§ 1980.371 Servicing options. 
(c) Servicing options. The lender should make every effort to assist borrowers who are cooperative and willing to make a good faith effort to cure the delinquency. The lender should consider the borrower’s financial condition in attempting to work out repayment agreements. The lender may revise the payment schedule of the loan on a temporary basis with the written concurrence of the borrower. Changes in the loan repayment such as reamortization of the unpaid balance within the remaining term of the loan may be done with prior written RHS concurrence. Reamortization shall not change the amount of the loan guarantee.

(d) Lender reporting to RHS. Reports on lender servicing case loads and performance are required as follows:
(1) Monthly report. The lender must prepare and submit a report in a manner prescribed by RHS identifying each borrower with a loan that is more than 30 days delinquent.
(2) Annual report. The lender will submit an annual report indicating the status of each borrower account as of December 31 using the format prescribed by RHS.
(e) [Reserved]

§ 1980.372 Protective advances.
Protective advances must constitute an indebtedness of the borrower to the lender and be secured by the security instrument. Protective advances are advances made for expenses of an emergency nature necessary to preserve or protect the physical security. Attorney fees are not a protective advance. The lender will not make protective advances in lieu of an additional loan. In order to assure that a protective advance over $500 will be included in the loss payment, lenders are encouraged to obtain prior RHS approval.

§ 1980.373 [Reserved]

§ 1980.374 Liquidation.
If the lender concludes the liquidation of a guaranteed loan account is necessary because of one or more defaults or third party actions that the borrower cannot or will not cure or eliminate within a reasonable period of time, the lender will notify RHS of the decision to liquidate. Initiation of foreclosure begins with the first public action required by law such as filing a complaint or petition, recording a notice of default, or publication of a notice of sale. Foreclosure must be initiated within 90 days of the date the decision to liquidate is made unless the foreclosure has been delayed by law. When there is a legal delay (such as bankruptcy), foreclosure must be started within 60 days after it becomes possible to do so.
(a) Expeditious liquidation. Once the decision to liquidate has been made, the lender must proceed in an expeditious manner. Lenders must exercise