

Welcome to Loan Terms, presented by USDA's Single Family Housing Guaranteed Loan Program!



Training Objectives:

- Mortgage information
- Lender information
- Property information
- Purpose of loan

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The objectives of this training will review the Loan Terms application page including:

- Mortgage information,
- Lender information,
- Property information, and
- Purpose of loan.

Loan Terms Type of Mortgage an	d Terms of Loan	
Mortgage Applied for Loan Amount (**) (**) Interest Rate (%) (**) Interest Rate Type (**) Interest Rate Locked Date No. of Months (**) Upfront Guarantee Fee / Annual Fee Option (**)	\$144,444.44 4.5000% Check Fannie Mae Interest Rates Locked 02/09/2017 360 FY17: 1% GuarFee + .35% AnnFee Annual Fee Amortization Schedule	

The first section of the Loan terms application page is the "Type of Mortgage and Terms of Loan." Users must review and complete the following data fields:

- Mortgage Applied for: RHS is the only option that will display and it cannot be changed
- Loan Amount: The <u>total loan</u> request should be entered in this data field. This may include the purchase price, closing costs, prepaids, and additional eligible loan purposes up to the maximum loan amount. Failure to enter the correct total loan amount will affect additional GUS application pages and data fields
- Interest Rate: Enter the interest rate for the loan. When a final underwriting submission is executed, the interest rate confirmed in this data field is the rate that will be displayed on the Conditional Commitment issued to the approved lender. Any increases to the interest rate after USDA has issued a Conditional Commitment will require GUS to be released for correction and a new Conditional Commitment will be issued.
- Interest Rate Type: Select the option of "Locked" or "Floating." A link to the Fannie Mae Interest Rates online is available to assist lenders to determine the correct maximum interest rate and compliance with the regulation.
- Interest Rate Locked Date: If the interest rate is locked, enter the date it was locked. The date of the rate lock will determine the maximum interest rate that may be charged to the applicant in accordance with 3555.104(a). If the interest rate is "floating", this data field is not required. However, lenders are reminded that when the interest rate is

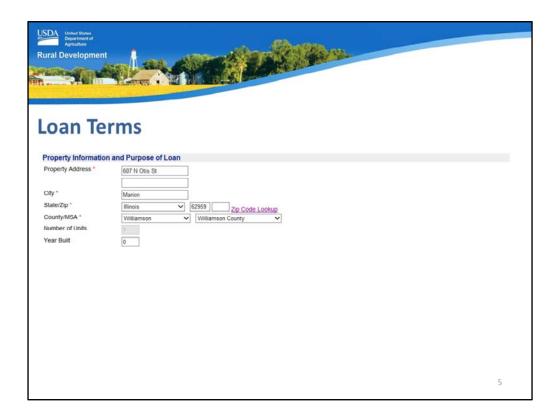
locked: 1. it must not exceed the maximum allowable interest rate under 3555.104(a) and 2. may not exceed the interest rate entered on this application page and reflected on the Conditional Commitment, otherwise release and correction will be required.

- No. of Months: Only thirty year loans are eligible for the guaranteed loan program. Therefore this data field will reflect "360" months and is unable to be edited.
- Upfront Guarantee Fee/Annual Fee Option: Select the appropriate fiscal year (FY) fee structure. When one FY is coming to a close, GUS will updated to reflect the upcoming FY fee structure to accommodate loans that will not be final submitted to USDA before the end of business on September 30th of that year. A link to view the Annual Fee Amortization Schedule is available.

Loan Terms		
Lender Information		
Lender Loan Number (F)	111222333	
USDA Assigned Branch Nbr	001 Branch List	
Lender Name	CARDINAL LENDING	
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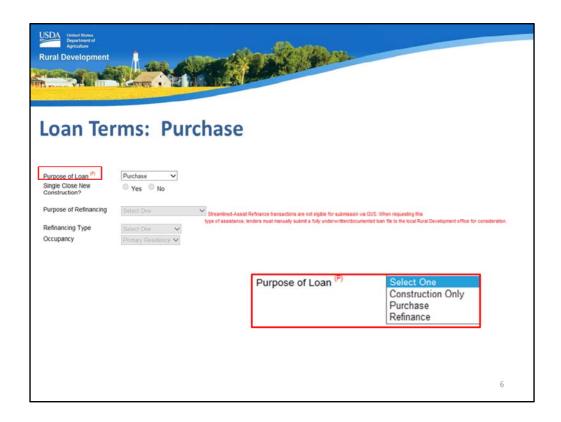
Lender information includes the following:

- Lender Loan Number: The lender may enter any identifying number for this loan into GUS. Do not use any special characters.
- USDA Assigned Branch Number: This data field will be prefilled by GUS based upon the credentials of the GUS user associated with their e-Auth ID. Sometimes the Branch Number may need to be revised. For example: Some lenders assign their originators and agents to one branch, but the underwriters are assigned to a different branch. Once the underwriter has control of the GUS loan application they may select "Branch List" and every branch for which they are approved to select will display. Underwriters must ensure the branch they select is a designated underwriting branch with USDA, otherwise a final underwriting submission attempt to USDA may not occur.
- Lender Name: This data field will also prefill by GUS based on the users e-Auth ID.



Under "Property Information and Purpose of Loan" the property address, city, state, zip, county, and MSA will be filled in to match the information entered by the lender on the "Eligibility" application.

- Number of Units: Only one unit single family housing properties are eligible for the guaranteed loan program. This data field will be completed with "1" and is unable to be edited.
- Year Built: Users may enter the year the dwelling was built, but this data field is not required to be completed for a preliminary or final underwriting submission.

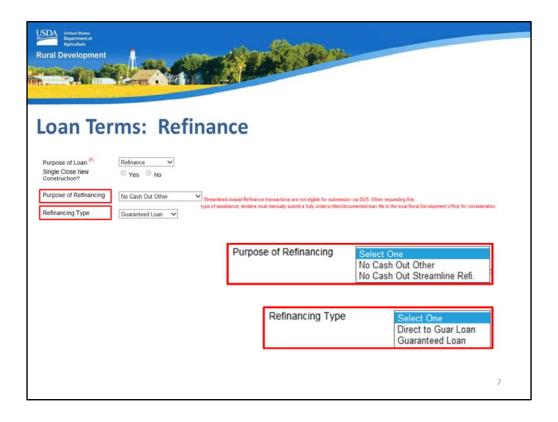


The "Purpose of Loan" can be selected as:

- Construction Only
- Purchase
- Refinance

This screen displays an example of a "Purchase" transaction.

Because purchase was selected, the rest of the data fields displayed will be grayed out and unavailable because they do not apply to a purchase.



When "Refinance" is selected the "Single Close New Construction" radio buttons will be unavailable since they do not apply to a refinance transaction.

"Purpose of Refinancing" may be selected as:

- No Cash Out Other
- No Cash Out Streamlined Refi

The red message states "Streamlined-Assist Refinance transactions are not eligible for submission via GUS. When requesting this type of assistance, lenders must manually submit a fully underwritten/documented loan file to the local Rural Development office for consideration."

"Refinancing Type" may be selected as:

- Direct to Guar Loan: this is a Section 502 direct loan that is being refinanced into a new guaranteed loan
- Guaranteed Loan: this is a Section 502 guaranteed loan to a new guaranteed loan

Select the appropriate Section 502 refinance transaction.



Loan Terms: New Construction

- Combination Construction and Permanent Loans (Single-close)
- 2. Interim construction loan rolled to permanent loan
- 3. Construction complete prior to issuance of LNG

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There are three potential new construction loan scenarios:

- Combination Construction and Permanent loan, also known as the single close new construction loan. Under this program USDA will issue the Loan Note Guaranteed before construction begins or before the dwelling is completed.
- 2. Interim construction loans for completed dwellings may also be rolled into a permanent guaranteed loan upon completion.
- 3. New construction dwellings that are completed, including spec homes, are yet another potential new construction scenario.

The following slides will assist users to properly complete GUS data fields regarding the type of new construction financing and transaction.



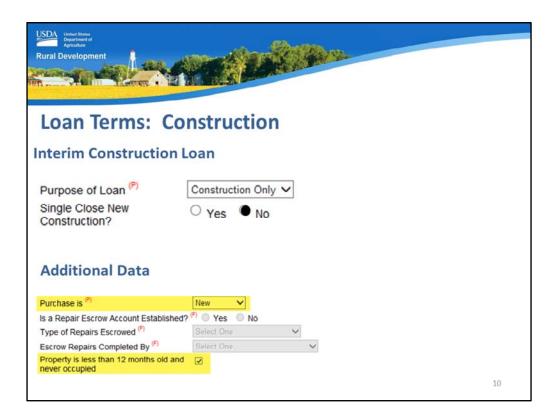
The following slides will help users to accurately document a new construction transaction on the "Loan Terms" and "Additional Data" application pages.

On the "Loan Terms" application page for Combination Construction and Permanent Loans, also known as "Single Close" users should select:

- Purpose of Loan: Construction Only
- Single Close New Construction: Select Yes.

The "Additional Data" application page should have the:

- Purchase is: New
- Property is less than 12 months old and never occupied: Check the box.



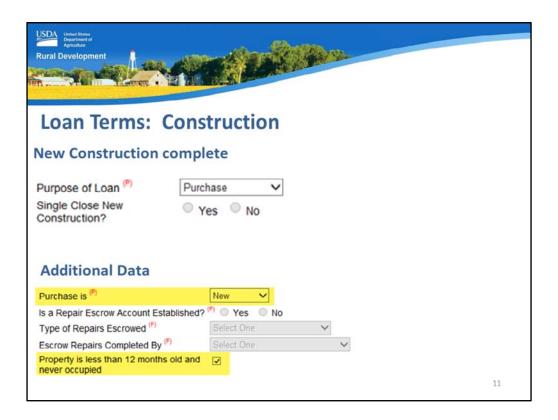
For applicant's that have secured interim construction financing, and now will require a guaranteed loan to provide for permanent financing, also referred to as a double close transaction, the following data entries should be selected.

On the "Loan Terms" application page the user should select:

- Purpose of Loan: Construction Only
- Single Close New Construction: Select No.

On the "Additional Data" GUS application page users must select:

- Purchase is: New
- Property is less than 12 months old and never occupied: Check the box.



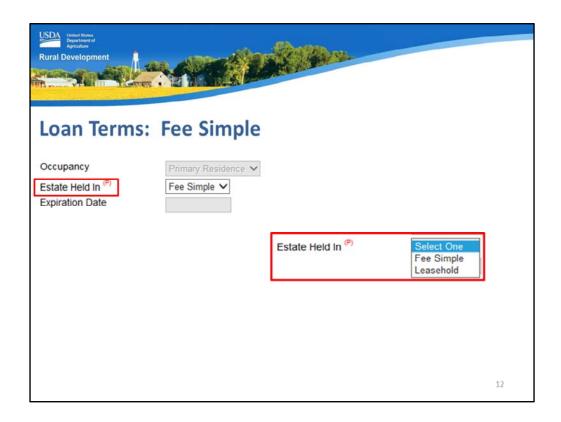
When the new construction dwelling is purchased by the applicant with no construction financing carried by the applicant, or the home is complete such as a builder spec home, then the user must complete the GUS application data fields as follows:

On the "Loan Terms" page, users must select:

- Purpose of Loan: Purchase
- The "Single Close New Construction?" option will be grayed out and unable to be selected as it will not apply to this transaction.

On the "Additional Data" GUS application page, select the:

- Purchase is: New
- Property is less than 12 months old and never occupied: Check the box.

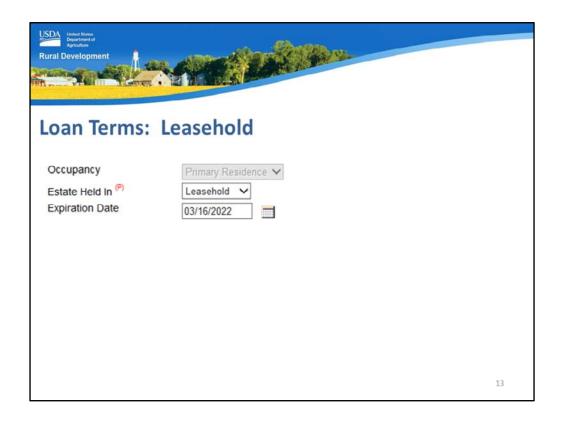


"Occupancy" will always display "Primary Residence" and be unable to be edited.

"Estate Held In" may be:

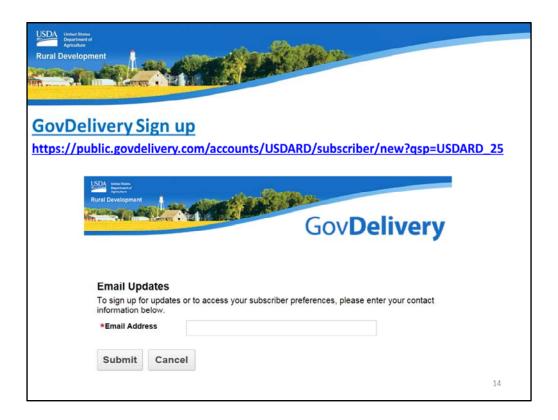
- Fee Simple
- Leasehold

When fee simple is selected the "Expiration Date" data field will be unavailable for data entry.



When leasehold is selected, the "Expiration Date" data field will be available for data entry.

A calendar icon is available to help enter the date.



Please sign up for GovDelivery messages. USDA sends out origination (including GUS) and servicing messages to alert lenders of new publications, clarifications, and additional program updates.



Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program! We appreciate the opportunity to help you serve more rural homebuyers!



This will conclude the training module. Thank you and have a great day!