhibits A, B, or C) are reviewed and initialed by an employee other than the employee who prepared the Exhibits.

Section 1951.53(c) and (d). Sub-Area Office Team Leaders /Area Directors are responsible for performing a monthly review of collections in their own offices using Exhibit D. The Area Directors are responsible for conducting an annual review of the collection activities of each office, within their area, using Exhibit D. A copy of the annual review will be furnished to the State Office Program Support Director by December 31 of each year.

Any payments received, at the Sub-Area, Area, or State Office, from Multi-Family Housing program borrowers will be forwarded to the Centralized Servicing Center at the following address:

USDA, CSC, MFH Unit  
P O Box 66967  
St. Louis, MO 63166-6967

Section 1951.54 Wholesale Lockbox (WLB) Procedures

Cash payment will be discouraged but cannot be refused. The field office should encourage payments in forms other than cash. If cash is received, Form 451-1, Acknowledgment of Cash Payment, will be given for all cash received. Individuals who make cash payments will be assessed a fee to cover the cost of conversion to money orders. If an individual insists on a receipt when paying by other than cash, the word "CASH" will be deleted from the heading on Form 451-1 and notation will be made as to the form of payment (check, money order, etc.).

If a receipt is voided, an explanation must appear on Form 451-1. Both the original (white) and yellow copy of the voided Form 451-1 must be kept intact in the cash receipt book.

The original signed copy of 2024-6 Notice of Transmittal and Receipt, will be kept in Operational File 2024-C-1 which should be kept in the locked safe or locked file cabinet to support the cash receipt books on hand.

Section 1951.54(b) Preparing Accounting Documents for WLB Collections. All payments received in the Sub-Area /Area Office will be recorded on the CSC Collection Log (Exhibit A), or Wholesale Collection Log (Exhibit B) or CP Collection Log (Exhibit C).

Exhibit A, Centralized Servicing Collection Log, will be used for the following: All direct Single Family Housing regular payments received in the Sub-Area Office. The payment will be submitted to a St. Louis Lockbox using RD 3550-27, Rural Housing Service Substitute Payment Coupon, and sent to:

USDA/Rural Development  
P. O. Box 790170  
St. Louis, MO 63179-0170.

All proceeds for Single Family Housing payoffs, REO's and Short Sales should be remitted to the Payoff Lockbox at the following address:

USDA/Rural Development  
P. O. Box 790301  
St. Louis, MO 63179.

For overnight Funds (Payoffs Only), send to:

USDA/Rural Development  
Attn: Government Lockbox  
Tram 92-1, P. O. Box 790301  
1005 Convention Plaza  
St. Louis, MO 63101

New loan closing funds for Single Family Housing including credit report fees; appraisal fees; escrow cushion payments; Tax Service Fees, down payment for Credit Sales, down payment for assumptions on the seller's loan, etc., will be sent to the Wholesale Lockbox with a Form RD 3550-17, Funds Transmittal Report, and sent to:

USDA/Rural Development  
SL-MO-C2US  
P. O. Box 790300  
1005 Convention Plaza  
St. Louis, MO 63101.

Funds returned with Form 1940-10, Cancellation of U.S. Treasury Check and/or Obligation, are to be mailed to:

CSC  
FC 243 Disbursement Unit  
4300 Goodfellow Boulevard, Building 105-E  
St. Louis, MO 63120-1703

A copy of the form of payment (check, money order, etc), and a copy of the 3550-17 or 3550-27 will be kept with Exhibit A as supporting documentation.

Exhibit B, Wholesale Lockbox Log, will be used to record all payments submitted to the Wholesale Lockbox in St. Louis, MO. This includes Single Family Housing Guarantee Fees.

Form 451-2, Schedule of Remittance, will be completed as supporting documentation for all collections being submitted.

Form 1951-60, Field Office Remittance Reconciliation Report, will be prepared for each day of Wholesale Lockbox collections and will accompany the Schedule of Remittance(s). The address for the Wholesale Lockbox is:

USDA – Rural Development  
Wholesale Lockbox  
P. O. Box 790391  
St. Louis, MO 63179-0391

A copy of the form of payment (check, money order, etc.), 451-2, and 1951-60 will be filed as supporting documentation with Exhibit B.

Section 1951.55 Direct Payment Lockbox (DPL) procedures for CP payments.

1951.55(b) Exhibit C will be used to record CP payments received in the Area Offices with a CP direct payment coupon (370-46B). The Area Office will submit the payments to the St. Louis Lockbox. In order to closely monitor the receipt of payments, it is Missouri's policy for the Area Office to hold the direct payment coupons and have all payments submitted by the borrower to the Area Office. A copy of the payment (check, money order, etc.) and coupon 370-46B will need to be filed with Exhibit C.

The address for the St. Louis Lockbox is:

Rural Development  
P. O. Box 970005  
St. Louis, MO 63197-0005

Section 1951.57 PreAuthorized Debits (PAD) Method

The requirement for enrollment in PAD should be a condition in all of the Letter of Conditions issued. All current borrowers will be encouraged to enroll.

Section 1951.61 Files to be maintained.

Collection files for the Sub-Area /Area / State Offices will be maintained in a locked safe or locking file cabinet when not in use.

1951.61(b) Missouri filing procedures.

(1) **SUB-AREA OFFICE.** A four-position file will be established for all collection records. Continuation files for collection activities will be established, as needed.

Position 1 – Centralized Servicing Center (CSC) Collection Log (Exhibit A). All collections received in the Sub-Area Office are to be forwarded to CSC by use of substitute payment coupon or RD 3550-17 Transmittal Report and will be recorded on this exhibit. Copies of checks, money orders, etc. will be kept as supporting documentation with either the substitute coupon or RD 3550-17. Exhibit A will be retained on top of Position 1.

Position 2 – Copy of Reason Code List (attachment to RD Form 3550-17). This list will identify circumstances that require use of Form 3550-17 to transmit collections to CSC.

Position 3 – Wholesale Lockbox Collection Log (Exhibit B). This exhibit will be used to record any collections received for payment of Guarantee Fees. Copies of checks, money orders, etc. will be kept as supporting document with 451-2 and 1951-60. Exhibit B will be retained on top of position 3. This would include Form 1951-60 (Field Office Remittance Reconciliation Report) with associated Form 451-2 (Schedule of Remittance).

Position 4 – Any running record documentation of problems encountered with Centralized Servicing Center, etc.

(2) **AREA OFFICE**. A four-position file will be established for all collection records.

Position 1 – Wholesale Lockbox Collection Log, Exhibit B. Exhibit B will be retained on top of Position 1. This exhibit will be used to record any collections received which are submitted to the Wholesale Lockbox in St. Louis, MO. A copy of the payment (check, money order, etc.) will be kept as supporting documentation. Copies of the following forms/items will be grouped together for each separate day's activity and maintained in this position .

- Forms 451-2, Schedule of Remittance
- Forms 1940-10, Cancellation of U.S. Treasury Check and/or Obligation
- Form RD 1951-60, Field Office Remittance Reconciliation Report
- Copies of checks

Position 3 – Exhibit C, Collection Log of CP Direct Coupon Payments. This log will reflect CP payments submitted to the St. Louis lockbox address reflected on the CP coupons. A copy of the payment (check, money order, etc.) and coupon (370-46b) will be filed with Exhibit C. Exhibit C will be retained on top of Position 3.

Position 4 – Any running record documentation of problems encountered and contacts with the State Collections Coordinator.

Attachments:

- Exhibit A - Centralized Servicing Collection Log
- Exhibit B – Wholesale Lockbox Collection Log
- Exhibit C – Collection Log of CP Direct Coupon Payments
- Exhibit D – Collection Review (MO)