



United States
Department of
Agriculture

Rural Development



Property Eligibility

Single Family Housing Guaranteed Loan Program



Training Objectives

- Where is the topic located?
 - * 7 CFR Part 3555 and HB-1-3555
- Learning Checks
- Resources



Things change!

- Every effort has been made to ensure training references are accurate at the time of publication.
- Always reference the most recent USDA publications available online.



Guaranteed Loan Program Regulation

7 CFR Part 3555

- The regulation is the rule!
- 8 Subparts: A – H
- Appendix 1



7 CFR Part 3555

<http://www.rd.usda.gov/publications/regulations-guidelines>

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- Publications for Cooperatives
- Rural Cooperatives Magazine
- Strategic Plan
- Congressional Testimony
- Transcripts and Speeches

Regulations & Guidelines

All Federal regulations can be found at Regulations.gov and customers can search, review and submit comments on Federal documents that are open for comment and published in the Federal Register.

As a service to our customers, we post Rural Development's Instructions, Administrative Notices, and forms. The Instructions are available in three file formats: Adobe Acrobat (PDF), Microsoft Word 6.0 (doc) and Text (txt). To the extent possible, all documents have been made available in either Adobe Acrobat Ver 5.0 and higher, or Text and are 508 compliant. If you should have accessibility issues and need a hard copy, please send an e-mail to comments@wdc.usda.gov.

If you are having problems with this page, need a hard copy of any of the documents due to accessibility issues or would like to be added to the Regulations Update distribution list (available for Rural Development employees only with a valid Rural Development e-mail address), please e-mail comments@wdc.usda.gov.

Rural Development

- Administrative Notices
- Instructions
- Forms
- Spanish Forms, Form Letters and Guide Letters
- **Handbooks**
- Procedures Notices
- Significant Guidance Documents
- Unnumbered Letters
- Federal Register Publications



7 CFR Part 3555

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Fact Sheets	HB-2-3550 Direct Single Family Housing Loans and Grants - Centralized Servicing Center Handbook
Regulations & Guidelines	HB-1-3555 SFH Guaranteed Loan Program Technical Handbook
Reports	HB-1-3560 MFH Loan Origination Handbook
Dispute Appeals	HB-2-3560 MFH Asset Management Handbook
Publications for Cooperatives	HB-3-3560 MFH Project Servicing Handbook
Rural Cooperatives Magazine	HB-1-3565 Guaranteed Rural Rental Housing Program Origination and Servicing Handbook
	Application Information Systems Support Handbook
	HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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 - 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** - Custodial and Real Estate Owned Property
 - Chapter 20** - Loss Claims - Collecting on the Guarantee
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- ### Glossary
- Appendix 1** - 7 CFR part 3555
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 - Appendix 8** - EDI Documentation
 - Appendix 9** - Penalties
 - Appendix 10** - Unnumbered Letter and State Supplements



7 CFR Part 3555

Subpart E: Underwriting the Property

- **.201: Site requirements**
- .202: Dwelling requirements
- .203: Ownership requirements
- .204: Security requirements
- .205: Special requirements for condominiums
- .206: Special requirements for community land trusts
- .207: Special requirements for Planned Unit Developments (PUD's)
- .208: Special requirements for manufactured homes
- .209: Rural Energy Plus loans



7 CFR Part 3555

3555.201

Site requirements.

(a) Rural areas.

(b) Site standards.



7 CFR Part 3555: 3555.201(a)

Sec. 3555.201 Site requirements.

- (a) Rural areas. Rural Development will only guarantee loans made in rural areas designated as rural by Rural Development. However, if a rural area designation is changed to nonrural:
- (1) Existing conditional commitments in the former rural area will be honored;
 - (2) A supplemental loan may be made in accordance with Sec. 3555.101 in conjunction with a transfer and assumption of a guaranteed loan;
 - (3) Loan requests where the application and purchase contract was complete prior to the area designation change may be approved; and
 - (4) REO property sales and transfers with assumption may be processed.



Guaranteed Loan Program Technical Handbook

HB-1-3555

- Provides guidance to support the regulation
- HB is not the rule
- 20 Chapters



HB-1-3555

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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HB-1-3555: Chapter 12

SECTION 1: UNDERWRITING THE PROPERTY

12.2 OVERVIEW

12.3 RURAL AREA DESIGNATION

A. Rural Area Definition

B. Notification of Rural Area Designation

C. Making Loans in Areas Changed to Non-rural

12.4 SITE REQUIREMENTS



HB-1-3555: Chapter 12.2 A

Rural Area Designation:

- Determined by USDA
- Changes may be due to periodic review or decennial census
- USDA reviews areas every 5 years
- Public notification given 30 days prior to effective date
- Additional Resources: 7 CFR Part 3550, 3555.10 and HB 3550, 5.3



HB-1-3555: Chapter 12.2 B

Notification of Rural Area Change:

- Maps available online
- Address may be entered
- Property Determinations include:
 - Eligible
 - Ineligible, or
 - Unable to be Determined



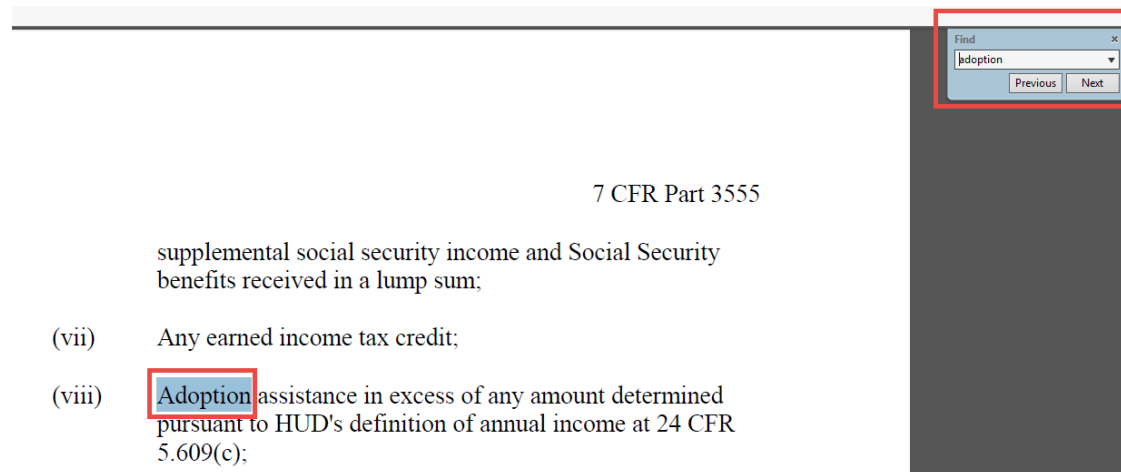
HB-1-3555: Chapter 12.2 C

Making Loans in Areas Changed to Non-rural:

- Complete application already submitted to USDA, awaiting processing
- Conditional Commitment already issued by USDA, pending loan closing
- USDA REO Sales and Transfer and Assumptions
- Supplemental loan made in conjunction with transfer and assumption

TIPS

- Underwriter = USDA Approved Lender
- USDA = not an underwriter
- Research Rule & HB questions: Table of Contents
- Research Rule & HB questions: Control + F



7 CFR Part 3555

supplemental social security income and Social Security benefits received in a lump sum;

(vii) Any earned income tax credit;

(viii) **Adoption** assistance in excess of any amount determined pursuant to HUD's definition of annual income at 24 CFR 5.609(c);

The screenshot shows a document page with a search box in the top right corner. The search box contains the word "Adoption" and has "Previous" and "Next" buttons. The document text includes "7 CFR Part 3555" and a list of items. The word "Adoption" in item (viii) is highlighted with a red box.



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ONLINE TOOLS



Online: Property and Income Eligibility

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

The screenshot shows the USDA Rural Development Eligibility website. At the top left is the USDA logo and the text "United States Department of Agriculture Rural Development". On the right side of the top navigation bar, the word "ELIGIBILITY" is displayed in all caps. Below the navigation bar, there are several menu items: "Home", "Tutorials", "Single Family Housing Guaranteed", "Single Family Housing Direct", "Multi-Family Housing", "Rural Business", and "Water and Environmental". A second row of menu items includes "Property Eligibility", "Previous Eligibility Areas", "Income Eligibility", "Income Limits", and "Loan Basics". A green banner labeled "Rural Housing Services" is visible. A white disclaimer box is overlaid on the page, containing the text: "Property Eligibility Disclaimer. Every effort is made to provide accurate and complete information regarding eligible and ineligible areas on this website, based on Rural Development process, or determination provided by this system. Final determination of property eligibility must be made by Rural Development upon receipt of a viewing the eligibility map, you must accept this disclaimer." The disclaimer box also includes the USDA logo and the text "United States Department of Agriculture Rural Development". At the bottom right of the disclaimer box, there are "Accept" and "Decline" buttons. The page also features a "Home" and "Tutorials" link in a dark blue bar.



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Enter address

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ELIGIBILITY

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business Water and Environmental

Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits Loan Basics

Find Your Address go!



Switch Basemap





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Enter address



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Home Tutorials

Single Family Housing Guaranteed

Single Family Housing Direct

Multi-Family Housing

Rural Business

Water and Environmental

Property Eligibility

Previous Eligibility Areas

Income Eligibility

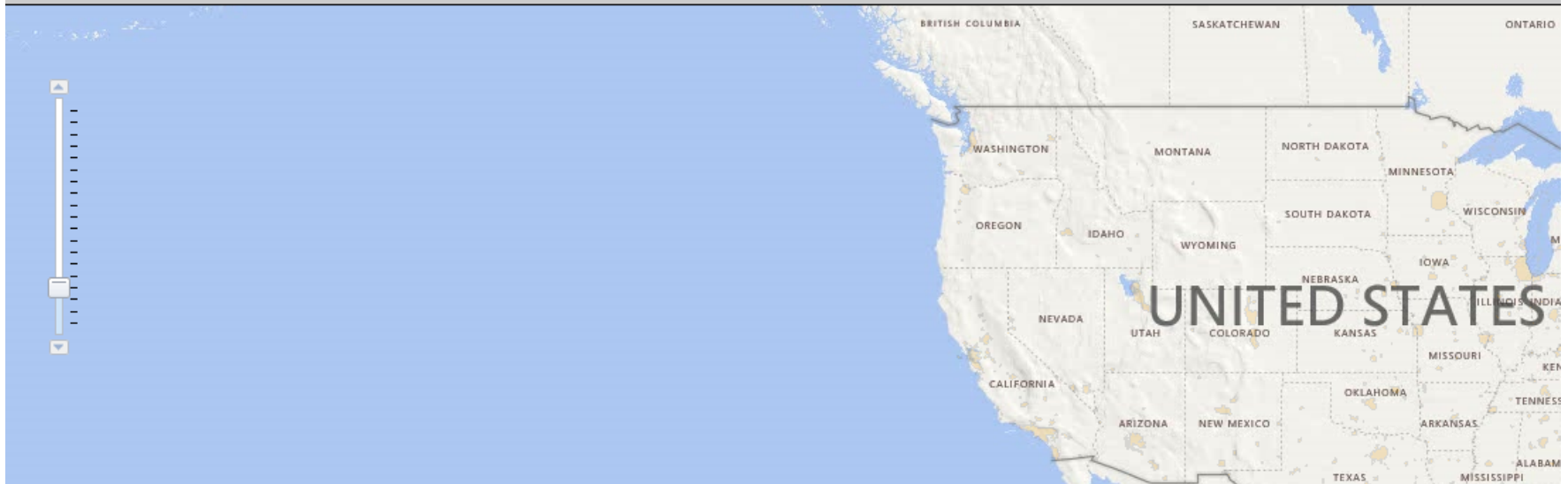
Income Limits

Loan Basics



1100 Oakwood, Marion, IL 62959

GO!





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Eligibility Determination Delivered



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Single Family Housing Guaranteed

Single Family Housing Direct

Multi-Family Housing

Rural Business

Water and Environmental

Property Eligibility

Previous Eligibility Areas

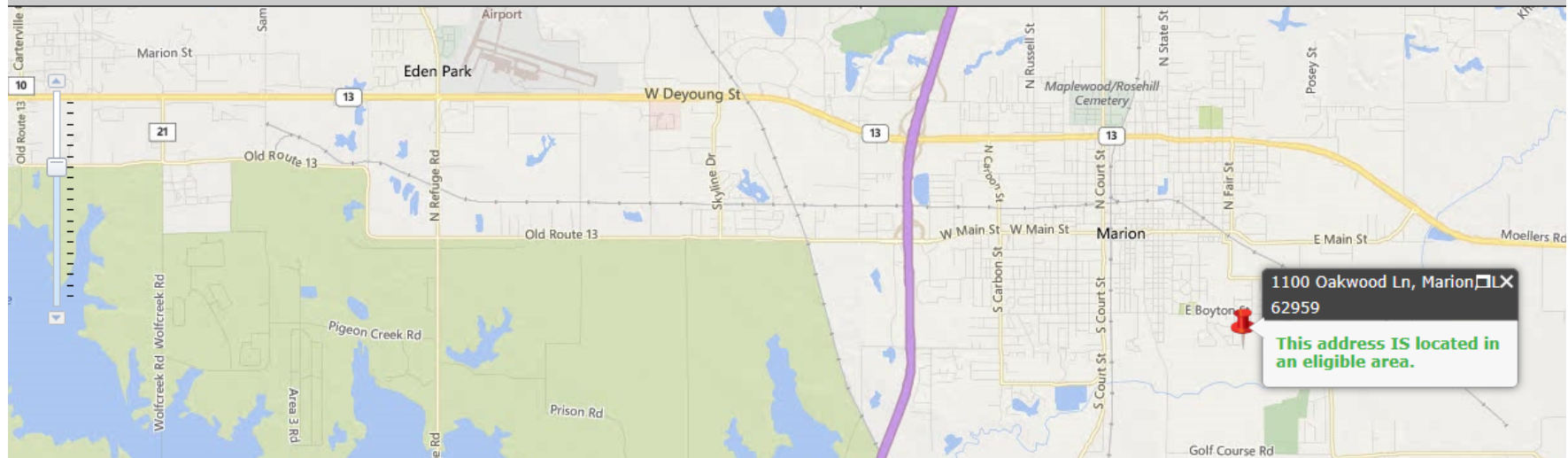
Income Eligibility

Income Limits

Loan Basics

1100 Oakwood, Marion, IL 62959

GO!



1100 Oakwood Ln, Marion, IL 62959

This address IS located in an eligible area.



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Property Determinations:

1. Eligible
2. Ineligible
3. Unable to Determine: Contact USDA State Office for assistance



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Change the look of property map display

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ELIGIBILITY

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business Water and Environmental

Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits Loan Basics

1100 Oakwood, Marion, IL 62959 GO!



Switch Basemap



Switch Basemap



Bing Maps Aerial



Bing Maps Hybrid



Bing Maps Road



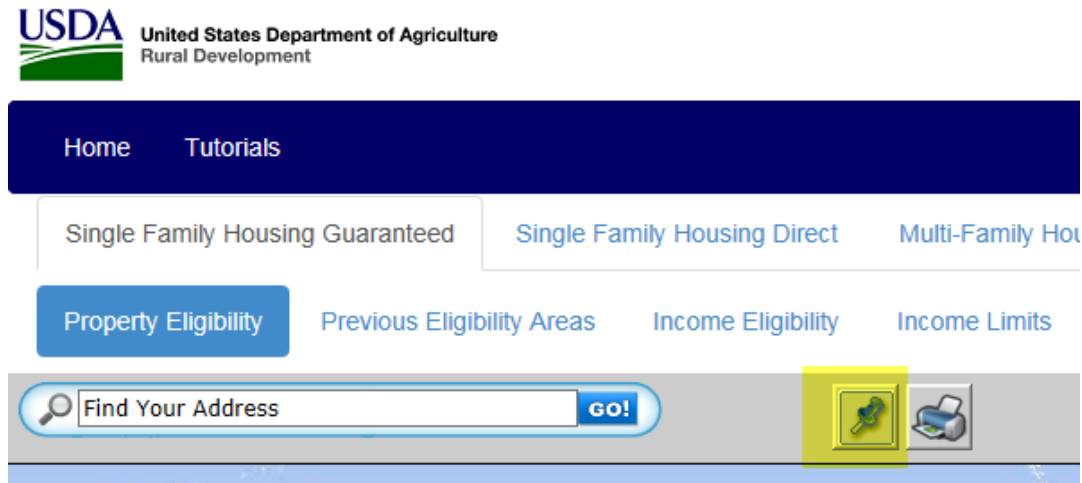
Helpful Tips:

- Enter complete addresses, including zip code
- Use “Google” or “Bing” to verify address if unsure about rendered determination
- Use the “Zoom” tools on the Eligibility page to ensure the property is showing a correct result



Helpful Tips:

- Enter Latitude and Longitude coordinates of the property using this option:





GUS Loans

- Enter complete address on “Eligibility” application page
- GUS will render a property eligibility determination
- Lenders must review the determination and take further action if applicable



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7 CFR PART 3555 / HB-1-3555

LEARNING CHECKS



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Question Slide

“Topic”

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed



ANSWER SLIDE

“Topic”

ANSWER: 7 CFR Part 3555 and HB-1-3555 references provided

X. Correct Response

- Additional guidance for clarification may be provided



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LET'S

GET STARTED.



Rural areas

- The property eligibility website returns “Unable to Determine”
- The loan cannot be submitted to USDA

A. TRUE B. FALSE



Rural areas

ANSWER: 3555.201(a), HB 12.3 B

B. FALSE

- Verify data entered for accuracy
- Contact USDA for assistance



Rural areas

- A rural area is changed from eligible to ineligible
- Only guaranteed loans with issued conditional commitments may be closed in this area

A. TRUE

B. FALSE



Rural areas

ANSWER: 3555.201(a), HB 12.3 C

B. FALSE

In addition to issued commitments, the following remain eligible:

- Applications submitted to USDA prior to effective date
- USDA REO sales and Transfer and Assumptions
- Supplemental loans in conjunction with a Transfer and Assumption



Rural areas

- Refinance loan
- Property address was eligible at time of purchase, it is now ineligible
- GUS returns “Ineligible” for property eligibility result
- This loan is ineligible for refinance

A. TRUE

B. FALSE



Rural areas

ANSWER: 3555.201(a), HB 12.3 C

B. FALSE

- Refinance loans may continue for properties now located in an ineligible area
- Loan request may still be submitted in GUS to USDA with an “Ineligible” property determination
(excludes streamlined assist refinances)
- USDA will change the determination when the loan is processed



Rural areas

- Purchase loan
- GUS returns “Unable to Determine” for property eligibility result
- Lender verifies property is located in an eligible area
- This loan cannot be submitted through GUS to USDA

A. TRUE B. FALSE



Rural areas

ANSWER: 3555.201(a), HB 12.3 A

B. FALSE

- Loan request may still be submitted through GUS to USDA
- Lender must upload documentation to support property location
- USDA will verify and change the determination when the loan is processed



Rural areas

- Purchase loan
- GUS returns “Ineligible” for property eligibility result
- Lender does not verify property, it truly is ineligible
- The loan can be submitted through GUS to USDA

A. TRUE

B. FALSE



Rural areas

ANSWER: 3555.201(a), HB 12.3 A

A. TRUE

- GUS will allow the loan to transmit to USDA
- Lender has not read the findings report accurately
- USDA will ensure property is ineligible and issue loan denial



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**WAY
TO GO!**



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Housing Guaranteed Loan
Program!





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