§ 1942.7  Ordering loan checks. Checks will not be ordered until:

1. The applicant has complied with approval conditions and closing instructions, except for those actions which are to be completed on the date of loan closing or subsequent thereto; and

2. The applicant is ready to start construction or funds are needed to pay interim financing obligations.

(e) Multiple advances of FmHA or its successor agency under Public Law 103–354 funds. When FmHA or its successor agency under Public Law 103–354 provides loan funds during the construction period using interim (temporary) instruments described in §1942.18(g) of this subpart, the following action will be taken prior to the issuance of the permanent instruments:

1. The Finance Office will be notified of the anticipated date for retirement of the interim instruments and issuance of permanent instruments of debt.

2. The Finance Office will prepare a statement of account including accrued interest through the proposed date of retirement and also show the daily interest accrual. The statement of account and the interim financing instruments will be forwarded to the District Director.

3. The District Director will collect interest through the actual date of the retirement and obtain the permanent instrument(s) of debt in exchange for the interim financing instruments. The permanent instruments and the cash collection will be forwarded to the Finance Office immediately, except that for promissory notes and single instrument bonds fully registered as to principal and interest, the original will be retained in the District Office and a copy will be forwarded to the Finance Office. In developing the permanent instruments, the sequence of preference set out in §1942.19(e) of this subpart will be followed.

§ 1942.8  Actions subsequent to loan closing.

(a) Mortgages. Real estate or chattel mortgages or security instruments will be delivered to the recording office for recordation or filing, as appropriate. A copy of such instruments will be delivered to the borrower. The original instrument, if returnable after recordation or filing, will be retained in the borrower’s case folder.

(b) Notes and bonds. When the debt instrument is a promissory note or single instrument bond fully registered as to principal and interest, a conformed copy will be sent to the Finance Office immediately after loan closing and the original instrument will be stored in the District Office. When other types of bonds are used, the original bond(s)