

tenant may be required to reimburse the borrower for that overage as allowed in paragraph VII F 6 c of exhibit B to subpart C of part 1930 of this chapter.

(iv) The borrower may subtract any RA due the project (supported by current tenant certifications) from the payment due and remit a "net" payment. Calculations supporting the "net" payment must be shown on Part I of Form FmHA or its successor agency under Public Law 103-354 1944-29. The Finance Office will net enough RA to bring the account status current and pay any unpaid overage, late fees, interest on delinquent principal, etc., based on the payment reception date. If the account is on or ahead of schedule on the payment reception date, enough RA will be netted to pay one full installment and any unpaid coverage, interest on delinquent principal, etc.

(6) The District Director will certify that data on current tenant certifications held in the District Office supports claims on Form FmHA or its successor agency under Public Law 103-354 1944-29. The District Director will transmit payments as directed in exhibit A of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office).

(7) Payment input by FmHA or its successor agency under Public Law 103-354 will be based on correct amounts regardless of the amount remitted by the borrower.

(b) *Other payments.* Payments made through the District Office will be processed according to subpart B of part 1951 of this chapter (available in any FmHA or its successor agency under Public Law 103-354 office).

(c) *Uncollectible payment.* Uncollectible payments will be handled under subpart B of this part 1951 of this chapter. The payment effective date for the replacement payment will be the date the replacement payment is received in the District Office, not the date of the original payment.

[50 FR 8597, Mar. 4, 1985, as amended at 51 FR 27671, Aug. 1, 1986; 55 FR 25078, June 20, 1990; 56 FR 28038, June 19, 1991; 58 FR 40954, July 30, 1993; 59 FR 54789, Nov. 2, 1994; 62 FR 25065, 25070, May 7, 1997]

#### § 1951.507 Maintaining borrower accounts.

(a) *Accounts of active borrowers.* The foundation for proper and timely debt payment is sound budgeting and monthly review of income and expenses by the borrower and, as necessary, the District Office staff. Account maintenance, therefore, must begin with initial planning and must be an integral part of ongoing analysis, planning and follow-up management assistance.

(b) *Accounts of collection-only borrowers.* Collection only accounts will be serviced according to § 1951.7(b) of subpart A of this part.

(c) *Notifying borrowers of late fees and past due payments.* The Finance Office will automatically notify each borrower of late fees for payments which were unpaid on the 10th day of the month. A copy of the notice will be mailed to the District Office servicing the account.

(d) *Subsequent servicing.* Delinquent accounts will be serviced according to the respective program requirements. Accounts will also be serviced under subpart B of part 1965 of this chapter.

(e) *District Office monitoring.* District Offices should review each account at least monthly by accessing the Automated Multi-Housing Accounting System (AMAS) through field office terminals. For projects on PASS, the Management System card will be flagged with an orange signal between Position "5" and "RRH." Exhibit A-1 of this subpart (available in any FmHA or its successor agency under Public Law 103-354 office) should be used to track payments.

[50 FR 8597, Mar. 4, 1985, as amended at 58 FR 40955, July 30, 1993]

#### § § 1951.508-1951.509 [Reserved]

#### § 1951.510 Payment application.

(a) *Regular payment due date.* The regular payment due date is the first day of each month. All months will be counted as 30 days (360 day year).

(b) *First regular payment.* (1) The first regular amortized payment after loan closing for transfers (new terms), re-amortizations, voluntary conversions, credit sales, or loans closed after interim financing *must* be at least one (1) month from closing. For example, if a