

# USDA Single Family Housing Guaranteed Loan Program

## National Homeownership Month 2023

Kendra Harmon, Finance & Loan Analyst  
Lender and Partner Activities Branch  
Washington, D.C.





# Welcoming Rural Americans Home

for Over 30 Years





# Today's Agenda:

- Mission Statement
- Single-Close Construction
- Rehabilitation & Repair
- Manufactured Housing
- Tribal Lending Initiative
- Program Updates



# Mission & Goals






# Single Family Housing Guarantee Loan Program

## VISION

To create efficiencies and cultivate partnerships to strengthen and expand the program to benefit rural communities.

## MISSION STATEMENT

Provide affordable and sustainable homeownership opportunities for low- and moderate-income people in rural areas that may not be afforded the opportunity to be homeowners otherwise.



# Affordable Housing Alternatives



# Basic Qualifications

1. Home located in rural area



2. Household income below 115% of MHI



# SFHGLP Comparison Chart



	USDA	FHA	VA	Fannie Mae Home Ready*	Fannie Mae Conventional 97%	Freddie Mac Home Possible *	Freddie Mac Home One
Purchase Price	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Interest Rate	5.50%	5.50%	5.50%	5.875%	6.00%	5.875%	6.00%
Downpayment	0	3.5% (\$8,750)	0	3% (\$7,500)	3% (\$7,500)	3% (\$7,500)	3% (\$7,500)
Upfront Guarantee Fee/UFMIP/Guaranty Fee	1% \$2,525.25	1.75% \$3,377.50	0-3.3% based on factors of service. Using 2.3% as an industry mode. \$5,750				
Total Base Loan	\$252,525.00	\$253,377.50	\$255,750.00	\$242,500.00	\$242,500.00	\$242,500.00	\$242,500.00
Monthly Annual Fee/MI	\$73.65 (.35%)	\$116.13 (.55%)	0	\$198.04 (.98%)	\$244.52 (1.21%)	\$198.04 (.98%)	\$244.52 (1.21%)
Out of Pocket	\$0	\$8,750	\$0	\$7,500	\$7,500	\$7,500	\$7,500
Total P&I, MI	\$1,507.46	\$1,554.78	\$1,452.12	\$1,632.52	\$1,698.43	\$1,632.52	\$1,698.43
Seller concession	6%	6%	6%	3%	3%	3%	3%
FTHB only	no	no	no	no	yes	no	yes



# Program Highlights

- 100% LTV financing (no down payment required)
- 1% Guarantee Fee may be included in loan
- Loan Amount may include typical closing costs, up to 100% of “As Improved” value
- Maximum loan amount based on “As Improved” value
- No limits on sales price or loan amount
- Not limited to first time home buyers





# Single-Close Construction





## Single Close Construction Loan Product

Combines the short-term interim construction loan with the traditional long-term permanent residential mortgage

# Single Close Construction Buyer Benefits



## **One Closing**

Only one loan closing required, saving borrower from excess closing costs



## **Re-amortization**

Remaining reserves are applied to reduce the principal balance



## **Payment Reserves**

Allows up to 12 months of P&I or PITI payments to be rolled into loan amount



## **Less Maintenance**

Owners of new construction have less maintenance than existing properties



## **Contingency Reserves**

Escrow up to 10% of purchase price to fund cost overruns to protect from out of pocket payments



## **Realtor Commission**

Paid at time of closing – prior to construction

# Single Close Construction Lender Benefits



## Reduced Risk

To Lenders with 90% guarantee and no capital needed from Builders



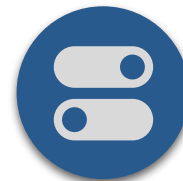
## Expand Client Base

Provides a no down-payment loan product for a new build in a low inventory market



## Loan Note Guarantee at Closing

Issued after closing before construction begins



## Two Products Available

Securitized and Standard



## Servicing Rights

Lenders may sell servicing rights immediately after closing



## Sellable on Secondary Market

Ability to sell immediately after closing on secondary market

# Securitized vs Interest Only

Interest rate, construction contingency, and payment reserves are established at close.

LNG issued at signing and construction begins.

## Securitized Version

Principal, interest, taxes, insurance (PITI) payments are made during construction from the reserve.

Construction complete. No loan mod needed. Excess contingency reserve funds applied as principal curtailment.

## Interest Only Version

Monthly interest is paid from interest payment reserve on construction loan balance.

Construction completed and excess reserves applied to principal. Loan modification to re-amortize the remaining balance.

# Lender Qualifications

## Lender Qualifications



USDA approval to participate in the SFHGLP



Lenders self-certify that staff has two or more years experience in making and administering construction loans



Lender may employ a construction loan management company with two or more years experience in lieu of in-house staff experience

# Lender Responsibilities



Monitor fixed price construction contract



Confirm eligibility of contractors/builders and approve if meets USDA requirements



Retain evidence of contractor/builder loan management company



Approve construction contractors that meet USDA requirements



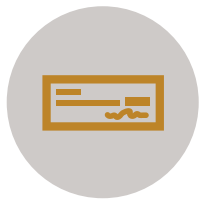
Monitor custodial reserve account if securitized or maintain warehouse line of credit



Approve any change orders during construction



# Builder Responsibilities



2 or more years experience with SFH construction



State issued contractor's license



Commercial general liability insurance



Provide references

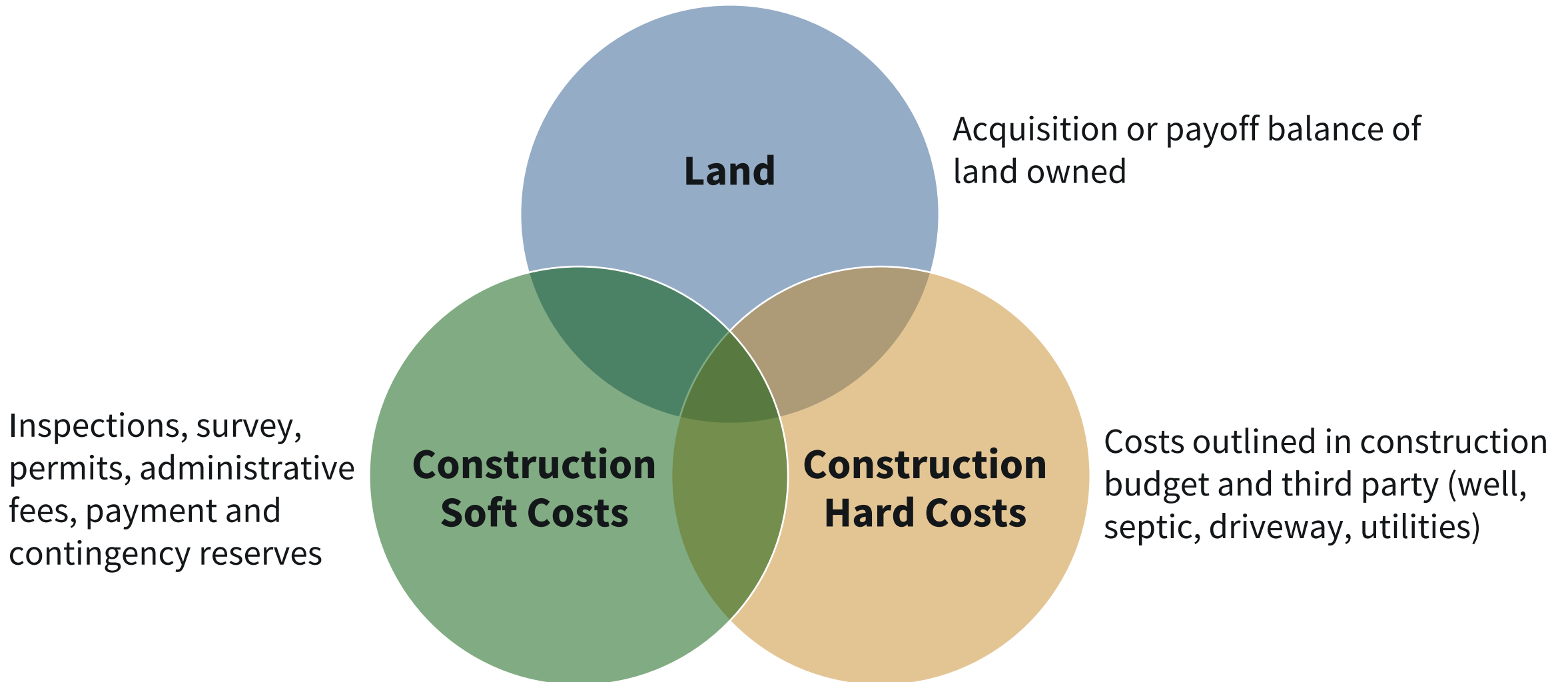


Must provide Builder's Warranty



Owner-builders not eligible

# Single Close Construction Loan



# Single Close Construction

**Land Value**

+

**All costs  
associated  
with  
construction**

+

**Reserves**

✓

**Appraised Value**

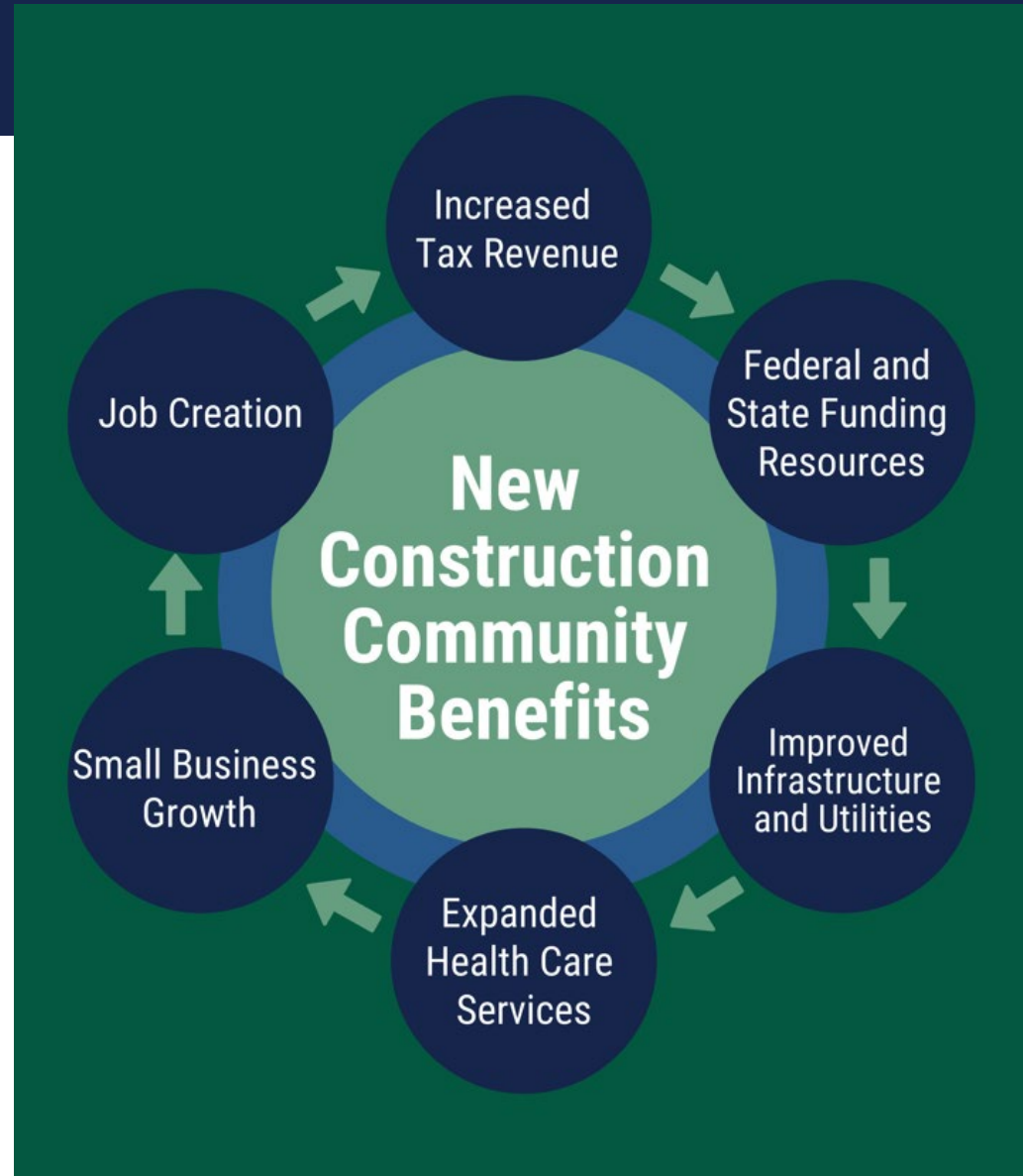
*The appraiser must be given all costs associated with the construction to be included in the final market value*



# Documentation Options

Documentation Requirements:	Option #1	Option #2	Option #3
<b>Evidence of certified plans and specifications</b>	Copy of the certification from a qualified individual or organization that the reviewed documents comply with applicable development standards; <b>OR</b>	Certificate of Occupancy issued by a local jurisdiction; <b>OR</b>	Building Permit (or equivalent) issued by local jurisdiction.
<b>Evidence of construction inspections</b>	Certificate of Occupancy issued by local jurisdiction showing at least 3 construction phase inspections, and an acceptable 1-year builder warranty; <b>OR</b>	Three construction phase inspections performed at each phase identified in Section 12.9(B) of our Handbook; <b>OR</b>	Final inspection and a 10-year insured builder warranty.
<b>Evidence of thermal standards</b>	The final inspection, or Certificate of Occupancy issued by local jurisdiction; <b>OR</b>	Builder may certify confirmation with the IECC standards; <b>OR</b>	A qualified, registered architect or qualified, registered engineer may certify confirmation with IECC standards.

# Single Close Construction Loan







# Rehabilitation and Repair



# Rehabilitation & Repair



Expand your client's inventory options through our Rehabilitation and Repair Loan Product!



# Single Close Rehab and Repair Benefits



**100% Financing** up to 100% of “as improved” appraised value.



**Loan Note Guarantee** is issued after closing – before repairs begin.



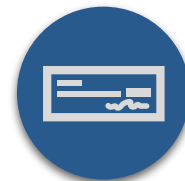
**Purchase Existing** while able to customize improvements.



**Reduced Risk to Lenders** as loans may be sold immediately on secondary market once the LNG is issued.



**One Loan Closing** with funding for both purchase and eligible rehabilitation.



**Realtor Commission** is paid at time of closing – prior to repairs.

# Property Eligibility

## Property Eligibility



New construction or incomplete constructions are not eligible. Home must be 12 months or older.



If dwelling must be demolished as part of rehab, the existing foundation must still be in place.



Properties where the foundation has been demolished or where only the footings remain are ineligible.

# Requirements

## Requirements



“As-Improved” value will be used as loan limit with copy of repairs and costs to be provided to appraiser.



Maximum construction period of 6 months with any extensions approved at Lender’s discretion.



Fully executed fixed-price contract to include start and end dates and made part of the security instrument.



If unpermitted work is discovered, code enforcement will determine process to permit previous construction – all permits must be obtained for new work.

# Non-Structural

# Structural

Finance up to \$35,000 in repairs



COST

Finance over \$35,000 in repairs

Subject to repair type



INSPECTION

Qualified inspector is required

Allowed –  
10% if utilities are on; 15% if utilities are  
off



CONTINGENCY

Allowed –  
10% if utilities are on; 15% if utilities are  
off

Optional

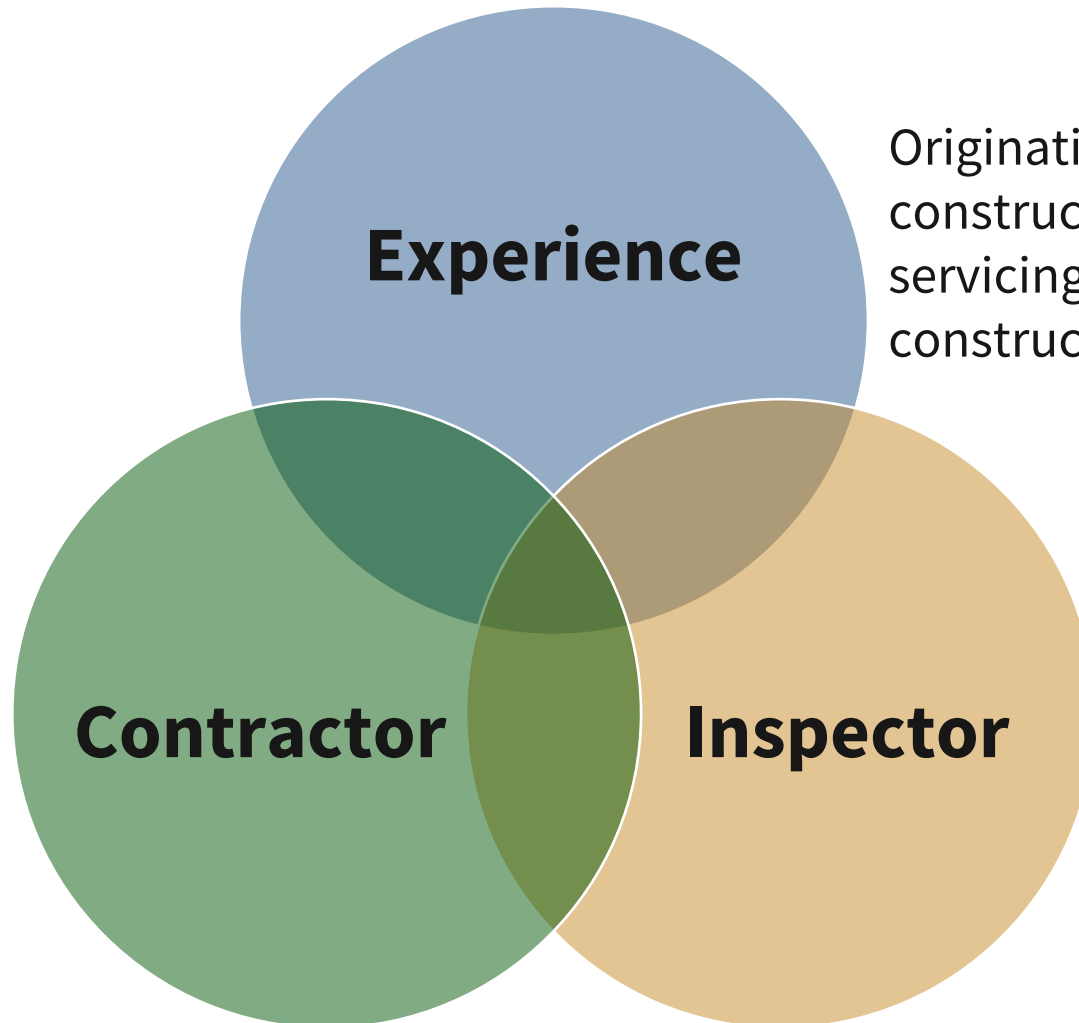


RESERVES

PITI reserves up to 6 mos when dwelling is  
uninhabitable

# Managing Construction

The borrower may not act as the general contractor; builder/contractors must meet USDA requirements



**Experience**

Originating lenders do not need construction experience if servicing lender will administer construction phase

**Contractor**

**Inspector**

The lender may engage any inspector or consultant deemed qualified by the lender to evaluate the property

# Eligible Loan Purposes



## Eligible Loan Costs:

- ✓ Upgrade and renovate kitchen, bathrooms, floor coverings, etc.
- ✓ Create accessible amenities for individuals with disabilities
- ✓ Structural alterations, additions, or reconstruction
- ✓ Install energy conservation or weatherization features
- ✓ Addition of garage; attached or detached
- ✓ Remove health and safety hazards
- ✓ Repair or install utilities



# Prohibited Loan Purposes

## Prohibited Loan Purposes:

- Investment properties
- Installation of new swimming pools, saunas or hot tubs
- Installation of luxury items such as exterior fireplaces, backyard kitchens, etc.
- Convert existing structures such as a barn or outbuilding into a single family dwelling
- Alterations that allow income producing property
- Repair to new or existing manufactured homes or condos
- Repairs or improvements to common spaces such as playgrounds or meeting rooms





# Manufactured Housing





# Manufactured Housing



When used in conjunction with the Single Close Construction product Manufactured Housing is a great purchase option for your homebuyer!

# Manufactured Homes

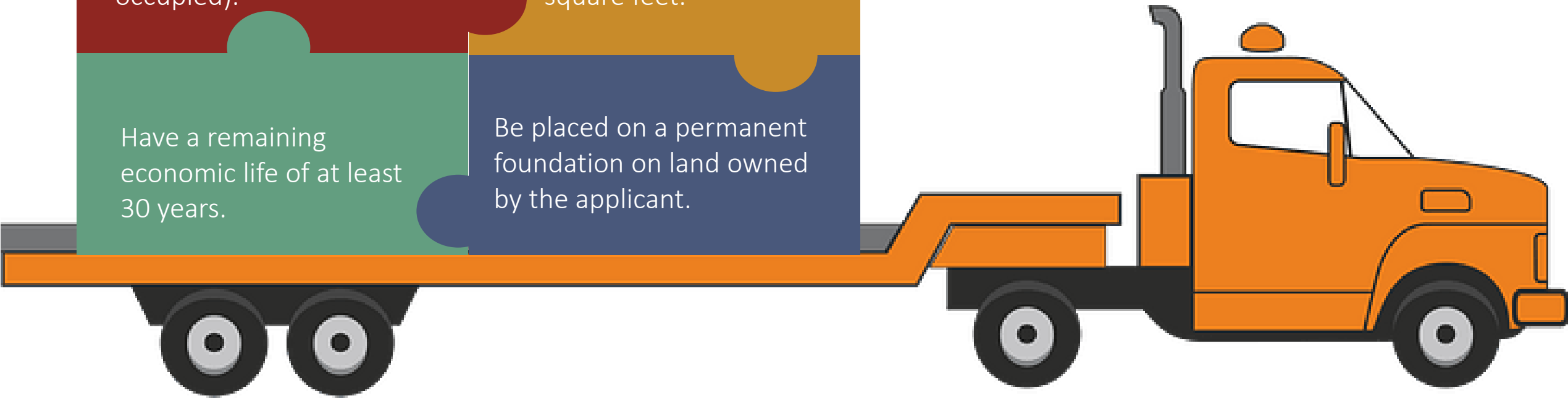
## Unit must...

Be new (less than 12 months old and never occupied).

Have a minimum floor area of 400 square feet.

Have a remaining economic life of at least 30 years.

Be placed on a permanent foundation on land owned by the applicant.



# Manufactured Homes

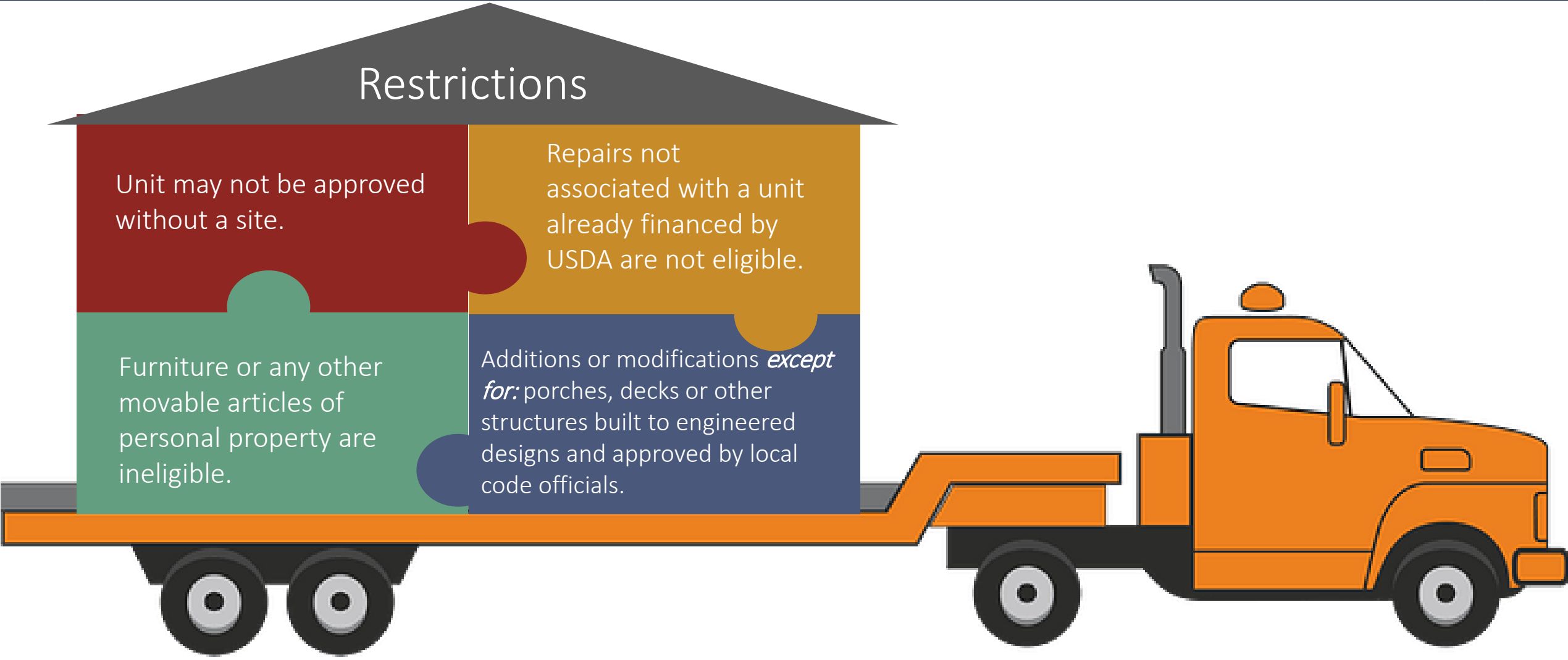
## Restrictions

Unit may not be approved without a site.

Repairs not associated with a unit already financed by USDA are not eligible.

Furniture or any other movable articles of personal property are ineligible.

Additions or modifications *except for*: porches, decks or other structures built to engineered designs and approved by local code officials.



# Manufactured Homes

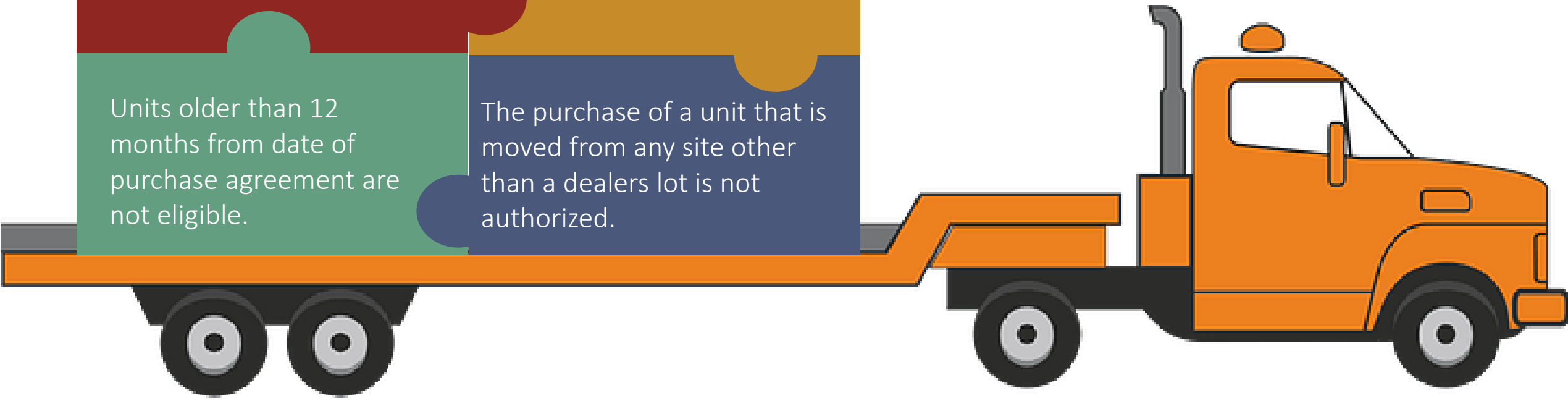
## Restrictions

Units with towing hitch are not authorized.

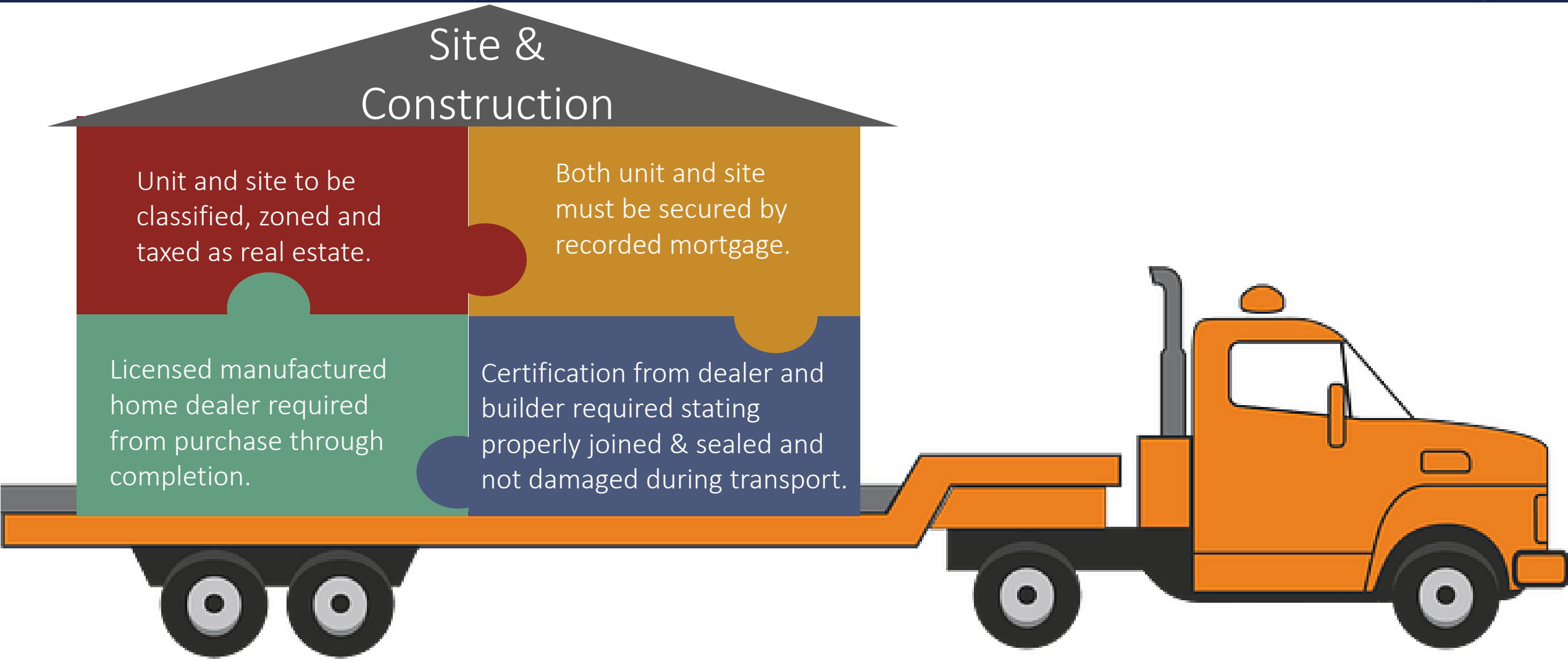
Units with running gear remaining are not eligible.

Units older than 12 months from date of purchase agreement are not eligible.

The purchase of a unit that is moved from any site other than a dealers lot is not authorized.



# Manufactured Homes



# Manufactured Homes

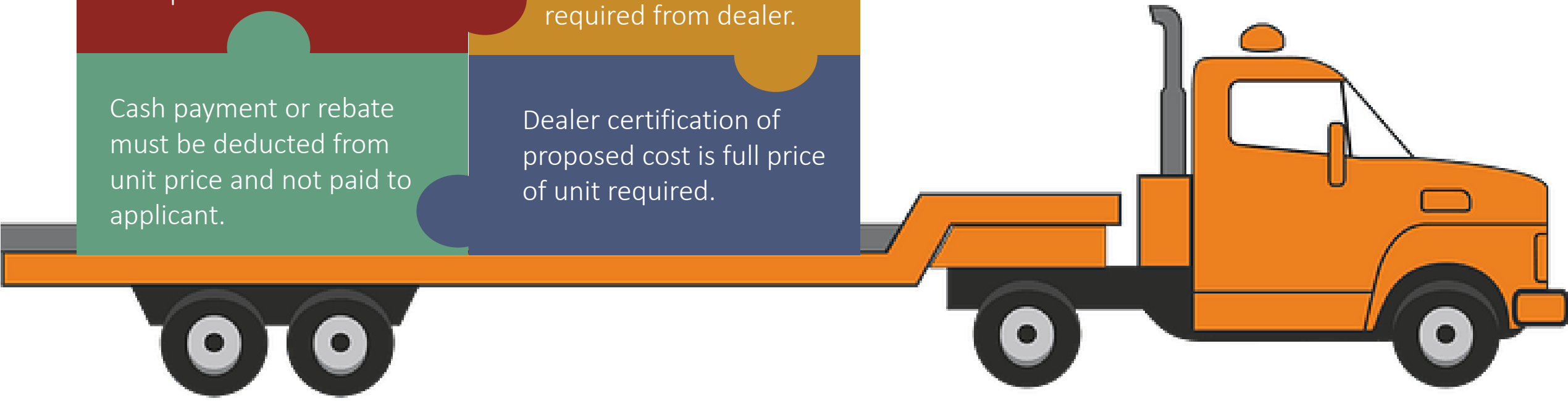
## Site & Construction

Foundation must meet HUD Handbook requirements.

Itemized cost breakdown of complete construction package required from dealer.

Cash payment or rebate must be deducted from unit price and not paid to applicant.

Dealer certification of proposed cost is full price of unit required.





# Manufactured Homes – Pilot Program

Federal Register :: Single Family Housing Section 502 Direct and Guaranteed Manufactured Housing Pilots

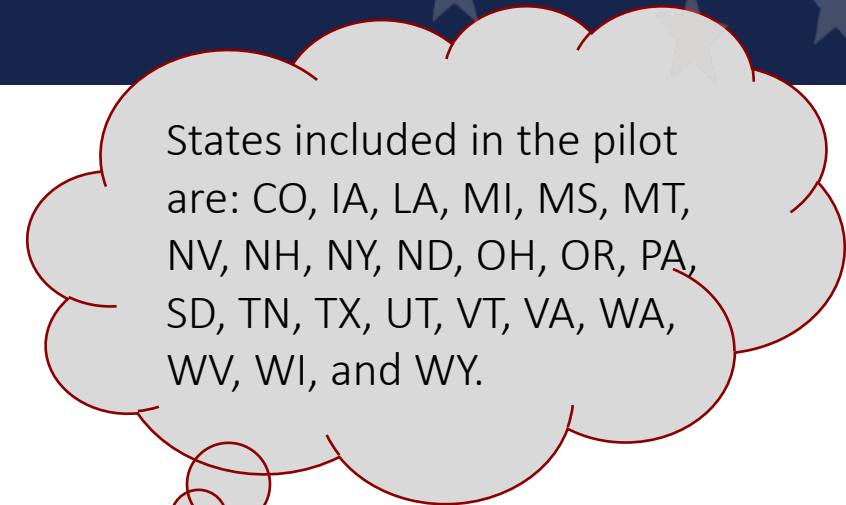
## Unit must...

Have been constructed on or after January 1, 2006.

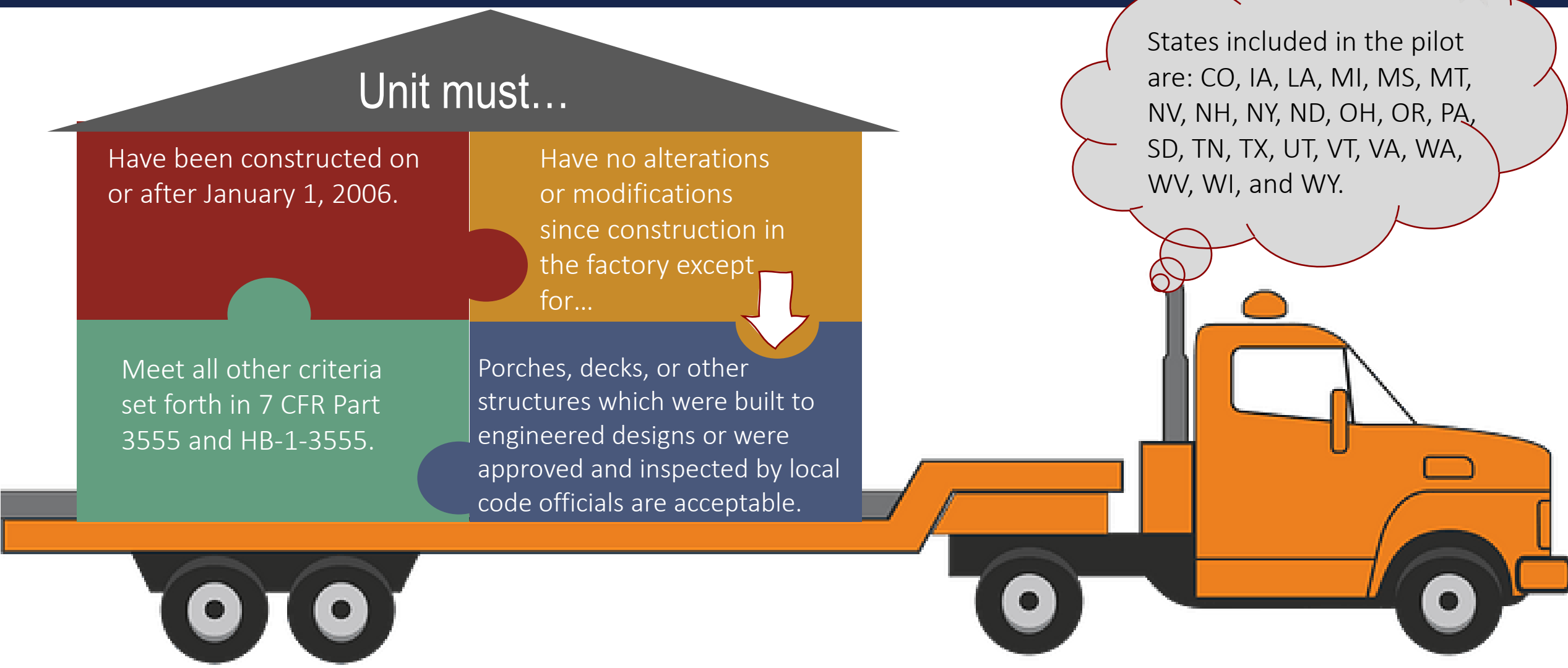
Have no alterations or modifications since construction in the factory except for...

Meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555.

Porches, decks, or other structures which were built to engineered designs or were approved and inspected by local code officials are acceptable.



States included in the pilot are: CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY.





# Tribal Lending Initiatives





# Memorandum of Understanding

- Predefine the roles in the event of a loan default. Eliminate court involvement and legal complexities
- Form is fluid and open to alterations to fit needs of lenders and tribes with USDA oversight
- 90% Loan Note Guarantee = 100% coverage for first 35%, 85% coverage for the next 65%



## Memorandum of Understanding Between the United States Department of Agriculture, and an Indian Tribe or the Tribe's Designated Housing Entity and a USDA Approved Guaranteed Lender

### I. Purpose

The U.S. Department of Agriculture (USDA) and the \_\_\_\_\_ Tribe (Tribe) or \_\_\_\_\_, its authorized Tribal Designated Housing Entity (TDHE ) and \_\_\_\_\_, a USDA Approved Guaranteed Lender (Lender) (hereinafter referred to collectively as the Parties) enter into this Memorandum of Understanding (MOU) to implement actions that will expand homeownership opportunities on the \_\_\_\_\_ Reservation. The purpose of this MOU is to set forth the principles and procedures which will be utilized by the USDA, the Tribe or its designated TDHE, and Lender to extend homeownership opportunities through the USDA Single Family Housing Guaranteed Loan Program (SFHGLP) to eligible applicants participating in the Tribe's/TDHE's Risk Pool Program (Risk Pool).

### II. Background

Native Americans in the United States face worse housing conditions, disproportionately high unemployment and extreme poverty. In 2013, the U.S. Census Bureau reported that American Indians and Alaska Natives were almost twice as likely to live in poverty as the rest of the population. Traditionally, Native American and Alaskan Native communities have had limited access to financial opportunities for home loans on restricted trust lands.

The SFHGLP is administered by USDA Rural Development the Agency. The purpose of the SFHGLP is to provide low- and moderate-income people who will live in rural areas with an opportunity to own decent, safe and sanitary dwellings and related facilities. The SFHGLP offers persons who are without sufficient resources to provide necessary housing and who are unable to secure the credit necessary for such housing from other sources at reasonable terms and conditions, an opportunity to acquire, build, rehabilitate, improve, or relocate dwellings in rural areas. 7 C.F.R. part 3555. The Rural Housing Service of USDA recognizes that the SFHGLP provides an avenue to increase homeownership on restricted tribal trust lands to eligible borrowers.

### III. Legal Authorization

The USDA enters into this MOU under the following authority:  
42 U.S.C. 1441 et seq. (Housing Act of 1949, as amended)

The TDHE enters into this MOU under the following authority:  
[Insert authorization from the Tribe (e.g. tribal council resolution, bylaws)]

# Tribal Lending Pilots

## Appraisals

- Addresses current lack of resources and expertise of appraisers with knowledge and experience of trust land property
- Allows for desktop appraisals to be completed by qualified appraisers with knowledge in trust land
- Allows for a qualified person with expertise of build or re-build on tribal land to provide the Agency with the cost to build new or re-build for existing along with property-specific information



# Tribal Lending Pilots



## **Repair/Rehab**

- Will make allowances for properties currently owned to be treated as purchases
- Must not have current lien on property
- Will not allow for cash-out; solely for use of funds for repairs/rehab for existing property
- Follows all other guidelines as our existing rehab/repair product

# Memorandum of Understanding – Department of Hawaiian Home Lands

- Updated MOU in December 2022
- Original MOU executed in 1995
- Current portfolio of loans under this MOU is over \$21M
- Partnership between USDA, SFHGLP and DHHL to assist low to very-low income households in underserved communities in rural Hawaiian areas



AGREEMENT BETWEEN  
THE DEPARTMENT OF HAWAIIAN HOME LANDS, STATE OF HAWAII  
AND THE  
UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT, RURAL HOUSING SERVICE

This Memorandum of Understanding (MOU) replaces and supersedes the MOU entered on August 30, 1995 by the same parties. This MOU is entered into between the United States of America, acting through the United States Department of Agriculture (USDA), Rural Housing Service, in the Rural Development Mission Area (hereinafter referred to as “Rural Development”), and/or any successor agency or Mission Area, and the Department of Hawaiian Home Lands, State of Hawaii (DHHL) to support the guarantee of loans for the acquisition of residential housing to low- and moderate-income lessees of Hawaiian Home Lands in the State of Hawaii.

I. Purpose

This agreement defines the basic responsibilities of Rural Development, when acting as guarantor through the Single Family Housing Guarantee Loan Program, 42 U.S.C. § 1472(h), and DHHL regarding the guaranteeing of mortgages on Hawaiian Home Lands leaseholds. Pursuant to applicable statutory and regulatory standards and requirements, Rural Development will guarantee against losses on eligible loans originated and held by Rural Development-approved lenders pursuant to Title V of the Housing Act of 1949. The guaranteeing of any loans pursuant to this MOU shall be subject to the availability of funding and to applicable lender and borrower eligibility requirements.



# 2023 Lender Awards



# 2023 Top 5 Originators



Josh Jones and Rob Cameron with Movement Mortgage accepting their 1<sup>st</sup> place Top Originator award from Cathy Glover, Deputy Administrator, Single Family Housing



# 2023 Top 5 Wholesale Lenders



Brittany Deiner accepting on behalf of United Wholesale Mortgage for 1<sup>st</sup> Place Wholesale Lender with Ingrid Ripley, Executive Director, SFHGLP



# 2023 Top 3 Underwriting Quality

## 2023 Top Underwriting

1. Plains Commerce Bank
2. Iowa Bankers Mortgage Corp
3. Benchmark Mortgage



Kevin Nelson, accepting 1<sup>st</sup> Place Underwriting award on Behalf of Plains Commerce bank with Cathy Glover, Deputy Administrator of the Single Family Housing Program



# 2023 Top 3 State Lenders

## 2023 Top State Lenders

1. HR Mortgage Corp - PR
2. First Home Mortgage Corp - MD
3. Jersey Shore State Bank - PA



Nitza Rodrigues and Harry Rodriguez accepting the Top State Lender Award on behalf of HR Mortgage Corp with Joaquin Altoro, Administrator, Rural Housing Service

# 2023 Top SFHGLP Product Producers



**Single Close Construction: 1<sup>st</sup> Signature Lending**



**Rehab and Repair: Union Home Mortgage**



**Manufactured Origination: 1<sup>st</sup> Signature Lending**



**Manufactured Wholesale: American Financial Resources**



# Handbook Updates



# Citizenship or Immigration Status

- Effective May 20, 2022
- Temporary revision to Chapter 8 paragraph F, *"Having Acceptable Citizenship or Immigration Status"*
  - 7 CFR 3555.151(b)
  - "Individuals with a **valid social security number and valid Employment Authorization Document (EAD)**, such as Form I-766, issued by the U.S. Department of Homeland Security, are eligible to participate in the SFHGLP."
- SAVE will continue to be utilized to determine eligibility through GUS. The codes have been modified to reflect the expanded eligibility.

## Temporary Waiver



# HB-1-3555, Chapter 9 Update

## GovDelivery Notice Dated January 9, 2023

Revised guidance for sourcing deposits in depository accounts:

- All recurring deposits, regardless of amounts
- All non-recurring deposits greater than \$1,000

Assets and Reserves
<b>Depository Accounts: Checking, Money Market Accounts, and Savings</b>
<b>Documentation:</b> <ul style="list-style-type: none"><li>• Two months of recent bank statements; or</li><li>• Verification of Deposit (VOD) and a recent bank statement; or</li><li>• Alternate evidence (i.e. statement print outs stamped by lender) to support account activity and monthly balances.</li><li>• Investigate all recurring deposits on the account statements that are not attributed to wages or earnings to confirm the deposits are not from undisclosed income sources. There is no tolerance or percentage of the amount of a recurring deposit that is not required to be investigated.</li><li>• Investigate individual (non-recurring) deposits greater than \$1,000 on the account statements that are not attributed to wages or earnings to confirm the deposits are not from undisclosed income sources.</li><li>• If the source of a deposit is readily identifiable on the account statement(s), such as a direct deposit from an employer, the Social Security Administration, an IRS or state income tax refund, or a transfer of funds between verified accounts, and the source of the deposit is printed on the statement, the lender does not need to obtain further explanation or documentation. However, if the source of the deposit is printed on the statement, but the lender still has questions as to the source of the deposit, the lender should obtain additional documentation.</li></ul>
<b>Reserves: Eligible</b> <ul style="list-style-type: none"><li>• Lenders must use the lesser of the current month's balance or previous month's ending balance when calculating reserves. Deposited gift funds require further documentation and calculation. Refer to the "Gift Funds" section of this Attachment for further guidance.</li></ul>
<b>Funds to Close: Eligible</b>

# Notice of Eligible Area Map Review

Chapter 1	Overview
Chapter 2	Record Retention
Chapter 3	Lender Approval
Chapter 4	Lender Responsibilities
Chapter 5	Origination and Underwriting Overview
Chapter 6	Loan Purposes
Chapter 7	Loan Terms and Conditions
Chapter 8	Applicant Characteristics
Chapter 9	Income Analysis
Chapter 10	Credit Analysis
Chapter 11	Ratio Analysis
Chapter 12	Property and Appraisal Requirements
Chapter 13	Special Property Types
Chapter 14	Funding Priorities
Chapter 15	Submitting the Application Package
Chapter 16	Closing the Loan and Requesting the Guarantee
Chapter 17	Regular Servicing-Performing Loans
	Servicing Non-Performing Loans - Accounts with Repayment Problems
Chapter 18	
Chapter 19	Loss Claim - Collecting on the Guarantee
Appendix 1	7 CFR part 3555
Appendix 2	Forms and Instructions
Appendix 3	Review and Appeals
Appendix 4	Agency and Employee Addresses
Appendix 5	Income Limits
Appendix 6	Interest Assistance

## Notice of Potential Changes to Eligible Area Maps for USDA Rural Development Housing Programs



The Agency is currently reviewing potential changes to eligible area maps for all USDA Rural Development Housing Programs. The Rural Development State offices conduct reviews every five years to determine the designated areas of property eligibility for program lending. The last rural area reviews were performed in 2017-2018 using 2015 American Community Survey (ACS) data. This review will utilize the 2020 United States decennial census data. The periodic review involves opportunities for public comment and review in three phases:

- **90-Day Public Review Notices (access the full list [here](#)):** Each State Office published a 90-day notice March 8<sup>th</sup>-10<sup>th</sup> of 2023 to inform the public of areas where eligibility designation is under review. These 90-day public notices identify the areas under review, invites public comments, and provides state contact information. All comments must be submitted to the applicable state contact as provided on the notice.
- **30-Day Publish Inspection Notices:** Prior to making the final rural area decision, the public will be provided an opportunity to review any comments received from the 90-Day Public Notice. The 30-Day Public Inspection Notice will include a description of any proposed boundary revisions and provide a link to a revised map eligibility site that will reflect all proposed revisions. A new GovDelivery notice will be sent at this time.
- **30-Day Final Notices:** If a determination is made that a rural area designation will change from rural to non-rural, a one-time 30-day notice will be published. The notice will describe the revised boundary lines, the effective date of the redesignation, and provide a link to the map eligibility site to reflect the change.

### CHAPTER 11: RATIO ANALYSIS

To determine if the applicant's repayment income can cover the anticipated monthly housing expense and total debt service, the Agency has established standards for debt-to-income (DTI) and total debt (TD) ratios; however, these standards may vary when valid compensating factors are present.

The Agency will review the repayment income, as determined by the lender and the borrower's financial records, to ensure it meets the standards in the handbook. To qualify for a guarantee, borrowers must meet both the DTI and TD ratios.

Borrowers must have repayment ability if their proposed monthly housing expense is less than 29 percent of their repayment income. Monthly housing expense is not limited to:

• Monthly payment on the mortgage;

• Property taxes, whether escrowed or not;

• Insurance, whether escrowed or not;

• Monthly fee for annual fee;

• Monthly dues and regular assessments;

• Other payments, whether escrowed or not; and

# HB-1-3555, Chapter 4 & 6 Updates

## Updates to HB-1-3555, Chapters 4 and 6

The Single Family Housing Guaranteed Loan Program (SFHGLP) is pleased to announce revisions to technical Handbook-1-3555, Chapter 4, Lender Responsibilities, and Chapter 6, Loan Purposes. These changes became effective upon the recent issuance of a Procedure Notice (PN). Below are the highlighted revisions:

### Chapter 4 – Lender Responsibilities

- Paragraph 4.2 was revised to add guidance on Conflicts of Interest, clarifying that employees that have an impact on the mortgage transaction are prohibited from having multiple roles or multiple sources of compensation, either directly or indirectly, from a single Rural Development transaction. In addition, guidance was added clarifying that employees who are also the applicant may not participate in any part of the loan process on behalf of the lender.
- Paragraph 4.12 was revised to update the link to the Lender Loan Closing (LLC) User Guide.

### Chapter 6 – Loan Purposes

- Paragraph 6.2C was revised to add environmental inspections as an eligible loan cost, replaced the term “seller concessions” with “interested party concessions,” and clarified that funds provided by the seller for repairs are not included in the 6% interested party concession limitation, but must be held in an escrow account.
- Paragraph 6.2D was revised to clarify that existing borrowers on the current mortgage note must remain on the refinanced loan to be consistent with Attachment 6-A and clarified that lenders are required to complete annual income calculations to ensure the allowable maximum income limit is not exceeded.

Chapter 1	Overview
Chapter 2	Record Retention
Chapter 3	Lender Approval
Chapter 4	Lender Responsibilities
Chapter 5	Origination and Underwriting Overview
Chapter 6	Loan Purposes
Chapter 7	Loan Terms and Conditions
Chapter 8	Applicant Characteristics
Chapter 9	Income Analysis
Chapter 10	Credit Analysis
Chapter 11	Ratio Analysis
Chapter 12	Property and Appraisal Requirements
Chapter 13	Special Property Types
Chapter 14	Funding Priorities
Chapter 15	Submitting the Application Package
Chapter 16	Closing the Loan and Requesting the Guarantee
Chapter 17	Regular Servicing-Performing Loans
Chapter 18	Servicing Non-Performing Loans - Accounts with Repayment Problems
Chapter 19	Loss Claim - Collecting on the Guarantee
Appendix 1	7 CFR part 3555
Appendix 2	Forms and Instructions
Appendix 3	Review and Appeals
Appendix 4	Agency and Employee Addresses
Appendix 5	Income Limits
Appendix 6	Interest Assistance

### CHAPTER 11: RATIO ANALYSIS

To determine if the applicant's repayment income can cover the anticipated monthly housing expense and total debt service, the Agency has established standards for homeownership. The Agency has established standards for the debt-to-income (DTI) and total debt (TD) ratios; however, these standards are not applicable when valid compensating factors are present.

The Agency will determine the repayment income, as determined by the lender in the Handbook. To qualify for a guarantee, borrowers must meet both the DTI and TD ratios.

Borrowers must have repayment ability if their proposed monthly housing expense is not limited to:

• Payment on the mortgage;

• Taxes, whether escrowed or not;

• Insurance, whether escrowed or not;

• Fees for annual fee;

• Utility charges and regular assessments;

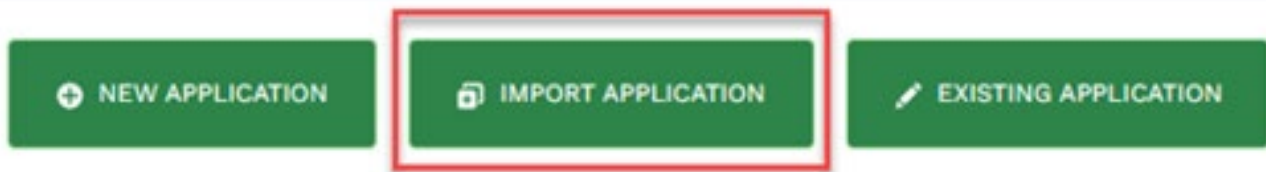
• Other debts, whether escrowed or not; and

# GUS Reminder



**Reminder! Help save time by updating the information in GUS without manually inputting the change!**

- Lenders can update an existing application using the import feature
- Ensure that the Lender Loan Number recorded in your LOS matches the Lender Loan Number in GUS



## Increase efficiency and navigate GUS like a pro!

- Most data captured in GUS mirrors the data collected on the Uniform Residential Loan Application (i.e., 1003). Users should use the “Validate Application” pushbutton (located on each GUS page) to verify their data entries meet the requirements for either a Preliminary (P) or Final (F) submission to GUS. After selecting the “Validate Application” pushbutton, if validation errors exist, a new browser tab will display that details each data entry error by GUS page. There is a column for “Prelim” and a column for “FNL” which indicates which fields require attention for a successful underwriting submission by the lender. As corrections are made, users can initiate additional “Validate Application” requests to view progress.
- Credit Report Failure Messages (i.e., 600's) - These error messages are returned by the Fannie Mae Credit Interface and are typically relayed from the specific credit vendor requested by the lender user (Credit Underwriting page) in GUS. These errors are not being returned by GUS. Users should only contact the GUS Help Desk after checking user data inputs (e.g., credit report “Reference Number”, credit vendor “Account Number” and/or credit vendor “Password”, Borrower Name, SSN, Address, etc.) and confirming there are no errors.
- Lenders should provide all the following information when requesting assistance from the Help Desk:
  - Lender Name (If user is a Lender Agent, provide Approved Lender’s Name as well)
  - Screenshot of error message
  - Full name of user experiencing issue
  - GUS Application ID (if applicable)
  - Date/Time of attempted file import (for file import failures only)
- **Reminder** – Updates to an existing application are permitted in GUS using the file import feature. The lender must ensure the Lender Loan Number recorded in their Loan Origination System (LOS) matches the Lender Loan Number on the existing application in GUS, prior to updating an existing application via file import. This feature allows users to update information in GUS without manually keying in each change (eliminating duplicate data entry and frequency of errors).



Have a question on  
**POLICY?**

Contact the PAC team!



Have a question on a  
**SPECIFIC FILE?**

Contact the OPD!



Need **TRAINING?**

Contact the LPA team!



## Contact List SFHGLP ([usda.gov](https://usda.gov))



Single Family Housing Guaranteed Loan Program (SFHGLP)

Contacts & Resources

TOPIC	CONTACT
<b>File-Specific Questions</b> Information to include in email: <ul style="list-style-type: none"><li>Identify the state the application is located; if applicable;</li><li>Provide applicant's name and USDA borrower ID, if applicable;</li><li>GUS loan number, if applicable</li><li>Include contact information; and</li><li>Indicate if you would like a call back (otherwise you will receive an email reply)</li></ul> File-Specific Questions by phone:	Production Team One: <a href="mailto:SFHGLPONE@usda.gov">SFHGLPONE@usda.gov</a> AK, AL, AZ, CA, CO, GU, HI, IA, ID, KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WP, WY Production Team Two: <a href="mailto:SFHGLPTWO@usda.gov">SFHGLPTWO@usda.gov</a> AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK Production Team Three: <a href="mailto:SFHGLPTHREE@usda.gov">SFHGLPTHREE@usda.gov</a> CT, DE, GA, IL, MA, MD, ME, MI, NC, NH, RI, SC, VT, WV Production Team Four: <a href="mailto:SFHGLPFOUR@usda.gov">SFHGLPFOUR@usda.gov</a> FL, IN, OH, PA, PR, TN, VA, VI <b>*833-314-0168, ext. 2</b>
Lender Approval/Recertification	<a href="mailto:sfhgld.compliance@usda.gov">sfhgld.compliance@usda.gov</a> or <b>*833-314-0168, ext. 3</b>
Lender Self-Report (e-mail only)	
Program Training	<a href="mailto:sfhgld.lenderpartner@usda.gov">sfhgld.lenderpartner@usda.gov</a>
Program Marketing & Outreach	
General Loan Scenario Questions	<a href="mailto:sfhgld.program@usda.gov">sfhgld.program@usda.gov</a> or <b>*833-314-0168, ext. 4</b>
Loan Policy/Regulation/Handbook	
Turn Times	<b>*833-314-0168, ext. 1</b>
Loan Servicing	<a href="mailto:sfhgldpservicing@usda.gov">sfhgldpservicing@usda.gov</a>
Technical Issues: GUS	<a href="mailto:RD_HD@USDA.GOV">RD_HD@USDA.GOV</a> or <b>*833-314-0168, ext. 5</b>
Technical Issues: e-Authentication	E-Authentication FAQs: <a href="https://www.eauth.usda.gov/eauth/b/usda/faq">https://www.eauth.usda.gov/eauth/b/usda/faq</a> E-Authentication Contact Us: <a href="https://www.eauth.usda.gov/eauth/b/usda/contactus">https://www.eauth.usda.gov/eauth/b/usda/contactus</a>
Loss Claims	<a href="mailto:guarantee.svc@usda.gov">guarantee.svc@usda.gov</a>
Monthly & Quarterly Status Reporting	
GUS User Agreements	<a href="mailto:rd.nfaoc.hsb@usda.gov">rd.nfaoc.hsb@usda.gov</a>

**\*Phone System Availability: 9:00 am to 3:30 pm ET**

### TOOLS & RESOURCES

Regulation and Handbook: <https://www.rd.usda.gov/resources/directives>

Lender Webpage: Turn times, contact information, and helpful links: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>

USDA LINC: Training modules, user guides, and more useful resources: <https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>

GovDelivery: Receive notifications regarding origination, servicing, and GUS updates:  
<https://public.govdelivery.com/accounts/USDARD/subscriber/new>

Revised 07.28.2022

In-Person Training



St. Louis, MO 8/15-16

Lewisville, TX 9/12-13



Don't forget to register  
via GovDelivery



## USDA Lender & Servicing Training ([govdelivery.com](https://govdelivery.com))

### SFH Guaranteed Origination

May 24, 2023

#### **USDA Lender & Servicing Training** *Live, In-Person, and Free!* **St. Louis, MO and Lewisville, TX**

The Single Family Housing Guaranteed Loan Program (SFHGLP) is happy to announce we are offering two live and in-person training conferences this year at no cost to our lending partners. Each location will offer one day of training for Lenders and one day of training for Servicers. **Seating is limited, register today!**

*(USDA will not charge a registration fee. Attendees are responsible for all travel costs.)*



**Loan Origination Training:** This day's agenda will focus on loan origination and underwriting guidelines of the Handbook and Regulations. USDA will cover all key components of qualifying and approving potential program borrowers and provide an update on USDA programs and portfolio review.

**Loan Servicing Training:** This day's agenda will focus on the methodology and processes of handling troubled loans in your USDA portfolio. USDA will cover the entire waterfall of loss mitigation options and the specific rules and processes of administration and provide an update on USDA programs and portfolio review.

*Registrants will be provided with a detailed agenda and other guidance such as hotel recommendations in the coming weeks.*

# SFHGLP Product Training Support

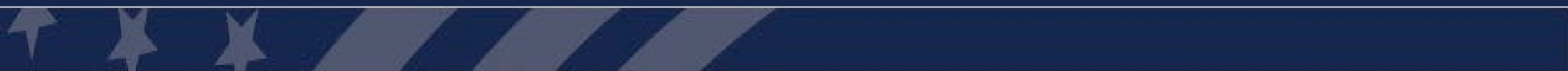
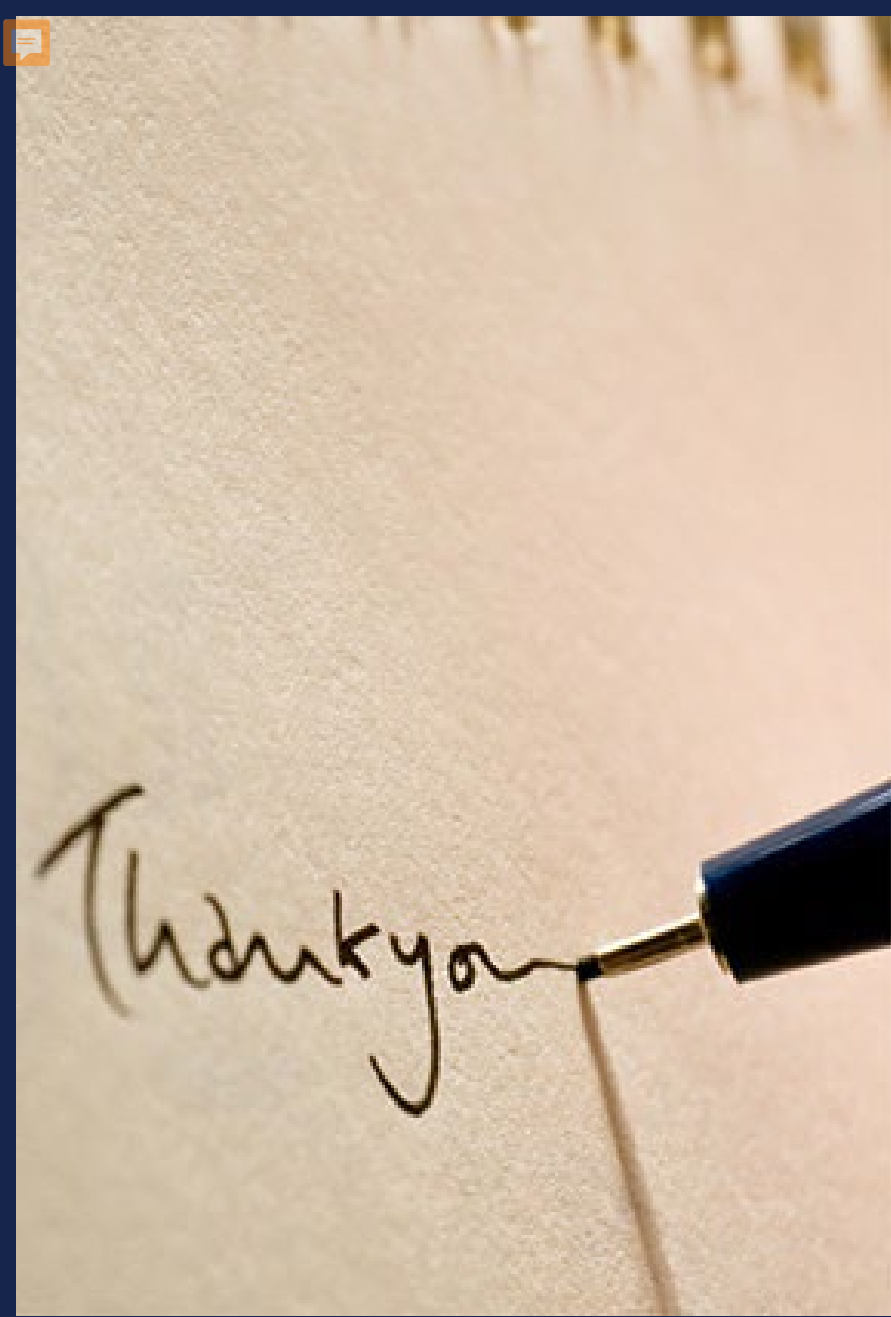
[sfhgld.lenderpartner@usda.gov](mailto:sfhgld.lenderpartner@usda.gov)

Rehabilitation & Repair

Manufactured Housing

Single Close Construction  
Loan Product







[www.rd.usda.gov](http://www.rd.usda.gov)

*USDA is an equal opportunity provider, employer, and lender.*

