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Department of
Agriculture
Rural Development


Submitting a Complete Loan Application for Conditional Commitment

Getting Form RD 3555-18/18E

Single Family Housing Guaranteed Loan Program

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Welcome to Submitting a Complete Loan Application for Conditional Commitment! This training will help you successfully receive a conditional commitment from USDA, Form RD 3555-18/18E. This training is presented by USDA's Single Family Housing Guaranteed Loan Program!



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Training Objectives

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

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The objectives of the training include:

1. Demonstrating where the training topic is located in the program regulation, 7 CFR Part 3555 and the technical handbook, HB-1-3555.
2. Providing learning checks to help you gain a working knowledge of the topic, and
3. Links to online resources to assist in locating program information.



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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.

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Every effort has been made to ensure this training and all references are accurate, however, new program revisions and clarifications may occur.

Therefore, please ensure you always reference the most recent USDA publications available online.

This training module is not intended to replace the need to reference the regulation, technical handbook, and additional USDA published documents regarding the Guaranteed Loan Program.



Guaranteed Loan Program Regulation
7 CFR Part 3555

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

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7 CFR Part 3555 is the program regulation. It is the first place users should look for the answers to their questions.

The regulation is the rule and it cannot be overridden by the technical handbook.

The 7 CFR Part 3555 is comprised of 8 subparts, A through H.

You can access the full regulation online as Appendix 1 from the Regulations and Guidelines website.

The screenshot shows the USDA Rural Development website. At the top left, the USDA logo and 'Rural Development' text are visible. Below this is a banner image of a rural landscape. The main heading is '7 CFR Part 3555' in large blue font, with a URL below it: <http://www.rd.usda.gov/publications/regulations-guidelines>. The website's navigation bar includes links for Home, About RD, Programs & Services, Browse by State, Newsroom, Publications, and Contact Us. A search bar is located in the top right corner. The main content area is titled 'Regulations & Guidelines' and contains the following text:

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

A sidebar on the left lists various publication categories: Overview, Fact Sheets, Regulations & Guidelines (highlighted), Reports, Dispute Appeals, Publications for Cooperatives, Rural Cooperatives Magazine, Strategic Plan, Congressional Testimony, and Transcripts and Speeches. A 'Back to Previous Page' link is also present. The page number '5' is located in the bottom right corner.

7 CFR Part 3555 is the program regulation. It is the first place users should look for the answers to their questions.


The regulation is the rule and it cannot be overridden by the technical handbook.

The 7 CFR Part 3555 is comprised of 8 subparts, A through H.

You can access the full regulation online as Appendix 1 from the Regulations and Guidelines website.

The screenshot shows the USDA Rural Development website. At the top, there is a header with the USDA logo and the text 'United States Department of Agriculture Rural Development'. Below this is a large image of a rural landscape with a water tower and houses. The main heading is '7 CFR Part 3555'. Below the heading is a navigation bar with links for Home, About RD, Programs & Services, Browse by State, Newsroom, Publications, and Contact Us. A search bar is also present. The main content area is divided into two columns. The left column is titled 'Publications' and lists various document types like Overview, Fact Sheets, Regulations & Guidelines, Reports, Dispute Appeals, Publications for Cooperatives, and Rural Cooperatives Magazine. The right column is titled 'Handbooks' and lists several handbooks, with 'HB-1-3555 SFH Guaranteed Loan Program Technical Handbook' highlighted in yellow. To the right of the handbook list is a detailed 'Table of Contents' for the selected handbook, listing chapters from 1 to 20 and appendices from 1 to 10. The page number '6' is visible in the bottom right corner.

A list of all USDA Rural Development handbooks will display.
 Be sure to select the correct technical handbook: HB-1-3555.
 Once HB-1-3555 is selected, the entire handbook, including all appendix will display for selection.
 Appendix 1 is the full regulation, 7 CFR Part 3555.




7 CFR Part 3555

Subpart C: Loan Requirements

- .101: Loan Purposes
- .102: Loan restrictions
- .103: Maximum loan amount
- .104: Loan terms
- .105: Combination construction and permanent loans
- **.107: Application for and issuance of loan guarantee**
- .108: Full faith and credit

7

The elements of a complete loan application are located in Subpart C, Section 3555.107.



7 CFR Part 3555


3555.107: Application for and issuance of the LNG

- (a). Processing of applications
- (b). Automated underwriting
- (c). Manual underwriting
- (d). Appraisals
- (e). Environmental requirements
- (f.) Issuance of a conditional commitment

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3555.107 includes the following guidance to assist lenders in submitting a complete loan application the first time to USDA:

- Processing of applications: date order received, no “rush” files, etc.
- Automated underwriting: Use of GUS certainly expedites the lender’s ability to review loan applications, upload required documentation, and submit files to USDA.
- Manually underwritten loan files: Additional loan documentation submitted to USDA is required for these loan files.
- Appraisals: Requirements, and how to properly upload then for USDA review.
- Environmental requirements: FEMA flood certificates and additional review requirements that may apply
- Issuance of a conditional commitment: when a complete loan application is reviewed and accepted, USDA will issue Form RD 3555-18/18E



**Guaranteed Loan Program Technical Handbook
HB-1-3555**

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

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The 7 CFR Part 3555 regulation cannot cover every topic and every potential scenario, therefore a technical handbook has been published to support the regulation and provide additional clarification. HB-1-3555 has 20 chapters.

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HB-1-3555

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

Table of Contents


- 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** - Custodial and Real Estate Owned Property
- Chapter 20** - Loss Claims - Collecting on the Guarantee

Acronyms

Glossary

- 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
- Appendix 7** - Calves Access Instructions
- Appendix 8** - EDI Documentation
- Appendix 9** - Penalties
- Appendix 10** - Unnumbered Letter and State Supplements

The handbook may be accessed from the Regulations and Guidelines website. Submitting the Application Package is located in Chapter 15.



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HB-1-3555

CHAPTER 15:	SUBMITTING THE APPLICATION PACKAGE	15-1
15.1	INTRODUCTION	15-1
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15.3	CONTENTS OF LOAN APPLICATION PACKAGE	15-3
15.4	ELECTRONIC SIGNATURES	15-6
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	B. Agency Review of Lender's Underwriting Decisions	15-10
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15.6	LENDER NOTIFICATION ON REQUEST FOR LOAN GUARANTEE	15-11
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	C. The Application is Incomplete	15-12
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	C. Requesting Changes in Conditions	15-14
ATTACHMENT 15-	ORIGINATION STACKING ORDER CHECKLIST	
A:		
ATTACHMENT 15-	RURAL DEVELOPMENT GUARANTEED RURAL HOUSING AGENCY	
B:	DOCUMENTATION AND PROCESSING CHECKLIST [Official Use Only]	

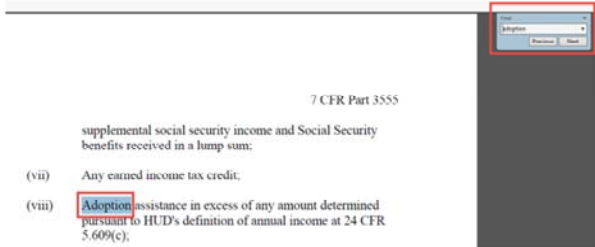
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This screen shot displays the Table of Contents of Chapter 15. This helps the user to locate specific topics more quickly.

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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).

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A few helpful tips:

1. The underwriter of the loan is the approved lender's underwriter.
2. USDA is NOT the underwriter of the loan.
3. When researching topics, it is helpful to begin with the Table of Contents for the regulation and the handbook.
4. A great best practice when searching for information is to open the regulation or a handbook chapter, select the "Control" button on the keyboard, hold it down, and then also select the "F" key. A keyword search box will appear. Enter a keyword or phrase to locate information more quickly.




Complete Application Submission Tips for Lenders

- **Attachment 15-A, Lender Submission Checklist**
- Stack and upload documents as indicated
- Ensure uploaded documents are legible
- Only complete loan applications may be assigned for USDA review

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A few file submission tips for lenders include:

- Use Attachment 15-A “Lender Submission Checklist”. This is not an optional form, and it does indicate all of the required documentation that must be submitted to USDA depending upon the file type.
- Stack the documents in the order listed on Attachment 15-A for your applicable file type. This not only assists in efficient file review, but it also helps lenders ensure they have all of the required documents.
- Only submit the required documents. Excess documents that are not required only slow down the review process.
- As always, only complete loan applications may be placed for review by USDA. Incomplete loan applications cannot be reviewed, and therefore slow down the process for lenders to receive their commitment.



Complete Application Submission Tips for Lenders


GUS Loan Files: HB 15.3

- Review **Final** GUS UW Findings Report
- Determine if an Accept uw recommendation must be **downgraded** (changes required documentation level)
- Ensure all debts listed on the credit report are reflected on the “Asset and Liabilities” GUS application page
- Upload required documents (appraisal in separate folder, etc.)

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Additional submission tips include:


- **READ THE FINAL GUS UNDERWRITING FINDINGS REPORT!** This report is not for show. It contains valuable messages and documentation requirements. Incomplete loan application packages are primarily due to not reviewing the final underwriting findings report and failure to use Attachment 15-A.
- If a GUS Accept underwriting recommendation must be downgraded to a Refer, then the level of required documentation that must be submitted to USDA will change.
- Ensure **ALL OPEN DEBTS** listed on the credit report (or those that are known to the lender) are reflected on the GUS “Asset and Liabilities” application page as well as on the 1003 loan application. If you want to omit a debt, you may do so, but these debts must be accounted for on the application.
- Upload the required documents as outlined in Attachment 15-A. The appraisal must be uploaded separately in order to retain the color photographs. Otherwise stack the documents in the correct order and upload them as one singular document.



Attachment 15-A

HB 1-3555
Attachment 15-A
Page 1 of 2

ATTACHMENT 15-A

Guaranteed Rural Housing 

Origination Stacking Order Checklist

Lender Instructions: *Submit the identified documents in the order noted with the first document in the bundle being this Attachment. Submit only the identified documents. Include complete documentation for the specific file type identified to ensure an effective file flow. Documents must not exceed the maximum allowable age set forth in 7 CFR 3555 Handbook. Rural Development will consider all documents submitted as the certified and true copies of the original documents retained in the lender's permanent file. Electronic delivery to Rural Development is the preferred method. See electronic delivery information by state <https://usdalinc.sc.gov.usda.gov/RHSHome.do>. In the subject line identify the case by: Loan Origination: Borrower Last Name, First Name*

General Information		
Applicant(s):	Lender:	Date:

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This is Attachment 15-A. It is the Origination Stacking Order Checklist. It is pleased to meet you. The very first box says "Lender Instructions." This paragraph details many of the tips we have covered: only submit the required documents, stack them in order, ensure the documents are eligible, etc.

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STACK IT UP!

Attachment 15-A

File Stacking Order Checklist
Guaranteed Underwriting System (GUS) - Underwriting Recommendation: ACCEPT

Please stack the credit package in the following document order:

<input type="checkbox"/>	Form RD 3555-21, "Request for Single Family Housing Loan Guarantee" <small>Note: Must be fully completed and executed by all applicants and lender. Must include income worksheet pages.</small>
<input type="checkbox"/>	Final GUS Underwriting Findings and Analysis Report <small>Note: Last final submission to be printed, retained in lender's permanent loan file.</small>
<input type="checkbox"/>	FEMA Form 086-0-32, "Standard Flood Determination Form" <small>Note: New construction properties located in 100-year flood plains will require additional documentation. Confirmation the base flood elevation (BFE) is below lowest floor of subject.</small>
<input type="checkbox"/>	Evidence of qualified alien (if the applicant is not a US citizen)
<input type="checkbox"/>	Credit Report, Non-Purchasing Spouse (if the applicant or property is in a community property state – AZ, CA, ID, LA, NV, NM, TX, WA, WI)
<input type="checkbox"/>	Uniform Residential Appraisal Report (URAR) <small>(FNMA 1004/FHLMC 70 or applicable Report)</small> <small>Note: 1004 MC (Market Conditions Addendum) must be part of report.</small>

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Got a GUS Accept underwriting recommendation with no requirement for a "full documentation" submission? THIS IS YOUR STACKING ORDER!
 The appraisal will be a separate document, but everything else listed may be stacked up and then uploaded.

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Attachment 15-A




STACK
IT UP!

<i>File Stacking Order Checklist</i> Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation, GUS Accept if Quality Control Leader Message on GUS Underwriting Findings and Analysis Report	
Please stack the credit package in the following document order:	
<input type="checkbox"/> Form RD 1555-21, "Request for Single Family Housing Loan Guarantee"	Note: Must be fully completed and executed by all applicants and lender. Must include income worksheet pages.
<input type="checkbox"/> Final GUS Underwriting Findings and Analysis Report, if applicable	Note: Last final submission.
<input type="checkbox"/> Underwriting Analysis, confirmed and executed by Underwriter (FNMA 1006/FHLMC 1077 or similar)	Note: Include credit waiver and/or repayment ratio waiver request in comment section. A GUS ACCEPT with quality control message does not require credit or repayment ratio documentation/justification. Include supporting documentation when credit package includes a buy down.
<input type="checkbox"/> Uniform Residential Loan Application (URLA - FNMA 1003/FHLMC 60)	Note: URLA must be executed by the interviewing lender and applicant(s).
<input type="checkbox"/> Income Verification Documentation: For all household members	Verification of Employment (VOE) + (1) earning statement OR verbal VOE + (2) earning statements (30 days) + W-2's (2 years) OR computer generated verification + W-2's (2 years) + verbal VOE Self-Employment: income tax returns/ all schedules (2 years) + profit / loss, balance and income/expense statements Child support, pensions, disability, social security, retirement annuity award(s)
<input type="checkbox"/> Tax return information as a result of IRS 4506-T: Request for Transcript of Tax Return	Note: Required for all adult members of the household
<input type="checkbox"/> Asset Verification Documentation: For all household members	Verification of Deposit, bank statements, gift letter etc.
<input type="checkbox"/> Credit Report, Non-Traditional Report and all credit supplements, as applicable	Note: Include adverse credit explanation and documentation used in credit waiver.
<input type="checkbox"/> Credit Report, Non-Purchasing Spouse (if the applicant or property is in a community property state - AZ, CA, ID, LA, NV, NM, TX, WA, WI)	
<input type="checkbox"/> Verification of Rent, as applicable. See Section 10.13 of Chapter 10 for further guidance.	Note: Applicable to manually underwritten loans with credit scores less than 680. A GUS "Accept" subject to a fully documented file does not require a Verification of Rent.
<input type="checkbox"/> FEMA Form 086-0-02, "Standard Flood Determination Form"	Note: New construction properties located in 100-year flood plains will require additional documentation. Confirmation the base flood elevation (BFE) is below lowest floor of subject.
<input type="checkbox"/> Sales Contract, all pages and amendments	
<input type="checkbox"/> Evidence of qualified alien (if the applicant is not a US citizen)	
<input type="checkbox"/> Uniform Residential Appraisal Report (URAR) - not applicable to Streamlined Refinance Product (FNMA 1004/FHLMC 70 or applicable report)	Note: 1004 MC (Market Conditions Addendum) must be part of report.

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Got a GUS Refer, Refer with Caution, manually underwritten loan file, or a GUS Accept that was tagged for "Full Documentation" due to qualify control review efforts? PAGE TWO IS FOR YOU! Stack up the documents listed in this order, and of course upload the appraisal as a separate file.

Attachment 15-A will help ensure you upload all required documentation, which in turn will allow USDA to place the file for review, which will help you obtain your conditional commitment more quickly!



USDA Responsibilities: HB 15.5


Review applications to ensure:

- Eligible property
- Eligible applicant(s)
- Eligible loan purposes
- Request is supported through appraisal

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When USDA receives a fully documented loan file, our responsibilities are not to underwrite the loan file but rather ensure that:

- The property is eligible
- The applicant(s) is eligible
- All loan purposes are eligible, and
- The appraisal supports the total loan request.




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**7 CFR PART 3555 / HB-1-3555
LEARNING CHECKS**

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The best way to learn information is to test your knowledge!



Question Slide

“Topic”


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

TRUE/FALSE or other answer options will be displayed

22

Each question slide will list:

- the topic
- a question or scenario, and
- potential responses.



ANSWER SLIDE

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

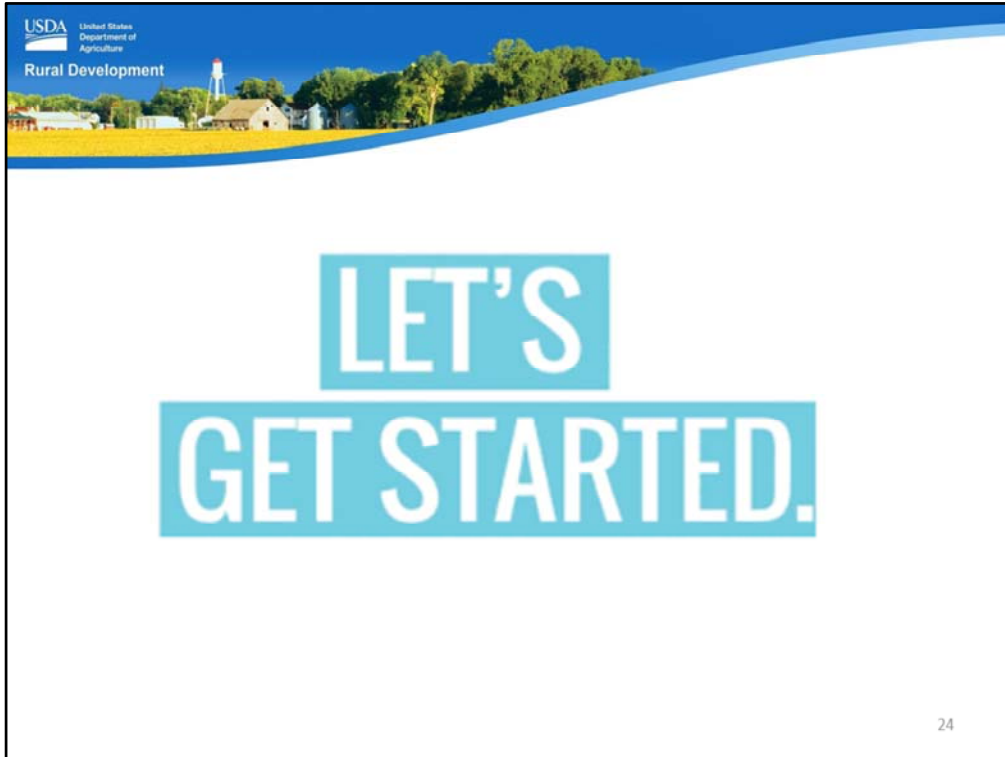
X. Correct Response

- Additional guidance for clarification may be provided

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The answer slide will list:

- The topic
- The reference to the answer from the regulation and handbook
- The correct response, and
- Any additional clarification that may be helpful.



Let's get started!




Submitting a complete loan application

- Underwriter downgrades a GUS Accept uw recommendation to Refer
- Underwriter states the downgrade is to request USDA to calculate annual income
- This is an acceptable practice

A. TRUE B. FALSE

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107(a) and HB 15.2
B. FALSE

- Approved lender must underwrite loan file
- USDA is not responsible to calculate income

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False

The approved lender's underwriter is responsible to calculate income and underwrite the loan file.

USDA is happy to help provide guidance, but we are not the underwriter.




Submitting a complete loan application

Rural Development accepts electronic signatures.

A. TRUE B. FALSE

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Read the question on the slide and select a response.



Submitting a complete loan application

ANSWER: 3555.107 and HB 15.4

A. TRUE


- Lenders are not required to use electronic signatures
- Must meet E-SIGN Act
- Allowed on all documents used for origination, loan closing, servicing, etc.

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True

While lenders are not required to use electronic signatures, if they do, they must meet the E-SIGN Act.

USDA is not responsible to verify if an electronic signature utilized by a lender is acceptable. Electronic signatures are allowed on all documents used for origination, loan closing, servicing, etc.




Submitting a complete loan application

A complete Form RD 3555-21 includes the income worksheet.

A. TRUE B. FALSE

29

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107 and HB 15.3
A. TRUE


- The form must be signed by all parties
- Figures listed on Form 3555-21 must match data entries in GUS and/or on loan application

30

True

Ensure the form is signed by all parties.

Data entries, including income calculations, must match the corresponding data entries in GUS and/or loan application.




Submitting a complete loan application

- GUS Accept uw recommendation
- Ratios exceed 29% PITI and/or 41% TD
- Ratio waiver request must be submitted to USDA

A. TRUE B. FALSE

31

Read the question on the slide and select a response.



Submitting a complete loan application

ANSWER: 3555.107, HB 15.3, and Attachment 15-A


B. FALSE

- GUS Accept uw recommendations do not require ratio waivers
- The scorecard has determined the ratios are eligible

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False

The GUS Accept recommendation has accepted the ratios. No wavier is required.



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Submitting a complete loan application

- Lender has scheduled a loan closing to occur on October 5th
- Loan file is submitted to USDA on October 2nd
- Lender may mark the file “Rush” when submitting to USDA

A. TRUE B. FALSE

33

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107(a) and HB 15.3 C
B. FALSE


- Complete applications must be reviewed in date order received
- It is recommended that loan closings are not scheduled until conditional commitments are issued

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False

Complete loan applications must be reviewed in the date order received.

A best practice is to hold off on scheduling a loan closing until the conditional commitment is received from USDA.



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Submitting a complete loan application

Which of the following may occur after USDA receives a loan application package from an approved lender:

- A. Request for LNG is approved = Commitment issued
- B. Agency requires additional time to review
- C. Return of inaccurate application to lender
- D. Request for LNG is denied
- E. All are correct

35

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107 and HB 15.6


E. ALL ARE CORRECT

- New lenders/underperforming lenders may have files reviewed more carefully
- Inaccurate application data must be corrected
- Missing documents may be uploaded without file release
- Denied LNG requests will receive appeal rights (HB 15.7)

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Response E

- New lenders, lenders that are not submitting complete loan application packages, or lenders with higher delinquency rates may have their loan files reviewed more carefully by USDA before a commitment is issued.
- Inaccurate loan applications may require data correction.
- Missing documents from the loan file may be uploaded by the lender without the need for USDA to release the GUS file back to the lender. Documents may be uploaded by the lender until USDA issues a commitment.
- Loan requests that are denied by USDA will receive appeal rights. These are outlined in HB Chapter 15, 15.7.




Submitting a complete loan application

Lenders must accept the conditional commitment (Form RD 3555-18/18E) issued by USDA. No changes or corrections are allowed.

A. TRUE B. FALSE

37

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107(f)(4) and HB 15.8
B. FALSE

Lenders may:

- A. Accept the commitment as is
- B. Decline commitment, USDA will deobligate funds
- C. Request changes to terms and conditions (loan amount, interest rate, removal of conditions, etc.)

38

False

When the commitment is sent to the approved USDA lender, after they review the commitment they may:

- Accept the commitment as is
- Decline the commitment, and let USDA know that they will not be closing the loan under the guaranteed loan program. USDA can then deobligate the funds.
- Request changes to terms and conditions are necessary.




Submitting a complete loan application

- GUS Refer uw recommendation
- Adult household member included (non-applicant)
- IRS 4506-T transcripts are required for non-applicants

A. TRUE B. FALSE

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107(a), HB 15.4, and Attachment 15-A
A. TRUE

- All adult household members must meet the 4506-T requirements of HB Chapter 9 and Attachment 15-A
- 4506-T results must be received by lender prior to loan submission to USDA

40


True

Every adult household member must submit the required income documentation as outlined in the regulation and handbook.

One of the income requirements for all adult household members is the submission of IRS Form 4506-T's for the previous two years.

The 4506-T results must be received by the lender prior to submitting the loan to USDA for review.

There is no waiver for required income documentation required for all adult household members.




Submitting a complete loan application

The appraisal may be uploaded with all required underwriting documents in one file in GUS.

A. TRUE B. FALSE

41

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107 and HB 15.4
B. FALSE


- The appraisal must be uploaded as a separate document to retain color photographs
- The second folder should include all required documents as indicated by Attachment 15-A

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False

The appraisal must be uploaded as a separate document in order to retain the color photographs.

The second folder should include the other required documents as stated in the GUS UW Findings Report, and Attachment 15-A.



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Submitting a complete loan application

- GUS Accept: Full Documentation
- File arrives to USDA with the following uploaded: Attachment 15-A, Form RD 3555-21, Final GUS UW Findings Report, FEMA 086-0-32, and appraisal
- The file is complete for review.

A. TRUE B. FALSE

43

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107, HB 15.3, and Attachment 15-A

B. FALSE

- GUS Accept, FULL DOCUMENTATION loan files require additional items (see next slide)

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False

A GUS Accept loan file that has been tagged for a full documentation review will require additional documentation above the normal streamlined file submission requirements.

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STACK
IT UP!


File Stacking Order Checklist
Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation,
GUS Accept if Quality Control Lender Message on GUS Underwriting Findings and Analysis Report

Please stack the credit package in the following document order:

<input type="checkbox"/>	Form RD 1555-21, "Request for Single Family Housing Loan Guarantee"	Note: Must be fully completed and executed by all applicants and lender. Must include income worksheet pages.
<input type="checkbox"/>	Final GUS Underwriting Findings and Analysis Report, if applicable	Note: Last final submission.
<input type="checkbox"/>	Underwriting Analysis, confirmed and executed by Underwriter (FNMA 1006/FHLMC 1077 or similar)	Note: Include credit waiver and/or repayment ratio waiver request in comment section. A GUS ACCEPT with quality control message does not require credit or repayment ratio documentation/justification. Include supporting documentation when credit package includes a buy down.
<input type="checkbox"/>	Uniform Residential Loan Application (URLA - FNMA 1003/FHLMC 65)	Note: URLA must be executed by the interviewing lender and applicant(s).
<input type="checkbox"/>	Income Verification Documentation: For all household members	Verification of Employment (VOE) + (1) earning statement OR verbal VOE + (2) earning statements (30 days) + W-2's (2 years) OR computer generated verification + W-2's (2 years) + verbal VOE Self Employment: income tax returns/ all schedules (2 years) + profit / loss, balance and income/expense statements Child support, pensions, disability, Social Security, retirement annuity award(s)
<input type="checkbox"/>	Tax return information as a result of IRS 4506-T: Request for Transcript of Tax Return	Note: Required for all adult members of the household
<input type="checkbox"/>	Asset Verification Documentation: For all household members	Verification of Deposit, bank statements, gift letter etc.
<input type="checkbox"/>	Credit Report, Non-Traditional Report and all credit supplements, as applicable	Note: Include adverse credit explanation and documentation used in credit waiver.
<input type="checkbox"/>	Credit Report, Non-Purchasing Spouse (if the applicant or property is in a community property state - AZ, CA, ID, LA, NV, NM, TX, WA, WI)	
<input type="checkbox"/>	Verification of Rent, as applicable. See Section 10.13 of Chapter 10 for further guidance.	Note: Applicable to manually underwritten loans with credit scores less than 680. A GUS "Accept" subject to a fully documented file does not require a Verification of Rent.
<input type="checkbox"/>	FEMA Form 086-0-32, "Standard Flood Determination Form"	Note: New construction properties located in 100-year flood plains will require additional documentation. Confirmation the base flood elevation (BFE) is below lowest floor of subject.
<input type="checkbox"/>	Sales Contract, all pages and amendments	
<input type="checkbox"/>	Evidence of qualified alien (if the applicant is not a US citizen)	
<input type="checkbox"/>	Uniform Residential Appraisal Report (URAR) - not applicable to Streamlined Refinance Product (FNMA 1004/FHLMC 70 or applicable Report)	Note: 1004 MC (Market Conditions Addendum) must be part of report.

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A GUS Accept loan file that has been selected for a full documentation review as a quality control measure must have all of the documentation submitted from page two as indicated on page two of Attachment 15-A.



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Submitting a complete loan application

- GUS Accept uw recommendation
- File arrives to USDA with the following uploaded: Attachment 15-A, Form RD 3555-21, Final GUS UW Findings Report, FEMA 086-0-32, and appraisal
- The file is complete for review

A. TRUE B. FALSE

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Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107, HB 15.3, and Attachment 15-A
A. TRUE

- GUS Accept uw recommendation loan files allow streamlined documentation (see next slide)

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True

GUS Accept loan files that do not have full documentation requirements may submit streamlined documentation.

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**STACK
IT UP!**

File Stacking Order Checklist
Guaranteed Underwriting System (GUS) - Underwriting Recommendation: ACCEPT

Please stack the credit package in the following document order:

<input type="checkbox"/>	Form RD 3555-21, "Request for Single Family Housing Loan Guarantee <i>Note: Must be fully completed and executed by all applicants and lender. Must include income worksheet pages.</i>
<input type="checkbox"/>	Final GUS Underwriting Findings and Analysis Report <i>Note: Last final submission to be printed, retained in lender's permanent loan file.</i>
<input type="checkbox"/>	FEMA Form 086-0-32, "Standard Flood Determination Form" <i>Note: New construction properties located in 100-year flood plains will require additional documentation. Confirmation the base flood elevation (BFE) is below lowest floor of subject.</i>
<input type="checkbox"/>	Evidence of qualified alien <i>(If the applicant is not a US citizen)</i>
<input type="checkbox"/>	Credit Report, Non-Purchasing Spouse <i>(If the applicant or property is in a community property state – AZ, CA, ID, LA, NV, NM, TX, WA, WI)</i>
<input type="checkbox"/>	Uniform Residential Appraisal Report (URAR) <i>(FNMA 1004/FHLMC 70 or applicable Report)</i> <i>Note: 1004 MC (Market Conditions Addendum) must be part of report.</i>

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Please submit the required documentation that is listed on page one of Attachment 15-A.

Submitting a complete loan application

- GUS Refer uw recommendation
- File arrives to USDA missing income documentation for one of the applicants
- USDA must release the loan file so the lender can upload the missing documents

A. TRUE B. FALSE

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107, HB 15.3, and Attachment 15-A

B. FALSE

- USDA should contact the lender to request the document upload
- Lenders may upload documents until a conditional commitment is issued by USDA
- The loan file should not be released


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False

USDA should avoid releasing loan files when at all possible. USDA should contact the lender to ensure the documentation must be uploaded (it may have been overlooked in the current uploaded documentation).

Lenders may upload documents at any time as long as USDA has not issued a conditional commitment. USDA should contact lenders to request missing documents.

Loan files should not be released unless it is absolutely necessary to update data entries that are in GUS.



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Submitting a complete loan application

- GUS Accept uw recommendation
- USDA notes four open collection accounts are not entered on the “Asset and Liabilities” application page
- USDA must release the loan file so the lender can correct the oversight

A. TRUE B. FALSE

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Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107 and HB 15.3

A. TRUE

- USDA should contact the lender to ensure correction is required prior to releasing the loan
- Once corrected, the lender must resubmit the loan to USDA
- The loan file will be placed for review by date order received


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True

First USDA should contact the lender to ensure the data entry is inaccurate. Always verify the data is truly inaccurate before a loan file actually released.

Once released the lender can update the data entries and then resubmit the loan file to USDA.

The loan file will now be placed in order to be reviewed based on the date it was received.



Submitting a complete loan application

Lenders may submit minimal documentation to USDA, but they must retain full documentation loan files in their records.

A. TRUE B. FALSE

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Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107 and HB 15.2
A. TRUE

- Lenders must retain a full documentation file
- USDA may request full file for quality control reviews/lender reviews

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True

Lenders are required to retain all underwriting documentation they utilized in the origination, underwriting, and closing of the loan.

USDA only needs the documentation that is clearly outlined in the regulation, handbook, GUS UW Findings Report, and Attachment 15-A.




Submitting a complete loan application

Conditional commitments (Form RD 3555-18/18E) are eligible for 90 days.

- A. TRUE B. FALSE

Read the question on the slide and select a response.



Submitting a complete loan application
ANSWER: 3555.107(f)(1) and HB 15.6 A
A. TRUE

- Extensions may be requested by approved lender
- New construction requests may have the expiration date coincide with completion of the property, 3555.107(f)(2)

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True

A commitment may be extended upon lender request to USDA.

New construction loans submitted may have the commitment expiration date coincide with the anticipated date of the completed dwelling.

Extensions are free....just ask!

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**WAY
TO GO!**

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Way to go! You have completed the learning checks!

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Regulations

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

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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.

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

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Don't forget the Regulations and Guidelines website is a treasure trove of USDA guideline knowledge.

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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.

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Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program!



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

 United States Department of Agriculture
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This will conclude the training module. Thank you and have a great day!