



# **Single Family Housing Guaranteed Loan Program**

**7 CFR Part 3555 and HB-1-3555**

**Resource Assistance Document**

**Updated: Spring 2016**

**THE RESOURCE ASSISTANCE DOCUMENT (RAD) IS AVAILABLE FROM THE SINGLE FAMILY HOUSING GUARANTEED LOAN PROGRAM (SFHGLP) ONLY FOR EDUCATION AND TRAINING PURPOSES.**

The RAD has been developed to achieve the following goals:

1. Help familiarize users with 7 CFR Part 3555 and HB-1-3555 by subpart and handbook chapter
2. Assist users to quickly locate information in the regulation and handbook
3. Address frequently asked questions by providing the regulation and handbook reference(s)

The RAD does not:

1. Replace 7 CFR Part 3555 or HB-1-3555
2. Negate the need to review information within the regulation and/or handbook

Effective search tip: Hold down “Control” and then select “F” to access a quick search data field. Enter a key word of the topic. This will allow a more efficient search of the document.

Every SFHGLP loan must be originated, underwritten, closed and serviced under the guidance of 7 CFR Part 3555. This document will be updated as necessary. Future changes to the regulation and/or handbook will take precedence over guidance provided in this document.

EXAMPLE: LOCATING REFERENCES	
7 CFR Part 3555: 3555.208(b)(3)(i)	HB-1-3555: 12.6 A 1
<p>See: <b>3555.208</b> Special requirements for manufactured homes.</p> <p>Loans may be guaranteed for manufactured homes if all the requirements in this section are met:</p> <p>(a) <b>Eligible costs.</b> In addition to the loan purposes described in Sec. 3555.101, Rural Development may guarantee a loan used for the following purposes related to manufactured homes when a real estate mortgage covers both the unit and the site:</p> <p>(1) Purchase of a new manufactured home, transportation, permanent foundation, and installation costs of the manufactured home, and purchase of an eligible site if not already owned by the applicant; and</p> <p>(2) Site development work properly completed to HUD, state and local government standards, as well as, the manufacturer's requirements for installation on a permanent foundation.</p> <p>(b) <b>Loan restrictions.</b> The following loan restrictions are in addition to the loan restrictions contained in Sec. 3555.102:</p> <p>(1) A loan will not be guaranteed if it is used to purchase a site without also financing a new unit.</p> <p>(2) A loan will not be guaranteed if it is used to purchase furniture, including but not limited to: movable articles of personal property such as drapes, beds, bedding, chairs, sofas, divans, lamps, tables, television, radios, and stereo sets. Furniture does not include wall-to-wall carpeting, refrigerators, ovens, ranges, washing machines, clothes dryers, heating or cooling equipment, or other similar items.</p> <p>(3) A loan will not be guaranteed to purchase an existing manufactured home and site unless:</p> <p>(i) The unit and site are already financed with an Agency direct single family or guaranteed loan.</p>	<p><b>12.6 WATER AND WASTEWATER DISPOSAL SYSTEMS</b> (7 CFR 3555.201)</p> <p>The site must have acceptable water and wastewater disposal systems to ensure the property is decent, safe, sanitary, and meets community standards. Public water and wastewater disposal systems are presumed to meet state and local requirements with no additional documentation or inspection. Private well and wastewater systems may require inspections or documentation as discussed in this section. Evidence will be retained in the lender's permanent loan file.</p> <p><b>A. Water</b></p> <p>Water systems, for existing or new construction, that require continuous or repetitive treatment to be safe bacterially or chemically are not acceptable. Individual dwelling water purification units are not an acceptable alternative; however, they may be used if the individual water system, with purification, meets the requirements of the state department of health or other comparable reviewing and regulatory authority.</p> <p><b>1. Individual Privately Owned</b></p> <ul style="list-style-type: none"> <li>Individual water systems are owned and maintained by the homeowner and subject to compliance with all requirements of the local and/or State Health Authority codes. Individual water supply systems may be acceptable when the cost to connect to a public or community water system is not reasonable as defined by the lender. The lender is responsible for determining if connection is feasible. Water quality tests are required as follows: <ul style="list-style-type: none"> <li>The water quality of the well must meet the requirements of the state or local authority. If the state or local authority does not have specific requirements, the maximum contaminant levels established by the Environmental Protection Agency (EPA) will apply.</li> <li>The local health authority or a state certified laboratory must perform a water quality analysis. The Safe Water Drinking Act does not apply to private wells. Consult the Environmental Protection Agency (EPA) at (800) 426-4791 for referral to certified labs and other inquiries.</li> <li>The water analysis report must be no greater than 120 days old at loan closing. If the Agency is aware of any recent environmental impacts that may render the previous analysis invalid (for example – chemical spills, natural disasters, etc.) a new report may be required.</li> </ul> </li> </ul>
7 CFR Part 3555 Section <b>3555.208</b>	HB-1-3555 <b>Chapter 12</b>
<b>3555.208(b)</b>	Paragraph <b>12.6</b>
<b>3555.208(b)(3)</b>	<b>12.6 A</b>
<b>3555.208(b)(3)(i)</b>	<b>12.6 A 1</b>

Subpart A: General		
7 CFR PART 3555	HB-1-3555	FREQUENTLY ASKED QUESTION
3555.1: Applicability	1.3: Getting additional help	
3555.2: Purpose	1.4: SFHGLP Goals 1.5: SFHGLP Summary	What is a demonstration program? <b>Pilot programs (i.e. rural refinance pilot).</b>
3555.3: Civil Rights	1.6: Civil Rights	
3555.4: Mediation and appeals	1.7: Review and Appeals Appendix 3	Who must be notified of a USDA loan denial? <b>All “participants” as defined in 3555.10.</b>
3555.5: Environmental requirements	12.10: Due Diligence 12.10: Hazard Identification 16.11: Ownership Requirements 17.2: Required Servicing Actions	<p><b>NEW:</b> Is there an environmental regulation? <b>7 CFR Part 1970</b></p> <p>Are there additional considerations for new or proposed dwellings? <b>Refer to 7 CFR Part 1924 Subpart A.</b></p> <p>What are the flood insurance requirements for an existing dwellings located in a SFHA? <b>3555.5(d)(5) and (6) and HB 16.11 C 2. Lenders are encouraged to ensure the deductible is reasonable for the applicant.</b></p> <p>Are new or proposed dwellings located in a SFHA eligible? <b>Yes. 3555.5(d)(7) and HB 12.10 B</b></p> <p>Are flood elevation certificates required? <b>Existing dwellings: No. New/proposed dwellings: Yes, prepared by a licensed engineer or surveyor. 3555.(d)(7) and HB 12.10 B</b></p> <p>Is flood insurance required for structures detached from the primary residence? <b>No, per HFIAA of 2014. 3555.5(d)(7) and HB 12.10 B</b></p> <p>Are there maximum coverage/deductibles for insurance? <b>Flood insurance: HB 12.10 B and HB 16.11 C 2. Flexibility is provided for State and Federal law therefore new FEMA deductibles are eligible. Non-SFHA properties: HB 16.11 C 1.</b></p>
3555.6: State and local law	1.8: State and local laws	Do State issued publications require review by the National Office? <b>Yes. HB 1.8</b>
3555.7: Exception authority	1.9: Exception authority	
3555.8: Conflict of interest	1.10: Conflict of interest Form RD 3555-21	Will a prohibited relationship result in loan denial/ineligible? <b>No. 3555.8(d) and HB 1.10 B</b>

3555.9: Enforcement		
3555.10: Definitions and abbreviations	Appendix 10: Glossary	
<b>Subpart B: Lender Participation</b>		
<b>7 CFR PART 3555</b>	<b>HB-1-3555</b>	<b>FREQUENTLY ASKED QUESTION</b>
3555.51: Lender eligibility	3.2: Lender approval criteria 3.6: Lender responsibility 3.8: Monitoring Origination/Servicing of Loans Chapter 4: Lender Responsibilities 5.1: Introduction Attachment 4-A and 4-B	Are members of the Federal Reserve System now eligible to apply for approved lender status (i.e. FHLB, NCUA, etc.)? <b>Yes. 3555.51(a)(8) and HB 3.2 B 4</b>  What documentation is required to demonstrate an ability to originate and underwrite loans? <b>3555.51(a)(9), HB 3.2 B 1 and Attachment 3-A</b>  <b>NEW:</b> Is there guidance regarding acceptable quality control plans? <b>Yes. Attachment 3-C “Quality Control Overview”</b>
3555.52: Lender approval		
3555.52: Lender approval	3.3: Application 3.4: Agency Review 3.9: Revoking lender eligibility 3.10: Voluntary Withdrawal 4.11: Withdrawal of Approval Attachment 3-A and 3-B Form RD 3555-16	Is mandatory training required for new lenders prior to lender approval? <b>Yes. Lender modules are available on USDA LINC.</b>  Why did I get a “Pre-Approval” letter? <b>All required documentation was not received for a full approval. 3555.52(a) and (b) and HB 3.4 A</b>  Can a lender voluntarily withdraw their own approval? <b>Yes. 3555.52(c)(2) and HB 3.10</b>
3555.53: Contracting for loan origination	3.2: Participation as an Agent of an approved lender	
3555.54: Sale of loans to approved lenders	3.5: Lender sale of guaranteed loans 4.6: Sell loans only to approved lenders 4.11: Withdrawal of Approval Form RD 3555-11	

Subpart C: Loan Requirements		
7 CFR PART 3555	HB-1-3555	FREQUENTLY ASKED QUESTION
3555.101: Loan purposes	<p>6.2: Eligible loan purposes Attachment 6-A</p> <p>Chapter 12 Section 7: Combination Construction Permanent Loans</p>	<p>Do all repairs/rehabilitation work have to be completed prior to the lender's request for the LNG? <b>Yes, unless minor exterior/interior work remains that is eligible per 3555.202(c) and HB 6.2 B</b></p> <p>Can the cost of a washer/dryer/refrigerator be included in the loan amount if sufficient equity exists between the purchase price and appraised value? <b>Yes. 3555.101(b)(1) and HB 6.2 C</b></p> <p>If appliances are purchased with loan funds should there be a rider or other agreement attached to the mortgage that these items will remain within the home in the event of a sale? <b>No.</b></p> <p><b>NEW:</b> Can discount points used to permanently buydown the interest rate be included in the loan amount for moderate income applicants? <b>Yes. Discount points are an eligible loan purpose for all applicants. 3555.101(b)(6)(vi), 3555.102(d) and HB 6.3</b></p> <p>Can an escrow cushion be established for the annual fee? <b>Yes, not to exceed two months. 3555.101(b)(6)(xi)</b></p> <p>Can the applicant finance all or a portion of a real estate commission, auction fee, or other purchase transaction fee? <b>No. These are not customary fees. 3555.101(b)</b></p> <p>Is USDA responsible to review the loan to ensure the lender has not exceeded applicable CFPB thresholds for reasonable lender fees? <b>No. This is a Federal law the approved lender must ensure is met. HB 6.2 C</b></p> <p>Is the SFHGLP up-front and/or annual fee included in the applicable CFPB calculation for reasonable lender fees? <b>No. HB 6.2 C "Reasonable Lender Fees"</b></p> <p>Where can I find complete information about the combination construction and permanent loans (single close loans)? <b>Refer to 3555.105 and HB Chapter 12, Section 7.</b></p> <p>Is an interim construction loan used to construct or repair/rehabilitate a dwelling eligible for a guaranteed loan? <b>Yes. The upfront guarantee fee for purchase transactions will apply. 3555.101(d)(1) and HB 6.2 D 1</b></p>

<p>3555.101: Loan purposes (continued)</p>		<p>Can the balance of a lot loan be included in the total loan amount for the construction of a new dwelling on this site? <b>Yes.</b> 3555.101(d)(2)(ii) and HB 6.2 D 2</p> <p>Is an applicant with a current FHA/VA/Fannie/Freddie mortgage eligible to refinance into a new guaranteed loan? <b>No.</b> 3555.101(d)(3)</p> <p>Is a current guaranteed loan borrower subject to a new upfront guarantee fee and annual fee (even if their current loan does not have the annual fee requirement)? <b>Yes.</b> 3555.101(d)(3)(ix) and (ix) and HB 6.2 D 3 E and F</p> <p>Can a current borrower be removed from the loan? <b>A streamlined or non-streamlined refinance may remove existing borrowers, but at least one original borrower must remain.</b> 3555.101(d)(3)(iv) HB Attachment 6-A “Applicant Eligibility”</p> <p>Can GUS be used for streamlined and non-streamlined refinances? <b>Yes.</b> HB Attachment 6-A “Use of GUS”</p> <p>Can late payment fees be included in the “loan balance” eligible for refinance? <b>No.</b> 3555.101(d)(3)(v) and HB 6.2 D 3 A and Attachment 6-A “Loan Purpose and Limitations”</p> <p>Can a second lien be included in the refinance? <b>No, these would require subordination.</b> 3555.101(d)(3) and HB 6.2 D 3 A and Attachment 6-A “Loan Purpose and Limitations”</p> <p>Is a new property inspection required for a refinance transaction? <b>No.</b> Inspection costs/repairs identified by the approved lender in order to maintain the collateral are not eligible to be part of the loan amount. 3555.101(d)(3)(vii) and HB 6.2 D 3 B and Attachment 6-A “Inspections”</p> <p>How do I know if the applicant has a direct loan? <b>Typically the credit report will show the mortgage creditor as “USDA.” The applicant can contact their current loan servicer to verify the type of loan.</b></p> <p>Are Section 502 Leveraged Loans eligible for refinance? <b>No.</b> 3555.101(d)(3) and HB 6.2 D 4 A</p>
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3555.101: Loan purposes (continued)		How do I obtain a payoff and recapture amount for a direct borrower that received subsidy? <b>Submit by fax:</b> 1.) a copy of a recent appraisal, 2.) GFE or estimate of closing costs statement and 3.) a request on letterhead that includes the borrower's name, account number, address and date the payoff should be valid through to the Customer Service Center (CSC) at (314) 457-4433. Payoffs and subsidy recapture amounts will not be provided verbally. Current direct borrowers may contact the CSC with loan questions at 1-800-414-1226.
3555.102: Loan restrictions	6.3: Prohibited Loan Purposes	<p>Where can I find more information regarding manufactured homes? <b>3555.208 and HB Chapter 13 Section 2 "Manufactured Homes"</b></p> <p>If a property has a barn or extra garage is it ineligible? <b>Properties must be residential in character, design and use. Property that currently is an operational farm or business, agriculture enterprise, or has tillable land/equipment/signage that will remain post loan closing may be ineligible. Barns/storage sheds/additional garages typically do not render a property ineligible. 3555.201(b) and HB 12.4.</b></p> <p>Where can I find more information regarding refinancing? <b>3555.101(d), HB 6.2 D and Attachment 6-A.</b></p> <p>Is there a maximum limit on seller concessions? <b>Yes, six percent of the property sales price. 3555.102(h) and HB 6.3</b></p> <p>Can a borrower receive excess seller concessions at loan closing as cash back? <b>No. Seller concessions must be used for eligible loan purposes per 3555.101.</b></p> <p>Are lender credits secured through premium pricing included in the six percent limitation? <b>No. HB 6.3</b></p>
3555.103: Maximum loan amount	7.2: Maximum Loan Amount	<p>Can the upfront guarantee fee be included in the loan amount? <b>Yes. 3555.103(a) and HB 7.2</b></p> <p>Is there a CLTV maximum? <b>No. USDA will only guarantee the maximum LTV as provided in 3555.103.</b></p> <p>If the appraised value is less than the property sales price, can an applicant bring in the difference at loan closing? <b>Yes. HB 7.2</b></p>

3555.103: Maximum loan amount (continued)		Can a new construction home (completed less than 12 months and never occupied) with no evidence of building permits, plans/specs, inspections, etc. be eligible for a guaranteed loan? <b>Yes, at 90% LTV of the appraised value plus the upfront guarantee fee. 3555.103(c) and HB 7.2</b>
3555.104: Loan Terms	7.3: Loan Terms	<p>Does the interest rate have to be locked when the loan package is submitted to USDA for a conditional commitment request? <b>No, but when the rate is locked prior to loan closing it may not exceed the maximum interest rate on the date of lock. 3555.104(a) and HB 7.3 B</b></p> <p>If the interest rate authorized on Form RD 3555-18 decreases prior to loan closing, is a new Form RD 3555-21 or GUS loan submission required. <b>No. 3555.104(a)(4) and HB 7.3 B</b></p> <p>Can the loan term be more or less than 30 years? <b>Not at this time. USDA has flexibility to review different loan terms in the future. 3555.104(b)</b></p> <p>Can the loan be an adjustable rate or balloon mortgage? <b>No. 3555.104(a)(1), 3555.104(b), and HB 7.3 C</b></p> <p>Can the lender enforce pre-payment penalties on a USDA loan? <b>No. HB 7.3 C</b></p>
3555.105: Combination construction and permanent loans	Chapter 12 Section 7, 12.13 – 12.29 Attachment 12-D	<p>Does USDA approve the builders/contractors? <b>No, the approved lender is responsible to approve them. 3555.105(a)(3), HB 12.14 and 12.15</b></p> <p>Can an owner/builder construct their own residence under this program? <b>No. 3555.105(b)(7) and HB 12.15</b></p> <p><b>NEW:</b> Are condominiums and manufactured homes eligible for this new construction program? <b>Yes. New manufactured homes and eligible site condominiums (must meet 12.11 A 2) are eligible. 3555.105(c)(1) and HB 12.16</b></p> <p>Is there a limit on the contingency reserve? <b>Yes, ten percent of the cost of construction (including labor, materials, and soft costs). 3555.105(c)(2)(ii) and HB 12.16</b></p> <p>Is the LNG really issued before construction begins and/or is completed? <b>Yes 3555.105(f) and HB 12.23</b></p>



<p>3555.107: Application for and issuance of loan guarantee</p>	<p>Chapter 14: Funding Priorities  5.3: Utilizing GUS  12.5: Residential Appraisal Reports  Chapter 15: Submitting the Application Package  Chapter 16: Closing the Loan and Requesting the Guarantee</p>	<p>Can I close a loan if Form RD 3555-18 says “Subject to receipt of congressionally appropriated funds”? <b>Yes, but the approved lender remains liable for the loan until funds are received and a LNG can be issued. HB 14.4 B</b></p> <p>If I have a conditional commitment from USDA but the loan will not close, should I contact USDA? <b>Yes. The obligated loan funds will be released to accommodate other loans. HB 14.5</b></p> <p>If GUS renders an “Accept” underwriting recommendation my loan has been approved. <b>No. A GUS recommendation is not an approval and should not be the exclusive reason a loan is approved. The approved lender is responsible to determine final loan approval. Data integrity issues may determine the recommendation is not supported. 3555.107(b), 3555.107(b)(6), HB 5.3, 5.3 C, 5.3 I, 5.3 J, and 5.3 N</b></p> <p><b>NEW:</b> If a GUS “Accept” is rendered, is a verification of rent required? <b>Verification of rent is not required for a GUS “Accept.” If the loan must be manually downgraded, verification of rent is only required if the credit score is below 680 for any applicant. 3555.107(b)(1) and (2), HB 5.3 M and 10.13</b></p> <p>Where is guidance for rent verification methods? <b>HB 10.13</b></p> <p>Are GUS loans excluded from indemnification requirements? <b>No. 3555.107(b)(3)</b></p> <p><b>NEW:</b> Are color photographs required for appraisals? <b>Yes. HB 12.5 B.</b></p> <p>Can USDA refuse to accept a specific appraisers report? <b>Yes. 3555.107(d)(5)</b></p> <p>How long is my appraisal valid? <b>120 days plus a 30 day grace period. No action is required to request the 30 day grace period. 3555.107(d)(7) and HB 12.5.</b></p> <p>If my appraisal is expired what options do I have? <b>1.) The lender may have a 30 day grace period with no approval required from USDA (150 days total). 3555.107(d) and HB 12.5 B. 2.) The lender may obtain an appraisal update to extend the validity of the current appraisal. 3555.107(d) and HB 12.5 B</b></p> <p>Can one lender transfer an appraisal to another lender? <b>Yes. 3555.107(d) and HB 12.15 B</b></p>
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<p>3555.107: Application for and issuance of loan guarantee (continued)</p>		<p>Can an REO appraisal be used for a guaranteed loan purchase? <b>No, the appraisal must be completed to arrive at an opinion of value for a purchase transaction. 3555.107(d) and HB 12.5 B</b></p> <p><b>NEW:</b> Is the entire “Cost Approach” section required to be completed as part of an appraisal? <b>No. 3555.107(d) and HB 12.5 B. If an appraiser determines this must be completed in order to meet USPAP or support the appraised value, they may do so at their discretion.</b></p> <p>Is there guidance regarding appraisals for unique properties (e.g. berm homes, log homes, etc.)? <b>Yes. The appraiser must prepare the report in accordance with USPAP in order to support the opinion of value. 3555.107(d)(1)</b></p> <p>Is USDA required to be listed on an appraisal as an “intended user”? <b>No. HB 12.5 B</b></p> <p>If USDA determines an appraisal is unacceptable or has deficiencies who will be contacted? <b>The approved lender will be contacted by USDA. 3555.107(d)(4) and HB 12.5 E 1</b></p> <p>What documentation must be submitted to USDA in order to obtain a conditional commitment? <b>See Attachment 15-A</b></p> <p>Are electronic signatures allowed? <b>Yes, on all documents utilized to originate, close and service mortgage loans (this includes Form RD 3555-21). 3555.107(f), HB 15.4 and 16.2</b></p> <p>Can I close a loan without a conditional commitment from USDA? <b>No. 3555.107(f), 3555.107(i)(2), HB 15.1 and 16.2</b></p> <p>What if there are questions regarding the validity of conditions added to the conditional commitment? <b>Lenders may accept or decline the conditional commitment or submit requests for changes with supporting documentation. 3555.107(g) and HB 15.8</b></p> <p>Can I get an extension to the expiration date of the conditional commitment? <b>Yes. 3555.107(f)(3) and HB 16.2</b></p>
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<p>3555.107: Application for and issuance of loan guarantee (continued)</p>		<p>If a conditional commitment has been issued and a natural disaster occurs in the area 1.) prior to loan closing or 2.) after loan closing but prior to signing the lender certification and submission of a loan closing package to USDA, is a new appraisal required? <b>The lender is responsible to ensure the collateral, employment and all documentation utilized to support the conditional commitment has sustained no adverse changes. It will be up to the lender to ensure the collateral is secure before submitting the loan package to USDA. 3555.107(d) and 3555.107(i)(2)</b></p> <p>Is any part of the upfront guarantee fee refundable in the event the home is sold, loan refinanced or paid in full? <b>No. 3555.107(g) and HB 16.4</b></p> <p>Does the annual fee cease when a specified LTV is reached? <b>No. The annual fee is for the life of the loan. 3555.107(h) and HB 16.5</b></p> <p>If the borrower makes additional monthly or annual principal mortgage payments will this reduce the annual fee that is due? <b>No, the annual fee is calculated on the average annual scheduled unpaid principal balance. 3555.107(h)</b></p> <p>Can a Power of Attorney (POA) be used at a loan closing? <b>Yes when the POA complies with state law. 3555.107(i) and HB 16.2</b></p> <p>What documents are required to request a LNG? <b>3555.107(i) and HB Attachment 16-A</b></p> <p>I submitted my loan closing package to USDA within the required timeframe. At the time USDA processed the request for LNG the loan was in default. Can I still obtain a LNG? <b>Yes. If the loan was current at the time the Lender Certification (Form RD 3555-18) was signed and the loan was submitted to USDA. 3555.107(j)(3) and HB 16.3</b></p> <p>What does USDA refer to as the “closing date”? <b>The date of closing is defined as the settlement date as it appears on the HUD-1 settlement statement (or comparable document). HB 16.7</b></p>
<p>3555.108: Full faith and credit</p>	<p>4.9: Indemnification</p>	

Subpart D: Underwriting the Applicant		
7 CFR PART 3555	HB-1-3555	FREQUENTLY ASKED QUESTION
3555.151: Eligibility requirements	8.2: Applicant Eligibility Requirements 9.3: Annual Income 9.12: Documenting Repayment Income Chapter 10 11.2: The Ratios 11.7: Obligations not included in debt-to-income ratios	<p>Do household members that are not party to loan have to submit evidence of citizenship status? <b>No, only loan applicants.</b> 3555.151(b) and HB 8.2 F</p> <p>How do I determine if a non-U.S. Citizen is eligible? <b>Access the SAVE system through the GUS “Additional Data” application page or contact the State USDA office for assistance.</b> 3555.151(b), HB 8.2 F and Attachment 8-A (USDA staff use only)</p> <p>Are household members (not a party to the note) required to be U.S. Citizens or permanent resident aliens? <b>No.</b> 3555.151(b)</p> <p>Can the borrower rent the home back to the seller before they take occupancy? <b>No.</b> 3555.151(c) and HB 8.2 C</p> <p><b>NEW:</b> What are applicable conventional credit qualification guidelines? 3555.151(e)(4) and (j) and HB 8.2 B</p> <p>Are retirement accounts included in available assets when calculating the 20% downpayment for the conventional credit test? <b>No, if these accounts meet 3555.151(e)(4) and (j) and HB 8.2 B</b></p> <p>Where are the guidelines to determine if an applicant may retain a dwelling? 3555.151(e) and HB 8.2 A</p> <p>How long does rental income have to be received in order to be utilized for repayment income? <b>24 months receipt required.</b> 3555.151(e)(6), 3555.152(a)(1), HB 8.2A and 9.12 A 12</p> <p><b>NEW:</b> Is overcrowding determined by “bedroom” or “room”? <b>Overcrowding is defined as more than 1.5 household residents per room (excluding the kitchen and bathrooms).</b> 3555.151(e)(2) and HB 8.2 A</p> <p>Can an applicant retain a manufactured home that is not on a permanent foundation? <b>Yes. These are considered functionally inadequate dwellings and personal property.</b> 3555.151(e)(2) and HB 13.5</p>

<p>3555.151: Eligibility requirements (continued)</p>		<p>Has USDA switched to a single ratio for loan qualification? <b>No, USDA has the ability to consider a single ratio but at this time the PITI and TD are both required. 3555.151(h)(1) and HB 11.2</b></p> <p>Are 401k loans included in the total debt ratio? <b>No. 3555.151(h)(1)(iii) and HB 11.2 B “401k loans/personal asset loans”</b></p> <p>What debts must be considered for non-purchasing spouses in community property states? <b>Refer to the state lending law. 3555.151(h)(1)(iv) and HB 11.2 B “Debts of a non-purchasing Spouse (NPS)”</b></p> <p>Can gift funds be used to pay off debts of the applicant(s)? <b>Yes. Gift funds are considered the applicant’s own funds. Verify the gift funds as required. 3555.151(h)(1)(i) and HB 9.3 E 1 “Verification of Gifts”</b></p> <p>Can the payment reflected for a student loan on the credit report be used? <b>Yes, if the payment is verified as fixed (fixed term, fixed interest rate, no future changes) with the loan servicer. Non-fixed payment arrangements must include one percent of the outstanding balance reflected on the credit report (no additional documentation required). 3555.151(h)(1)(i) and HB 11.2 B “Student loans”</b></p> <p>Do divorce decrees allow the exclusion of debts assigned to the ex-spouse? <b>No. Divorce decrees do not remove a borrower from a liability. Refer to 3555.151(h)(1)(i) and HB 11.2 B “Previous mortgage” and “Co-signed non-mortgage debt/obligations” for additional guidance.</b></p> <p>Can an approved lenders underwriter include an installment debt with ten months or less repayment remaining? <b>Yes, the approved lender underwriter can include any short term debts they feel have a significant impact on repayment ability. 3555.151(h)(1)(i) and HB 11.2B “Short term obligations”</b></p> <p>Are daycare/daily childcare expenses included in the debt ratio? <b>No. 3555.151(h)(1)(iii) and HB 11.7</b></p> <p>Do GUS “Accept” loan files require debt ratio waivers for files that exceed 29% and/or 41%? <b>No. 3555.151(h)(2) and (3), HB 11.3 A, 5.3 I and the GUS Underwriting Findings Report</b></p>
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<p>3555.151: Eligibility requirements (continued)</p>		<p>What are the maximum debt ratios for a manually underwritten loan file? <b>Maximum PITI is 32%, maximum TD is 44%. Additional eligibility requirements apply. 3555.151(h)(2) and HB 11.3 A</b></p> <p>What are the eligible compensating factors to support a debt ratio waiver request for a manually underwritten loan file? <b>3555.151(h)(2)(i), (ii), (iii) and (iv), HB 11.3 A and 11.3 B for manually underwritten refinance transactions</b></p> <p>How is the monthly MCC credit applied? <b>Deduct the monthly credit from the PITI. 3555.151(h)(5), HB 11.4 and 9.11 A</b></p> <p>Where is information on funded buydown accounts? <b>3555.151(h)(7), HB 11.5 and 9.11 B</b></p> <p>Do GUS “Accept” loan files require a credit wavier to be submitted to USDA? <b>No. 3555.151(i)(2), HB 10.7 A, 5.3 C, 5.3 I, and 5.3 K</b></p> <p><b>NEW:</b> What tradelines are acceptable to validate the credit score? <b>Examples of traditional tradelines that may and may not be considered to validate the credit score are listed in HB 10.5.</b></p> <p><b>NEW:</b> If an applicant does not have the required number of traditional tradelines (two) in order to validate the credit score, can nontraditional tradelines be verified to supplement? <b>Yes. Include the valid traditional tradelines with eligible nontraditional tradelines to meet credit requirements. 3555.151(i)(6) and HB 10.6</b></p> <p><b>NEW:</b> If an applicant has two eligible tradelines to validate the credit score per 10.5, must an authorized user account continue to meet 10.12? <b>No. If an applicant has two eligible tradelines (and the authorized user account is not being utilized to validate the credit score), no further review is required. No. HB 10.12</b></p> <p>Is a nontraditional tradeline eligible if it has been open for 12 months but the required payments are not every month (e.g. insurance due on an annual, semi-annual or quarterly basis)? <b>Yes. 3555.151(i)(6) and HB 10.6</b></p> <p>If only one applicant has a validated credit score per HB 10.5, does the other applicant(s) require full nontraditional history credit histories to be verified? <b>No. 3555.151(i)(3) and HB 10.5</b></p>
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<p>3555.151: Eligibility requirements (continued)</p>		<p>Can a credit supplement obtained outside of GUS to verify an undisclosed debt/ removal of an authorized user account/ etc. be used to retain a GUS “Accept” underwriting recommendation? <b>No. The credit report uploaded into GUS must be the accurate representation of the applicant(s) credit. 3555.151(i)(2), HB 5.2, and HB 5.3 C,G,I and M</b></p> <p>If an applicant has a bankruptcy/foreclosure/short sale discharged less than 36 months, is a GUS “Accept” eligible to be retained? <b>Yes. Ensure the credit report accurately reflects the credit instance and the “Declarations” on the URLA (1003) are properly completed. 3555.151(i)(2) and HB 10.1</b></p> <p>Can medical collections and charge off accounts be ignored from the credit review? <b>No. A credit analysis must always occur prior to a capacity analysis. 3555.151(i) and HB 10.9</b></p>
<p>3555.152: Calculation of income and assets</p>		<p><b>NEW:</b> Is the income of a spouse who is separated for less than 3 months (for reasons other than military or work assignment) included in the annual income? <b>Yes. HB 9.3 B</b></p> <p>Can student loans be used for repayment income/assets to close? <b>No. 3555.152(a)(4)(i)</b></p> <p><b>NEW:</b> Can foster child/adult payments be used for repayment income? <b>No. 3555.152(a)(4)(v) and HB 9.12. Do not include these payments in annual income. 3555.152(b)(5)(ii) and HB 9.3 A “Special Purpose Payments.”</b></p> <p>Can adoption assistance be used for repayment? <b>Yes, if there is a history of receipt and 3 year likelihood of continuance. 3555.152(a) Do not include payments in excess of \$480 per adopted child in annual income. 3555.152(b)(5)(viii) and HB 9.3 A</b></p> <p>A household member (not party to the note) receives Social Security payments/disability/etc. but the payment is received by an applicant. Can this be used for repayment income? <b>Yes, if received by a minor and they are a household member. 3555.152(a)(2) and HB 9.10</b></p> <p>Is there guidance for applicants that are starting new jobs but employment has not yet commenced (e.g. teachers, etc.)? <b>Yes. 3555.152(a) and HB 9.10 and 9.10 A</b></p>

<p>3555.152: Calculation of income and assets (continued)</p>	<p>Would all income earned by a full time college student (age 18 and up-not head of household or spouse) be included in annual income? <b>No, only the first \$480. 3555.152(b)(4)(iv) and HB 9.3 A</b></p> <p>Is an unborn child counted as a household member? <b>No. 3555.152(c)(1) and HB 9.3 E 1</b></p> <p>Is private school tuition paid for a household member attending K-12 an eligible childcare expense? <b>No, but expenses that meet 3555.152(c)(2) for children birth to Pre-K age are eligible when paid by a household member.</b></p> <p>Are child support payments eligible as a childcare deduction? <b>No. 3555.152(c)(2)</b></p> <p>What is a net family asset? <b>See definition in 3555.10.</b></p> <p>Are only the assets of applicants considered for the annual income calculation? <b>No, all adult household member assets must be reviewed. 3555.152(d) For calculation methods see HB 9.4 D</b></p> <p>If an applicant is currently on maternity leave at the time of loan application/loan closing, how is their income considered? <b>Unless otherwise stated by the applicant, assume they will resume employment at the end of leave, required income verifications will confirm applicant intentions. 3555.152 and HB 9.3.</b></p> <p>Where is information regarding unreimbursed business expenses? <b>3555.152, HB 9.3 E 1 and HB 9.10 A 19</b></p>



Subpart E: Underwriting the Property		
7 CFR PART 3555	HB-1-3555	FREQUENTLY ASKED QUESTION
3555.201: Site requirements	12.4: Site Requirements	<p>Does a thirty percent site value guideline still apply? <b>No. 3555.201(b)(1)</b></p> <p>Is there a reliable way to determine if a property is income producing? <b>Properties that are currently an operational farm, business, agriculture enterprise, includes tillable land or equipment/signage that will remain post loan closing, it is likely income producing. Barns/storage sheds/additional garages may not render a property ineligible. 3555.201(b) and HB 12.4.</b></p> <p>Guidelines for non-public water systems: <b>3555.201(b)(4) and HB 12.6 A 1: Privately owned, 12.6 A 2: Shared, 12.6 A 3: Community owned and 12.6 A 4: Required inspections and documentation</b></p> <p>Guidelines for non-public waste systems: <b>3555.201(b)(4) and HB 12.6 B 1: Privately owned, 12.6 B 2: Community owned and 12.6 B 3: Required inspections and documentation</b></p> <p>Is there a restriction on a property having multiple parcels? <b>No. Ensure all parcel numbers are included on the appraisal and title work. 3555.202(b)(2)</b></p> <p>Is there a requirement that the site must not be able to be subdivided? <b>No. 3555.202</b></p>
3555.202: Dwelling requirements	12.9: Existing and New Dwellings	<p>What version of International Energy Conservation Code (IECC) is required to be met for new construction dwellings? <b>The thermal standard must meet or exceed the version of IECC that is in effect at the time of construction. 3555.202(a) and HB 12.9 B</b></p> <p>Are escrow accounts limited to ten percent total for exterior and interior work or ten percent each (total of twenty percent)? <b>A total of ten percent of incomplete work is allowed for exterior and interior development. 3555.202(c)(2) and HB 12.9 C and D</b></p> <p>What is the amount the exterior and/or interior escrow account must be funded? <b>A minimum of 100 percent to assure the completion of remaining work. Lenders may require a higher amount if they choose. 3555.202(c)(3) and HB 12.9 C and D</b></p> <p>Where is guidance to establish an exterior and/or interior escrow account? <b>3555.202(c) and HB 12.9 C and 12.9 D</b></p>

3555.202: Dwelling requirements (continued)		<p>Can borrowers complete exterior or interior development themselves? <b>Yes, if all requirements of 3555.202(c)(4) are met. HB 12.9 E</b></p> <p><b>NEW:</b> Are funds remaining in an escrow eligible to be returned to the original owner, assuming they were not financed into the loan amount? <b>Yes. HB 12.9 C, D and E</b></p> <p>Is there guidance for property conditions such as oil tanks, landfills, industrial sites, soil contamination, etc.? <b>Yes. Refer to HUD Handbook minimum property standards and RD Instruction 1970. 3555.202(b), 3555.107(d)(3) and HB 12.9</b></p>
3555.203: Ownership requirements	13.4: Loans on Leasehold Estates	Are there guidelines for leaseholds located on American Indian Restricted land? <b>Yes. 3555.203(b)(3), HB 13.4 B and 16.11 B 2</b>
3555.204: Security requirements		Are junior liens allowed? <b>Yes, but they must not adversely affect repayment or security of property. Lender must maintain first lien position. 3555.204(b) and HB 16.10</b>
3555.205: Condominiums	Chapter 12 Section 5 12.11: Condominiums and Planned Unit Developments	<p>Is a condominium rider required? <b>Yes. HB 12.11 A</b></p> <p>Are there ineligible condominiums? <b>Yes. HB 12.11 A 1</b></p> <p>Are site condominiums eligible? <b>Yes if the criteria listed in HB 12.11 A 2 is met.</b></p> <p>Are HOA fees included in the PITI or TD ratio? <b>Include in the PITI ratio: 3555.151(h)(1)(i). The PITI is part of the TD ratio: HB 11.2 B</b></p>
3555.206: Community land trusts	Chapter 13 Section 1 13.3: Loans for units in a community land trust	<p>Are restrictions on resale prices of property allowed? <b>Yes, when the terms of HB 13.3 C are met.</b></p> <p>May a community land trust enforce a right of first refusal? <b>Yes, when the terms of HB 13.3 D are met.</b></p>
3555.207: Planned Unit Developments (PUD's)	Chapter 13 Section 1 12.11: Condominiums and Planned Unit Developments	
3555.208: Manufactured homes	Chapter 13 Section 2 13.5 – 13-11	<p>Can an applicant retain a manufactured home that is not on a permanent foundation? <b>Yes. These are considered functionally inadequate dwellings and personal property. 3555.151(e)(2) and HB 13.5</b></p> <p>Are single wide manufactured homes eligible? <b>Yes. New units must have a floor area of no less than 400 square feet. 3555.208(c)(1), HB 13.5 and 13.6</b></p>

3555.208: Manufactured homes (continued)		<p>What is the difference between manufactured and modular homes? <b>Manufactured homes must meet 3555.208. Modular homes must meet the requirements of existing and new dwellings 3555.202. See definition in HB 13.5</b></p> <p>Can manufactured homes be taxed as personal property? <b>No. They must be taxed as real estate. 3555.208(f)(2), HB 13.6 and 13.11 D</b></p> <p>Do dealer-contractors have to be approved in each state? <b>No. The applicant may purchase their unit from any manufactured home dealer. The applicant is responsible to select a contractor/builder that will meet the requirements in 3555.208(c), (d), (e), HB 13.8, 13.10 and 13.11</b></p>
3555.209: Rural Energy Plus Loans	12.12 Rural Energy Plus Loans	<p>What are the expanded qualifying ratios for loans originated under these guidelines? <b>At this time HB 12.12 does not allow for increased ratios. 3555.309</b></p>
<b>Subpart F: Servicing Performing Loans</b>		
<b>7 CFR PART 3555</b>	<b>HB-1-3555</b>	<b>FREQUENTLY ASKED QUESTION</b>
3555.251: Servicing responsibly	<p>4.6: Sell Loans Only to Approved Lenders</p> <p>17.1: Introduction</p>	<p>Can a third party service the loan for an approved lender? <b>Yes but the approved lender remains responsible for actions of this agent. 3555.251(b) and HB 17.1 B</b></p> <p>If an approved lender sells SFHGLP loans must USDA be notified? <b>Yes. 3555.54, HB 4.6 and 17.1 A and C</b></p>
3555.252: Required servicing actions	<p>17.2: Required Servicing Actions</p> <p>17.3: Reporting Requirements</p> <p>17.5: Insurance Proceeds</p> <p>Appendix 8: EDI Documentation</p>	<p>Does USDA have guidance regarding the Servicemembers Civil Relief Act (SSRCA)? <b>Yes. 3555.252 and HB 17.2 K</b></p> <p><b>NEW:</b> Can insurance payments for claims filed by the homeowners be released to them? <b>Yes, if the criteria in HB 17.2 E is met. At this time released funds may not exceed \$15,000.</b></p> <p>Are there monthly and quarterly reporting requirements for guaranteed loans? <b>Yes. 3555.252(d), HB 17.3 A, B, C, D and E and Appendix 8</b></p>
3555.253: Late payment charges	17.2: Required Servicing Actions	<p>What is the maximum late fee a lender may charge to a borrower for late payments? <b>The maximum amount may not exceed the percentage of the payment due as prescribed by HUD, Fannie Mae or Freddie Mac. 3555.253(a) and HB 17.2 B</b></p>
3555.254: Final payments	17.2: Required Servicing Actions	
3555.255: Borrower actions requiring lender approval	<p>17.7: Partial Release of Security</p> <p>17.9: Mineral Leases</p>	<p>Can the borrower sell part of the land associated with a loan post loan closing? <b>Yes if the criteria of HB 17.7 is met. 3555.255(b)</b></p>

3555.255: Borrower actions requiring lender approval		<p><b>NEW:</b> How must funds be distributed from a partial release sale? Refer to 3555.255(b)(6) and HB 17.7 A 2</p> <p>Does USDA allow approval of mineral leases? Yes if the criteria in 3555.255(a) and HB 17.9 are met.</p>
3555.256: Transfer and assumptions	17.8: Transfer and Assumption	Is USDA approval required for a transfer and assumption? Yes. 3555.256(b) and HB 17.8 B
3555.257: Unauthorized assistance	17.10: Unauthorized Assistance 1.11: Unauthorized Assistance	
<b>Subpart G: Servicing Non-Performing Loans</b>		
<b>7 CFR PART 3555</b>	<b>HB-1-3555</b>	<b>FREQUENTLY ASKED QUESTIONS</b>
3555.301: General servicing techniques	18.1: Introduction 18.3: Minimum Requirements 18.4: Documentation Requirements and Penalties	<p>Are property inspections required while the property is delinquent? Yes. 3555.301(f) and HB 18.3 D</p> <p>Can a delinquent loan be expedited to foreclosure if it is abandoned? Yes. If the loan is delinquent, expedite foreclosure by referring the loan for acceleration within 15 days of the date of the inspection report confirming the vacancy. 3555.301(g) and HB 18.3 D</p> <p>What are the minimum requirements that must be met prior to proceeding with liquidation? 3555.306 and HB 18.3 E and 18.6</p> <p>What collection records must the lender retain? 3555.301 and 18.4 A</p> <p>May penalties be assessed if a lender does not complete required collection actions? Yes. 3555.301, 3555.355(a)(1) and HB 18.4 B and C</p> <p>Can loss claims be denied or accrued interest reduced if servicing requirements are not met? Yes. 3555.301, 3555.355(a) and HB 18.4 C</p>
3555.302: Protective advances	17.4: Protective Advances	<p>Are protective advances for emergency expenses allowed to protect the property? Yes. 3555.302(b) and HB 17.4</p> <p>Are protective advances allowed for repairs? Yes. 3555.302(b) and HB 17.4 A</p> <p>Are protective advances allowed for taxes and insurance? Yes. 3555.302(a) and HB 17.4 B</p>

3555.302: Protective advances		Can the lender approve protective advances for property repairs without USDA concurrence? <b>Protective Advances that exceed \$2,000 require USDA approval. 3555.302(b) and HB 17.4 A</b>
3555.303: Traditional servicing options	18.5: Loss Mitigation Options Loss Mitigation Guide	<p><b>All responses for this section contain additional information in HB 18.5 and the Loss Mitigation Guide Attachment 18-A</b></p> <p>Is there a “waterfall” of servicing options that must be considered by the lender? <b>Yes. 3555.303(b), HB 18.5</b></p> <p>Does USDA offer Special forbearance agreements? <b>Yes. 3555.303(b)(2), HB 18.5</b></p> <p>What costs may be capitalized into a loan modification? <b>3555.303(b)(3)(ii), HB 18.5</b></p> <p>What is an acceptable new loan term for a loan reamortization? <b>Up to 30 years may be acceptable. 3555.303(b)(3)(iii), HB 18.5</b></p> <p>Are there checklists available to assist lenders to determine borrower eligibility for servicing options? <b>Yes. Loss Mitigation Guide, Attachment 18-A</b></p>
3555.304: Special servicing options	18.5: Loss Mitigation Options Loss Mitigation Guide	<p><b>All responses for this section contain additional information in HB 18.5 and the Loss Mitigation Guide</b></p> <p>Can special loan servicing options be utilized first? <b>No. 3555.304(a)</b></p> <p>What are the target ratios when special loan servicing is utilized? <b>The borrower’s total debt ratio must not exceed 55%. When a Mortgage Recovery Advance is utilized, the deferment is limited to an amount which achieves a total PITI ratio of 31% of gross monthly income. 3555.304(b)(1), 3555.304(d)(3)</b></p> <p>Can lender imposed late charges or fees be capitalized in special loan servicing options? <b>No. 3555.304(b)(4)</b></p> <p>Are extended loan term modifications a servicing option? <b>Yes. A repayment term of up to 40 years may be eligible. 3555.304(c)</b></p>

3555.304: Special servicing options		<p>Can an extended term loan modification be used in conjunction with a mortgage recovery advance? <b>Yes. Loss mitigation options may be layered as appropriate in order to assist a borrower to remain successfully in the home. 3555.304(c)(4)</b></p> <p>Is there a maximum amount allowed for a mortgage recovery advance? <b>Yes, 30% of the unpaid principal balance as of the date of default. 3555.304(d)(2)</b></p>
3555.305: Voluntary liquidation	18.5: Loss Mitigation Options Loss Mitigation Guide	When can a pre-foreclosure sale/foreclosure be considered? <b>Lenders must exhaust all traditional and special loan servicing options. 3555.305 If the borrower has abandoned the property refer to 3555.306</b>
3555.306: Liquidation	18.6: Acceleration 18.7: The Foreclosure Process 18.8: Managing the Foreclosure Process 18.13: Debt Settlement Reporting 19.2: Property Management Methods and Activities 19.3: Environmental Hazards 19.4: Property Dispositions Attachments 18-A and 18-B and 19-A	<p>Do state lending laws affect foreclosure timeframes required by USDA? <b>Yes. Attachment 18-A</b></p> <p>Is there guidance for lenders regarding a bid at the foreclosure sale? <b>Yes. 3555.306(b)(3) and HB 18.7 B</b></p> <p>When can a mortgage account be reinstated? <b>Unless required otherwise by State statute, the lender may reinstate an accelerated account if they meet 3555.306(c) and HB 18.7 C</b></p> <p>When a borrower has filed bankruptcy protection, when can a foreclosure be initiated? <b>Within 90 calendar days once it is possible do so. 3555.306(b)(1), HB 18.8 A and Attachment 18-A</b></p> <p>Are there guidelines for acceptable liquidation costs and fees? <b>Yes. HB 18.8 B and Attachment 18-B</b></p> <p>Where is information regarding maintaining a REO property? <b>3555.306(e) and HB 19.2</b></p> <p>Are broker price opinions (BPO's) acceptable for liquidation values? <b>No, only appraisals. 3555.306(f) and HB 19.4</b></p> <p>Is accrued interest allowed as an expense? <b>Interest expenses accrued beyond 90 days of the foreclosure sale date or expiration of any redemption period is the not covered by the guarantee. 3555.306(f)(3) and HB 20.2 B</b></p> <p>Does USDA offer a "cash for keys" option? <b>Yes. 3555.306(f) and HB 19.4</b></p>

3555.306: Liquidation		<p>What is the correct REO date on the property disposition plan (PDP)? <b>The date the lender acquired the title to the property. HB 19.1, 19.4 A and Attachment 19-A</b></p> <p>Where do lenders report debt settlements? <b>Lenders must report to the IRS and all national credit reporting repositories. 3555.306(g) and HB 18.13</b></p>
3555.307: Assistance in natural disasters	<p>18.10: Property Protection 18.11: Special Relief Measures 18.12: Property Damage and Insurance Claims</p>	<p>Are special relief measures available for dwellings located in natural disasters? <b>Yes. 3555.307(c) and HB 18.11</b></p> <p>Do insurance claims have to be applied to principal loan balance? <b>Yes, if the property will not be repaired or rebuilt. 3555.307(d) and HB 18.12</b></p> <p><b>NEW:</b> Can foreclosures in process or those pending initiation continue once a disaster area has been declared? <b>No. HB 18.7 B. Suspend all foreclosure activity for the property or borrower's place of employment affected by the disaster.</b></p> <p><b>NEW:</b> Are Special Relief Measures to modify mortgages available due to disaster? <b>Yes. HB 18.11</b></p>
<b>Subpart H: Collecting on the Guarantee</b>		
<b>7 CFR PART 3555</b>	<b>HB-1-3555</b>	<b>FREQUENTLY ASKED QUESTION</b>
3555.351: Loan guarantee limits	20.1: Overview 20.2: Loss Claim Coverage	Is there an explanation of how the 90 percent loan note guarantee is calculated? <b>3555.351(b) and HB 20.2 A</b>
3555.352: Loss covered by guarantee	20.2: Loss Claim Coverage	<p>Is there an explanation of the loss covered by the loan note guarantee including accrued interest? <b>Accrued interest up to 90 days from the settlement date through the date the loss claim is paid is an eligible loss. 3555.352(a) and (b) and HB 20.2 B</b></p> <p>What is considered a reasonable cost that is covered under the loan note guarantee? <b>3555.352(c), (d) and (e) and HB 20.2 B, and C</b></p>
3555.353: Net recovery value	20.2: Loss Claim Coverage 20.4: Calculating Net Recovery Value	<p>Is there a timeframe loss claims for unsold REO properties must be filed by the lender to USDA? <b>Claims must be filed within 30 days of obtaining liquidation value. 3555.353(b) and HB 20.2 C 2</b></p> <p>Is there assistance to calculate actual net recovery value? <b>3555.353(a) and HB 20.4 A</b></p>

3555.353: Net recovery value		Is there assistance to calculate anticipated net recovery value? <b>3555.353(b) and HB 20.4 B</b>
3555.354: Loss claim procedures	20.3: Filing a Loss Claim Attachment 20-A	Once the property is sold how many days before the claim must be submitted to USDA? <b>45 days. 3555.354 and HB 20.3 A</b>  Is there guidance for filing a loss claim for unsold REO properties? <b>3555.354(b) and HB 20.3 B</b>  Where is guidance to obtain a liquidation appraisal value for an unsold REO property? <b>3555.354(b)(2), HB 20.3 C and Attachment 20-A</b>
3555.355: Reducing or denying the claim	20.5: Agency Review Appendix 9	What factors may lead to the reduction or denial of a loss claim? <b>3555.355(a) and HB 20.5</b>  Can the lender dispute the amount that is paid by USDA on a loss claim? <b>Yes. 3555.355(b), HB 20.5 D 3 and Appendix 3</b> If eligible costs related to a paid loss claim are identified after the loss payment is received, can an additional claim be submitted to USDA? <b>Yes. HB 20.5 D 4</b>
3555.356: Future recovery	20.6: Overview	Is a future recovery calculation required if the final REO sale price exceeds the liquidation appraisal value? <b>Yes. 3555.356 and HB 20.6</b>  How is the future recovery calculation affected if USDA covered 100 percent of original loss? <b>The lender incurred no loss, all future recovery proceeds must be returned to USDA to offset losses adjusted by eligible allowances. 3555.356 and HB 20.6 A</b>  How is the future recovery calculation affected if the approved lender and USDA shared the original loss? <b>Recovery will first go to the lender and USDA to offset respective portions of any loss up to 35 percent of the original loan amount. Remaining portions go to USDA. 3555.356 and HB 20.6 B</b>



## RESOURCES

**USDA Income and Property Eligibility: Determine property and income eligibility**

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

**Guaranteed Loan Coordinator Contacts: Find the contact for your state:**

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction-GetRHContact&NavKey-contact@12>

**Regulations and Guidance:**

Only official publications and forms authorized by the National Office may be required and utilized for the nationwide delivery of the SFHGLP. There are no USDA forms published or required specific to the submission of credit waivers, debt ratio waiver requests, compensating factor identification, property inspections or payment shock.

**Regulations and Guidance Home Page:** <http://www.rurdev.usda.gov/RegulationsAndGuidance.html>

**7 CFR Part 3555:** [https://rurdev.usda.gov/rd\\_instructions.html](https://rurdev.usda.gov/rd_instructions.html)

**HB-1-3555:** <https://www.rurdev.usda.gov/Handbooks.html#hb355501>

**Forms:** <http://forms.sc.egov.usda.gov/eForms/searchAction.do?pageAction=BrowseForms& MenuAction=Yes>

**USDA LINC:** Access GUS, submit SFHGLP monthly and quarterly status reports, submit/monitor loss mitigation plans and loss claims, and submit payment of annual fees. <https://usdalinc.sc.egov.usda.gov>

**USDA LINC: Training and Resource Library:** Access online training, support documents and resources for loan origination and servicing.

<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>

**GOV Delivery:** Sign up to receive program updates by email for origination, servicing and/or GUS.

[https://public.govdelivery.com/accounts/USDARD/subscriber/topics?qsp=USDARD\\_25](https://public.govdelivery.com/accounts/USDARD/subscriber/topics?qsp=USDARD_25)

**USDA ITS Service Desk Support Center:** For e-Authentication assistance: Email: [eAuthHelpDesk@ftc.usda.gov](mailto:eAuthHelpDesk@ftc.usda.gov), or call 1-800-457-3642, option 1 (USDA e-Authentication Issues)

**Rural Development Help Desk:** For GUS system outage or functionality assistance: Email: [RD.HD@STL.USDA.GOV](mailto:RD.HD@STL.USDA.GOV), or call 1-800-457-3642, option 2 (USDA Applications) and then option 2 (Rural Development)