



Handbook Updates and Time saving tips!

Presented by: Alyssa Rung, Finance and Loan Analyst, Lender and Partner Activities Branch

Today's Topics

- ❖ Procedure Notice (SPECIAL) for Chapters 3, 10, 12, 17, 18, 19 changes can be found at:

https://www.rd.usda.gov/sites/default/files/sp112922_0.pdf

- ❖ Procedure Notice (PN 573) for Chapters 9 and 15 changes can be found at:

<https://www.rd.usda.gov/sites/default/files/pn573.pdf>

- ❖ Procedure Notice (PN 575) for Chapter 18 changes:

<https://www.rd.usda.gov/sites/default/files/pn575.pdf>

- **Handbook changes**
 - Chapter 3-Lender Approval
 - Chapter 9- Income Analysis
 - Chapter 10- Credit Analysis
 - Chapter 12- Property and Appraisal Requirements
 - Chapter 15- Submitting the Application Package
 - Chapter 17- Regular Servicing- Performing Loans
 - Chapter 18-Servicing Non- Performing Loans
 - Chapter 19-Loss Claim - Collecting on the Guarantee
- Time saving tips
- Reminders
- Contacting us
- Q & A

HB-1-3555



Bookmark It!



Use Ctrl-F to find answers quickly!



<https://rd.usda.gov/resources/directives/handbooks>

HB-1-3555 SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK

A consolidated version of the handbook is available. [HB-1-3555](#) is a large document and may take sometime to load.

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Handbook Changes

Chapter 3 - Lender Approval

Paragraph 3.2

- Evidence that all principal officers have at least 2 years of SFH loan experience.
- Must be registered in the (SAM) system.
- Minimum net worth of \$250,000 or \$50,000 in working capital plus 1% of the total volume in excess of \$25 million in guaranteed loans originated, serviced, or purchased during the lender's prior fiscal year, up to a maximum required adjusted net worth of \$2.5 million
- Have one or more lines of credit with a minimum aggregate of \$1 million.

Paragraph 3.3

- Violations should be reported to the Quality Assurance and Lender Oversight Division.

Quality Assurance and Lender Oversight Division
Email:
Sfhgld.compliance@usda.gov

Paragraph 3.4

- The Agency's review of the lender's application includes verifying the lender is registered in SAM.

- Attachment 3-A has been updated to reflect the chapter revisions.
- Attachments 3-B and 3-C have been removed.

Chapter 9 – Income Analysis

Paragraph 9.3-Annual Income

| ANNUAL INCOME | FULL INCOME DOCUMENTATION | SELF-EMPLOYED INCOME DOCUMENTATION | VERBAL VERIFICATION OF EMPLOYMENT |
|---|---|--|--|
| <ul style="list-style-type: none">• Lenders must verify the income of each applicant and adult household members (excluding eligible full-time students aged 18 and above), not just those who are parties to the loan note.<ul style="list-style-type: none">➤ Documented for the previous 2 years | <ul style="list-style-type: none">• Lenders must obtain W-2s or IRS Wage and Income Transcripts, in addition to paystubs. | <ul style="list-style-type: none">• If ownership interest is less than 25%, neither the “Business Owner” or the “Self-Employed” options should be selected in GUS. | <ul style="list-style-type: none">• Must be obtained within 10 business days of loan closing.• Confirmation a self-employment business remains operational must be obtained within 30 days of loan closing. |

PLEASE NOTE that the term “*streamlined documentation*” has been changed to “***alternative income documentation***”

Chapter 9 – Income Analysis

Paragraph 9.8-Stable and Dependable Income

- It is the lender's responsibility to review gaps in employment and determine if the income is stable and dependable.

- A business loss from a closed business may be removed from consideration under the same circumstances that self-employment income from a closed business can be removed from consideration.

Loss from Self-employed business

In order to be removed from consideration the applicant must provide a letter of explanation and documentation to the lender, which includes:

1. When the business was closed
2. Why the business closed
3. How the business was closed
4. Evidence to support the closure of the business, which is deemed satisfactory to the lender.

Chapter 9 – Income Analysis

Attachment 9-A

| Income Type | Annual Income | Repayment Income |
|--|---|--|
| Automobile Allowance | Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months. | <p>Required History: Two years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease.</p> <p>The full amount of the expense allowance may be included.</p> <p>Refer to Chapter 11 for additional guidance when there is a monthly debt associated with the income (such as a car payment).</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • Contract/agreement from employer to state terms and duration of payments. • Federal income tax returns or IRS tax transcripts with all schedules. | | |
| Expense Allowance | Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months. Exclusions may apply under 7 CFR 3555.152(b)(5). | <p>Required History: Two years</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease.</p> <p>The full amount of the expense allowance may be included.</p> <p>Refer to Chapter 11 for additional guidance when there is a monthly debt associated with the income.</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • Contract/agreement from employer to state terms and duration of payments. • Federal income tax returns or IRS tax transcripts with all schedules. | | |

The full amount of the “Automobile Allowance” and/or “Expense Allowance” may be included in the repayment income calculation, however any liabilities, such as a car payment, must be counted in the Debt to Income.

Chapter 9 – Income Analysis

Attachment 9-A

| Income Type | Annual Income | Repayment Income |
|--|--|---|
| Bonus | Include amounts that will be received in the ensuing 12 months based on employment verifications. Exclusions may apply under 7 CFR 3555.152(b)(5). | <p>Required History: One year in the same, or similar, line of work.</p> <p>Underwriters must analyze bonus income for the current pay period and YTD earnings. Significant variances (increase or decrease) of 20 percent or greater in income from the previous 12 months must be analyzed and documented (e.g. paid once annually, paid monthly, etc.) before considering the income stable and dependable.</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease.</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s)/Earnings statement(s). • W-2's. • Written VOE or electronic verifications. • Federal income tax returns or IRS tax transcripts with all schedules. • Section 9.3E provides additional information on employment verification options. | | |

| Income Type | Annual Income | Repayment Income |
|---|--|---|
| Overtime | Include amounts that will be received in the ensuing 12 months based on employment verifications. Exclusions may apply under 7 CFR 3555.152(b)(5). | <p>Required History: One year in the same, or similar, line of work.</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease.</p> <p>Underwriters must analyze overtime for the current pay period, and YTD earnings. Significant variances (increase or decrease) of 20 percent or greater in income from the previous 12 months must be analyzed and documented (e.g. variances due to seasonal/holiday, etc.) before considering the income stable and dependable.</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • W-2's. • Written VOE or electronic verifications. • Federal income tax returns or IRS tax transcripts with all schedules. • Section 9.3E provides additional information on employment verification options. | | |

“Bonus” and “Overtime” income must have a one-year history and must be in the same or similar line of work.

Chapter 9 – Income Analysis

Attachment 9-A

| Income Type | Annual Income | Repayment Income |
|---|--|---|
| Child Support | <p>Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 7 CFR 3555.152(b)(5).</p> <p>Legally enforceable payments that have not been received may be excluded when payments are not received for an extended time and a reasonable effort has been made to collect them through the official entity responsible for enforcing such payments.</p> | <p><u>Court Ordered Payments:</u></p> <p>Required History: Six months</p> <p>Child support that meets the minimum history, but the payment amounts are not consistent, must use an average consistent with the payor’s current ability/willingness to pay.</p> <p><u>Voluntary Payment Agreements:</u></p> <p>Required History: One year</p> <p>Child support that meets the minimum history, but the payment amounts are not consistent, must use an average consistent with the payor’s current ability/willingness to pay.</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> Final divorce decree, legal separation agreement, or court order (front and pertinent pages) to document the amount and timeframe of the obligation. Evidence of timely receipt/consistent amount for required history: bank statements, canceled checks, deposit slips, tax returns, etc. | | |

| Income Type | Annual Income | Repayment Income |
|---|---|---|
| Separate Maintenance/Alimony | <p>Include amounts that will be received in the ensuing 12 months.</p> <p>Legally enforceable payments that have not been received may be excluded when payments are not received for an extended period of time and a reasonable effort has been made to collect them through the official entity responsible for enforcing such payments.</p> | <p><u>Court Ordered Payments:</u></p> <p>Required History: Six months</p> <p>Maintenance that meets the minimum history, but the payment amounts are not consistent must use an average that is consistent with the payor’s current ability/willingness to pay.</p> <p><u>Voluntary Payment Agreements:</u></p> <p>Required History: One year</p> <p>Maintenance that meets the minimum history, but the payment amounts are not consistent must use an average that is consistent with the payor’s current ability/willingness to pay.</p> |
| <p>Required Documentation:</p> <ul style="list-style-type: none"> Final divorce decree, legal separation agreement, or court order (front and pertinent pages) to document the amount and timeframe of the obligation. Evidence of timely receipt and consistent amount for required history: bank statements, canceled checks, deposit slips, tax returns, etc. | | |

Revised the “Child Support” and “Separate Maintenance/Alimony” guidelines to clarify that for income that meets the minimum history, but the payment amounts are not consistent, the lender must use an average consistent with the payor’s current ability/willingness to pay for repayment income.

Chapter 9 – Income Analysis

Attachment 9-A

| Income Type | Annual Income | Repayment Income |
|--|---|---|
| Employee Fringe Benefits | Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months. Exclusions may apply under 7 CFR 3555.152(b)(5). | <p>Required History: One year</p> <p>Employer-provided fringe benefit packages documented on earning statements as taxable income may be included.</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • Contract/agreement from employer to state terms and duration of payments. • Written VOE or electronic verifications. • Federal income tax returns or IRS tax transcripts with all schedules. • Section 9.3E provides additional information on employment verification options. | | |
| Mileage | Include amounts documented on the pay statements as taxable gross earnings that will be received in the ensuing 12 months. | <p>Required History: One year</p> <p>Continuance: Income will be presumed to continue unless there is documented evidence the income will cease.</p> <p>Mileage documented on earning statements as taxable income may be included.</p> <p>When a mileage deduction is claimed on the income tax return, the calculated amount may be added to repayment income. Lenders must follow current IRS guidance to calculate this amount.</p> |
| <p>Documentation Source Options:</p> <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • Federal income tax returns or IRS tax transcripts with all schedules. | | |

Employer-provided fringe benefits that are reported as taxable income may be included in repayment income.

For mileage, income must be presumed to continue, and may be included when it is documented on earning statements as taxable income. When a mileage deduction is claimed on income tax returns, the calculated amount may be added as repayment income. Lenders must follow IRS guidance when calculating this amount.

Chapter 9 – Income Analysis

Attachment 9-A

| Income Type | Annual Income | Repayment Income |
|---|---|--|
| Guardianship/Conservatorship Income This guidance does not apply to income earned from foster care. | Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 7 CFR 3555.152(b)(5). | Required History: None, the income must be received at the time of submission to the Agency. Lenders must document: <ul style="list-style-type: none"> ○ The applicant is currently receiving the income; and ○ The amount of the income received each month. Continuance: Benefits that do not include expiration dates on the documentation will be presumed to continue. |
| Documentation Source Options: <ul style="list-style-type: none"> • Documentation to support payment amounts and duration, such as a court order, legal documents, or other supplemental information. • Online payment schedule from the Agency, bank statements, etc. • Federal income tax returns or IRS tax transcripts with all schedules. | | |

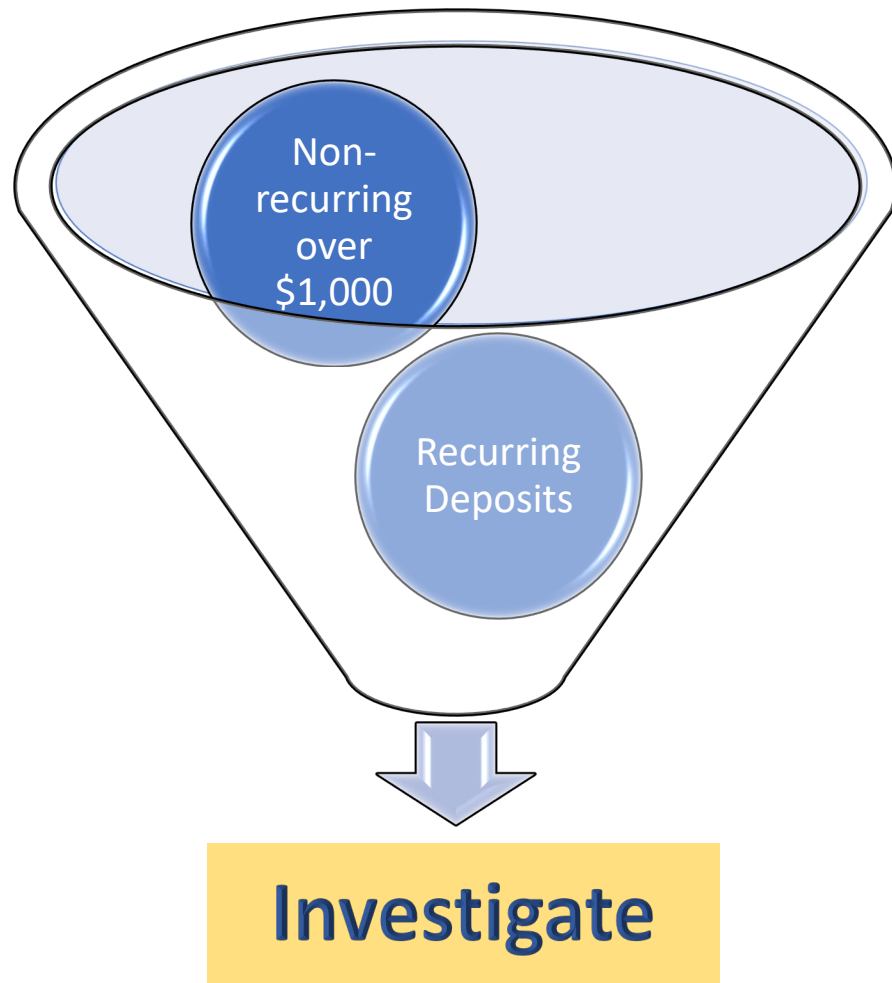
| Income Type | Annual Income | Repayment Income |
|---|---|--|
| Individual Retirement Account (IRA) Distributions | Include amounts that will be received in the ensuing 12 months. Lump sum withdrawals or sporadic payments may be excluded under 7 CFR 3555.152(b)(5). | Required History: None, the income must be received at the time of submission to the Agency. Lenders must document: <ul style="list-style-type: none"> ○ The applicant is currently receiving the income; and ○ The amount of income received each month. Continuance: Income will be presumed to continue unless there is documented evidence the income will cease. |
| Documentation Source Options: <ul style="list-style-type: none"> • IRA documents, IRS 1099, evidence of current receipt, bank statements, etc. • Federal income tax returns or IRS tax transcripts with all schedules. | | |

| Income Type | Annual Income | Repayment Income |
|--|--|--|
| Variable Income (e.g. piece rate, union work, and other similar types of pay structures) | Include amounts that will be received in the ensuing 12 months. Exclusions may apply under 7 CFR 3555.152(b)(5). | Required History: One year, in the same or similar line of work. Underwriters must analyze variable income earnings for the current pay period and YTD earnings. Significant variances (increase or decrease) of 20 percent or greater in income from the previous 12 months must be analyzed and documented (e.g. variances due to seasonal/holiday, etc.) before considering the income stable and dependable. Continuance: Income will be presumed to continue unless there is documented evidence the income will cease. |
| Required Documentation: <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • W-2's. • Written VOE or electronic verifications. • Federal income tax returns or IRS tax transcripts with all schedules. • Section 9.3E provides additional information on employment verification options. | | |

| Income Type | Annual Income | Repayment Income |
|--|---|---|
| Secondary Employment | Include amounts that will be received in the ensuing 12 months. Evidence of resignation, termination, retirement, or relocation from these positions may result in the exclusion of this income. | Required History: One year of working primary and secondary employment concurrently. Continuance: Income will be presumed to continue unless there is documented evidence the income will cease. |
| Documentation Source Options: <ul style="list-style-type: none"> • Paystub(s)/Earning statement(s). • W-2's. • Written VOE or electronic verifications. • Federal income tax returns or IRS tax transcripts with all schedules. • Section 9.3E provides additional information on employment verification options. | | |

Chapter 9 – Income Analysis

Depository Accounts



* It is the lender's responsibility to determine if a deposit is recurring or not.

DO NOT INVESTIGATE:

- ❖ If a deposit is not recurring and not greater than \$1,000, you do not need to investigate.

YOU MUST INVESTIGATE:

- ❖ Non-recurring deposits over \$1,000 must be investigated if they are not from wages or earnings.
- ❖ All recurring deposits that are not from wages or earnings, must be investigated, regardless of the amount.

Chapter 10 – Credit Analysis

Attachment 10-A

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ATTACHMENT 10-A

CREDIT MATRIX

Credit guidance: 3555.151(i)

CONSIDERATIONS FOR CREDIT ANALYSIS

ALL GUARANTEED LOANS:

If the lender is aware of any potential derogatory or contractionary information that is not part of the data submitted to GUS, or if there is any erroneous information in the data submitted to GUS, the loan must be manually downgraded.

CREDIT ALERT VERIFICATION REPORTING SYSTEM (CAIVRS)

CAIVRS is a Federal government wide repository to file and report delinquent and/or defaulted claims on individuals that were paid on their behalf.

CAIVRS may return the following results:

- A: Approved by CAIVRS (no issues exist)
- B: Multiple cases from one or more Federal agencies
- C: Claim filed
- D: Default on loan
- F: Foreclosure of loan
- J: Judgment filed

An “A” response is the only acceptable result for an applicant to be eligible for a guaranteed loan.

A loan with an underwriting recommendation of “Accept” must be manually downgraded to a “Refer” when the lender becomes aware of potential derogatory or contradictory information.

Chapter 12 – Property and Appraisal Requirements

12.5-Residential Appraisal Reports

12.6-Water and Wastewater Disposal Systems

12.9-Existing and New Dwellings



Appraisals must have been completed within 180 days of loan closing



Water analysis must be no greater than 150 days old at loan closing



New Construction Documentation requirements

New Construction Documentation

| Documentation Requirements | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| 1. Evidence of Certified Plans and Specifications | Copy of the certification from a qualified individual or organization that the reviewed documents comply with applicable development standards; OR | Certificate of Occupancy issued by a local jurisdiction; OR | Building Permit (or equivalent) issued by local jurisdiction. |
| 2. Evidence of Construction Inspections | Certificate of Occupancy issued by a local jurisdiction showing that it has performed at least 3 construction phase inspections, as identified in Section 12.9(B), and an acceptable 1 year builder warranty; OR | Three construction phase inspections performed at each of the phases identified in Section 12.9(B); OR | Final inspection and a 10-year insured builder warranty. |
| 3. Evidence of Thermal Standards | The final inspection, or certificate of occupancy issued by a local jurisdiction; OR | Builder may certify confirmation with the IECC standards; OR | A qualified, registered architect or a qualified, registered engineer may certify confirmation with IECC standards. |

Chapter 12 – Property and Appraisal Requirements

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Repair Escrow and Rehabilitation & Repair with Purchase Comparison

| REQUIREMENT | Repair Escrow: Minor Borrower Completed Repairs | Repair Escrow: Contractor Completed Repairs | Rehab and Repair Program: Minor Rehab (\$35,000 or less) | Rehab and Repair Program: Extensive Rehab (greater than \$35,000) |
|-----------------------------------|---|---|--|--|
| Property Type | New or Existing ¹ | New or Existing ¹ | Existing | Existing |
| Repair Amount | Up to \$10,000 and not greater than 10% of the loan amount | No limit, lender must escrow at least 100% of repair amount | Not to exceed \$35,000 ² | Greater than \$35,000 ² |
| Timeframe | 180 days | 180 days | 6 months | Typically 6 months |
| Property to be habitable at close | Yes | Yes | Yes | No ³ |
| Contract Required | No ⁴ | Yes | Yes | Yes |
| Loan Note Guarantee Issued | At Close ⁵ | At Close ⁵ | At Close | At Close |

Lenders should follow the guidance in 12.9 C. Repair Escrows for Existing and New Dwellings, Post Issuance of the Loan Note Guarantee [7 CFR 3555.202(c)] as well as 12.28 Rehabilitation and Repair with Purchase of Existing Dwellings.

1. New construction must be 100% complete, except for minor work not affecting livability that cannot be completed due to weather conditions.
2. The maximum loan amount cannot exceed the cost of acquisition plus the cost of repairs, up to the as-improved market value, plus the guarantee fee, if financed.
3. Extensive rehab over \$35,000 allows for up to 6 months PITI reserves, or until lender deems property habitable.
4. Borrower may complete their own repairs if lender determines borrower has knowledge, skills, and time to complete work within 180 days.
5. Repair work can be escrowed for and completed post Loan Note Guarantee, provided the work does not affect the livability of the dwelling, and all requirements of Section 12.9C are met.

REMAINING ESCROW FUNDS

- Personal funds of the applicant utilized to fund the repair escrow (excluding loan funds or a seller concession) may be returned to the applicant.
- A seller's personal funds utilized to fund the repair escrow (excluding a seller concession as part of the sales contract) may be returned to the seller.
- Must be utilized for an eligible loan purpose or applied to the principal balance.

Chapter 12 – Property and Appraisal Requirements

12.11-Condominiums and PUD

Condos can be accepted if they can be or have been approved by HUD/FHA, VA, Fannie Mae or Freddie Mac.

Condominium Rider

HOA Fees must be included in total DTI

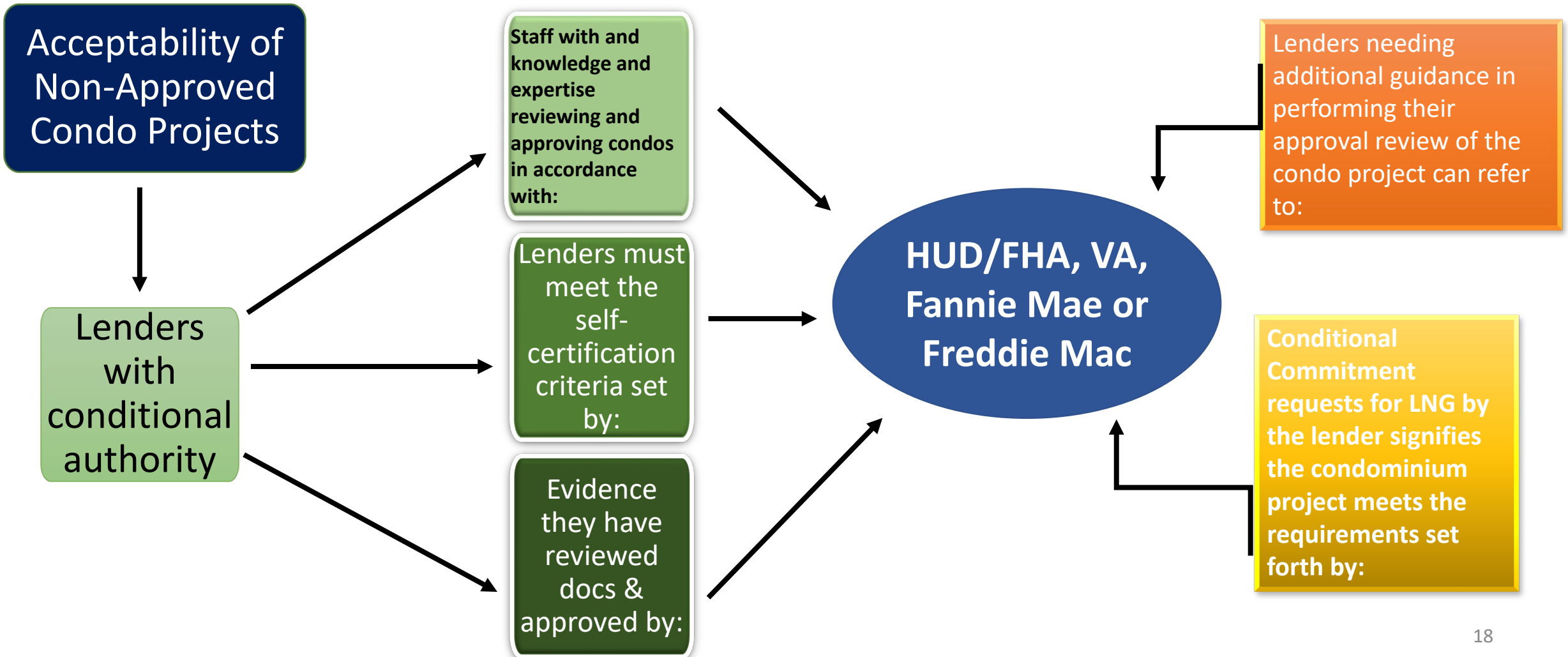
PUD HOA fees must be included in total DTI

All homeowners in the PUD must be part of the HOA and pay lien supported assessments.

Condominium projects with ineligible characteristics listed under HUD/FHA, VA, Fannie Mae, or Freddie Mac guidelines are not eligible for guarantee.

Chapter 12 – Property and Appraisal Requirements

12.11-Condominiums and PUD



Chapter 12 – Property and Appraisal Requirements

12.11-Condominiums and PUD

Insurance Requirements



Walls-In (HO-6)
Insurance



Hazard
Insurance



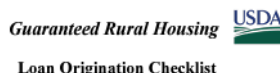
Flood
Insurance

Chapter 15 – Submitting the Application Package

Attachment 15-A

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ATTACHMENT 15-A



Lender Instructions: Submit the identified documents for the applicable loan type. To expedite loan review, please submit only the identified documents. Documents must not exceed the maximum allowable age set forth in the 7 CFR 3555 and Handbook 1-3555. Rural Development will consider all documents submitted as the certified and true copies of the original documents retained in the lender's permanent file. Lenders should submit loan files electronically to Rural Development. See electronic delivery information in the SFHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>. In the subject line include the following: Loan Origination: Borrower Last Name, First Name

General Information

Applicant(s): _____ Lender: _____ Date: _____

Loan Origination Checklist

Guaranteed Underwriting System (GUS)- Purchase and Non-Streamlined and Streamlined Refinance Transactions
Underwriting Recommendation: **ACCEPT**

When submitting documents in GUS, the appraisal report must be uploaded separately.

- Form RD 3555-21, Request for Single Family Housing Loan Guarantee**
Include all pages from the current published version
Executed by applicant(s) and lender
- FEMA Form 086-0-32, Standard Flood Determination Form**
New construction properties located in 100-year flood plains require additional documentation, including confirmation the base flood elevation (BFE) is below lowest habitable floor
- Mortgage Payoff Statement:** If refinance transaction
- Credit Report for Non-Purchasing Spouse (as applicable)**
Applies to applicant or property located in a community property state: AZ, CA, ID, LA, NV, NM, TX, WA, WI
- Uniform Residential Appraisal Report (URAR)**
FNMA 1004/FHLMC 70 or applicable report as determined by appraiser (not required for most streamlined refinances)

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Loan Origination Checklist Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation, or GUS Accept with Full Documentation Message on GUS Underwriting Findings and Analysis Report

When submitting documents in GUS, the appraisal report must be uploaded separately.

- Form RD 3555-21, Request for Single Family Housing Loan Guarantee**
Include all pages from current published version
Executed by applicant(s) and lender
- Underwriting Analysis: FNMA 1008/FHLMC 1077, or similar form**
Executed by the approved lender's underwriter
Documentation of annual and repayment income calculations
Credit waiver explanations, debt ratio waiver compensating factors, and overall loan file comments may be documented on this form
- Uniform Residential Loan Application: FNMA 1003/FHLMC 65**
Not required to be signed by applicant(s) or lender
Loan amount is not required to match the loan request in GUS or on Form RD 3555-21
- Income Verification Documentation: Applicable methods**
Alternative Documentation: Non self-employed:
Written/Electronic VOE + 1 earning statement with YTD figures
Full Documentation: Non self-employed:
2 years W-2s + 4 weeks of earning statements with YTD figures
Self-Employed:
2 years personal and business filed income tax returns or IRS transcripts with all schedules + YTD profit and loss statement
Additional Income Types: SSI, VA Benefits, Pension, Retirement, etc.
Refer to Chapter 9 for acceptable verification documents
- Asset Documentation:**
Documentation for all applicable household members per 3555.152(d)
VOD's, bank or investment statements, gift letters, etc. Refer to Chapter 9 for acceptable verification documents.
- Credit Report: (as applicable)**
Credit Report: For loans submitted outside of GUS. GUS loans will have the credit report uploaded.
Non-Traditional credit tradelines, as applicable
Credit supplements, if utilized to support data adjusted from credit report
- Credit Report for Non-Purchasing Spouse (as applicable)**
Applies to applicant or property located in a community property state: AZ, CA, ID, LA, NV, NM, TX, WA, WI
- Verification of Rent:**
NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION
Applicable for manually underwritten loans with credit scores less than 680
- Mortgage Payoff Statement:** If refinance transaction
- FEMA Form 086-0-32, Standard Flood Determination Form:**
New construction properties located in 100 year flood plains require additional documentation, including confirmation base flood elevation (BFE) is below lowest habitable floor
- Evidence of qualified alien:** If applicant(s) is not a U.S. Citizen
For Non-Streamlined and Streamlined Refinance transactions evidence is required when adding a new borrower who is not a U.S. Citizen.
- Uniform Residential Appraisal Report (URAR)**
NOT APPLICABLE TO MOST STREAMLINED OR STREAMLINED-ASSIST REFINANCES
FNMA 1004/FHLMC 70 or applicable report as determined by appraiser

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Loan Origination Checklist Streamlined Assist Refinance Manual Underwrite Review

- Form RD 3555-21, Request for Single Family Housing Loan Guarantee**
Include all pages from current published version
Executed by applicant(s) and lender
- Underwriting Analysis: FNMA 1008/FHLMC 1077, or similar form**
Executed by the approved lender's underwriter
Documentation of annual and adjusted annual income calculations
- Uniform Residential Loan Application: FNMA 1003/FHLMC 65**
Not required to be signed by applicant(s) or lender
Loan amount is not required to match the loan amount on Form RD 3555-21
- Income Verification Documentation: Required for Annual Income Calculations**
Alternative Documentation: Non self-employed:
Written/Electronic VOE + 1 earning statement with YTD figures
Full Documentation: Non self-employed:
2 years W-2's + 4 weeks of earning statements with YTD figures
Self-Employed:
2 years personal and business filed income tax returns or IRS transcripts with all schedules + YTD profit and loss statement
Additional Income Types: SSI, VA Benefits, Pension, Retirement, etc.
Refer to Chapter 9 for acceptable verification documents
- Asset Documentation: Annual Income Calculations**
Documentation for all applicable household members per 3555.152(d)
VOD's, bank or investment statements, gift letters, etc. Refer to Chapter 9 for acceptable verification documents.
- Mortgage Payment History for previous 12 month period**
Credit Report or Verification of Mortgage
- Mortgage Payoff Statement**
- Evidence of qualified alien status is required when adding a new borrower who is not a U.S. Citizen.**
- Uniform Residential Appraisal Report (URAR)**
Only applicable to current Direct Loan borrowers for the purpose of calculating subsidy recapture.

Chapter 15 – Submitting the Application Package

Attachment 15-A

| | | |
|--------------------------|--|--------|
| <input type="checkbox"/> | Form RD 3555-21, Request for Single Family Housing Loan Guarantee Include all pages from the current published version Executed by applicant(s) and lender | Page 1 |
| <input type="checkbox"/> | FEMA Form 086-0-32, Standard Flood Determination Form New construction properties located in 100-year flood plains require additional documentation, including confirmation the base flood elevation (BFE) is below lowest habitable floor | |
| <input type="checkbox"/> | Mortgage Payoff Statement: If refinance transaction | |
| <input type="checkbox"/> | Credit Report for Non-Purchasing Spouse (as applicable) Applies to applicant or property located in a community property state: AZ, CA, ID, LA, NV, NM, TX, WA, WI | |
| <input type="checkbox"/> | Uniform Residential Appraisal Report (URAR) FNMA 1004/FHLMC 70 or applicable report as determined by appraiser (not required for most streamlined refinances) | |

Submitting evidence of qualified alien requirements on GUS Accept files is no longer required.

| | | |
|--------------------------|--|--------|
| <input type="checkbox"/> | Credit report for Non-Purchasing Spouse (as applicable) Applies to applicant or property located in a community property state: AZ, CA, | Page 2 |
| <input type="checkbox"/> | Verification of Rent: NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION Applicable for manually underwritten loans with credit scores less than 680 | |
| <input type="checkbox"/> | Mortgage Payoff Statement: If refinance transaction | |

Verification of Rent (VOR) is required for manually underwritten loans with credit scores less than 680.

Chapter 17 – Servicing Performing Loans

17.3-Reporting Requirements

[Loan Servicing | Rural Development \(usda.gov\)](#)

LINC Training Library

Guaranteed Underwriting System (GUS)

Lender Approval

Lender Training

Loan Closing

Loan Origination

Loan Servicing

GUS Lender Test Environment

Guaranteed Annual Fee Billing and Payment Documentation & Resources

1. [Guaranteed Annual Fee Calculation Methodology](#) (PDF)
2. [Guarantee Fee & Annual Fee Calculator](#)(EXCEL)
3. [Guaranteed Annual Fee Lender User Agreement](#) (PDF)
4. [Guaranteed Annual Fee User Guide](#) (PDF)

Electronic Status Reporting (ESR) Training

[Introduction to Electronic Status Reporting \(ESR\) \(Webcast\) 10 Minutes](#)

- [Introduction to ESR slide with notes \(Training Handout\)](#)

[ESR Web Reporting \(Webcast\) 11 Minutes](#)

- [ESR Web Reporting slide with notes \(Training Handout\)](#)

[ESR Electronic Data Interchange \(EDI\) Reporting \(Webcast\) 11 Minutes](#)

- [ESR EDI Reporting slide with notes \(Training Handout\)](#)

[ESR Rejection and Correction Reporting \(Webcast\) 12 Minutes](#)

- [ESR Rejections and Corrections slide with notes \(Training Handout\)](#)

Monthly reports required

- For all loans in lender's portfolio
- Monthly loan status (203)
- Monthly loan default status (264)

Electronic Status Reporting (ESR)

- Must be completed by the 6th government workday of each month.

Reporting may end when:

- The default is cured
- The mortgage is paid-in-full
- The account is liquidated

Chapter 18 – Servicing Non-Performing Loans

Section 1: Collecting Efforts and Requirements

Paragraph 18.3-Minimum Requirements

- (c) Before an account becomes 60 days past due, if no payment arrangement is in place, the lender must send a certified letter to the borrower(s) requesting an interview for the purpose of resolving the delinquency.
- (d) By the 60th day of delinquency, the lender must inspect the property for occupancy.

Section 5: Assistance in Natural Disasters

Paragraph 18.15-COVID 19 Public Health Emergency

- (b) The effective date of the moratorium on foreclosures and evictions now reflect through the end of the national emergency.
- (b) Eligibility criteria includes that the borrower was not greater than 120 days past due on March 1, 2020.
- Attachments 18-B (Acceptable Foreclosure Timeframes) and 18-C (Acceptable State Liquidation Costs and Fees) were revised to update fees.

Chapter 19 – Loss Claims-Collecting on the Guarantee

19.2-Loss Claim Coverage

Reasonable and customary costs related to the liquidation and disposition of a property are determined by the Department of Veteran Affairs appraisal fee schedule.

**Management
fees from
appraisal
related costs**



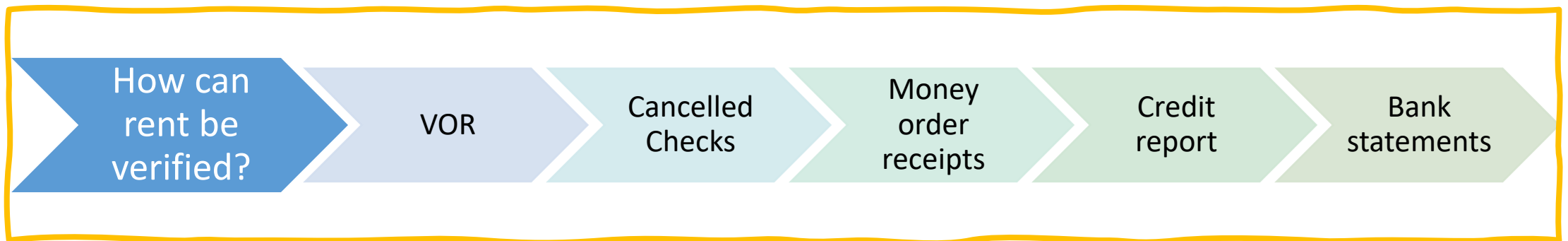
Time Saving Tips

Verification of Rent (VOR)

Chapter 10

When is it required?

| | GUS Accept & Accept w/ Full Doc | Refer/Refer w/ Caution | Manually underwritten |
|--------------|---------------------------------|---|-----------------------|
| VOR Required | X NO | ✓ YES -when indicated on the GUS findings | ✓ YES |



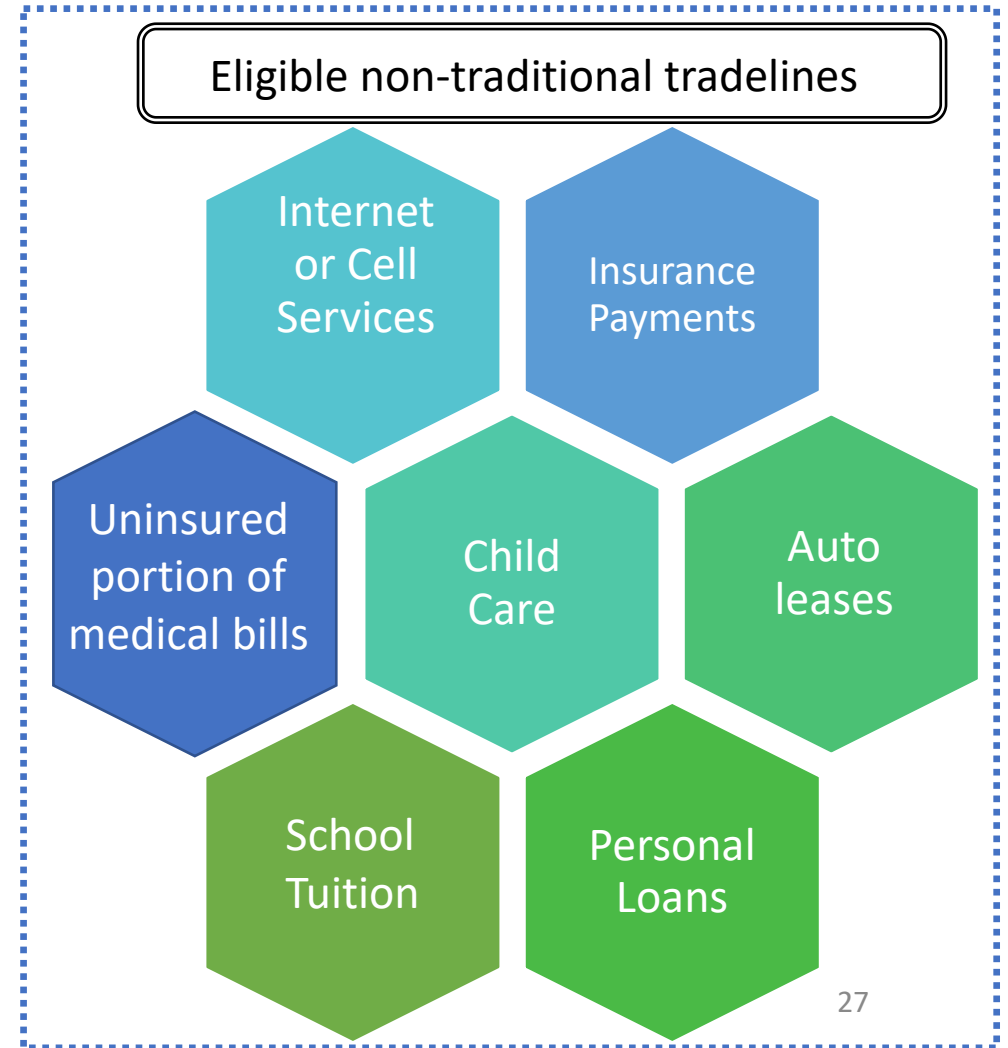
Verification of Rent (VOR) & Non-traditional credit

Chapter 10

Can an applicant be eligible with no rent history?
Yes, three tradelines are required.

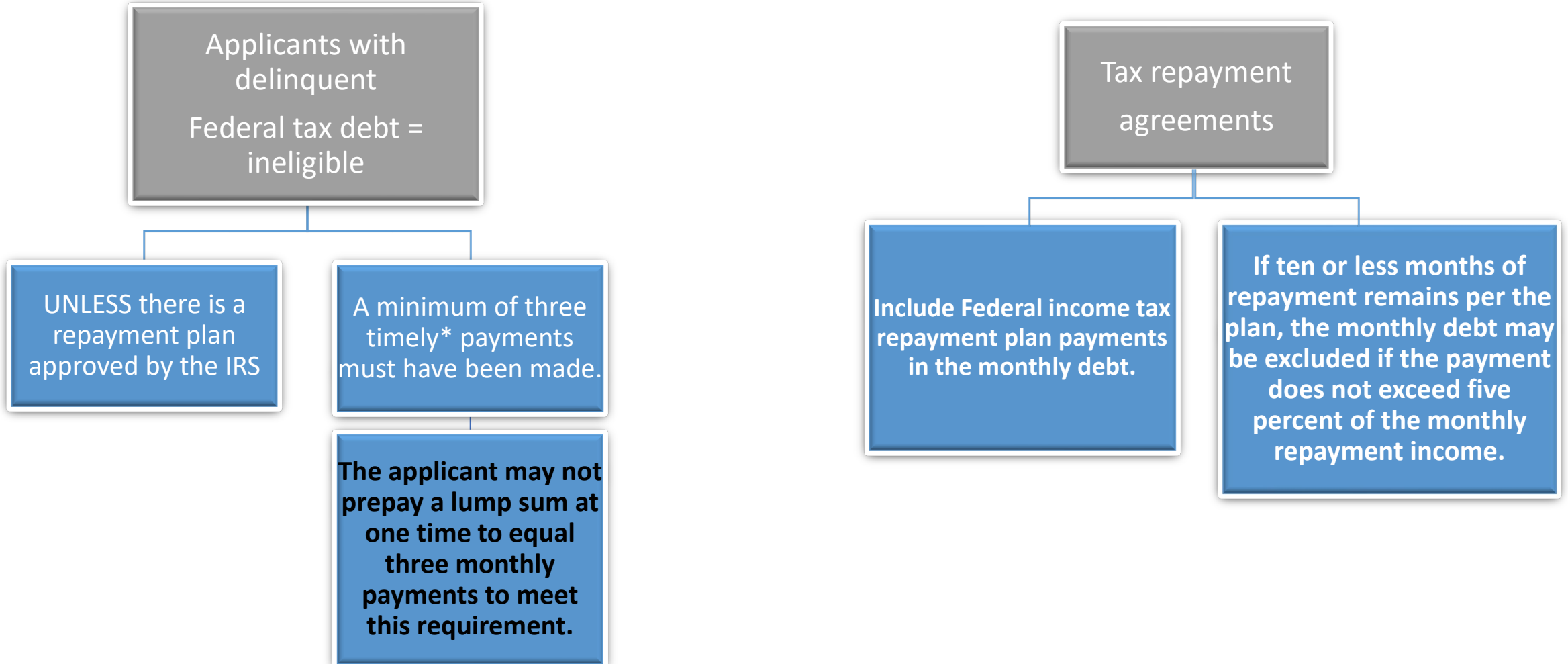
Non-traditional credit document types

- 1 Non-Traditional Mortgage Credit Report (NTMCR)
- 2 Self-reported tradelines on a traditional credit report
- 3 Evidence from third party verifications, canceled checks, money order receipts, electronic payments, etc.



Delinquent Federal Taxes & Repayment Plans

Chapter 10 & Attachment 10-A



*Timely is *defined* as payments that coincide with the approved IRS repayment agreement.



Student Loan Payments

Chapter 11.2

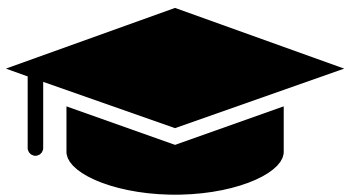
What Student loan payment amounts should be used in DTI?

When the payment amount is above zero:

- Lenders must use the payment amount reported on the credit report
- Or the actual documented payment

When the payment amount is zero:

- Use 0.50% of the outstanding loan balance



- **If the student loans are paid by another party but are solely in the applicant's name, they still remain the legal responsibility of the applicant and the applicable payment must be included in the monthly debts.**
- **Student loans on a "forgiveness" plan/program remain the legal responsibility of the applicant until they are released of liability from the creditor. The applicable payment must be included in the monthly debts.**

Electronic Signatures

Chapter 15.4

Electronic Signatures

Origination Documents

Loan Closing Documents

Servicing Documents

Lenders may use e-signatures when they perfect and maintain:

A first lien position

An enforceable promissory note

Meets all other agency requirements

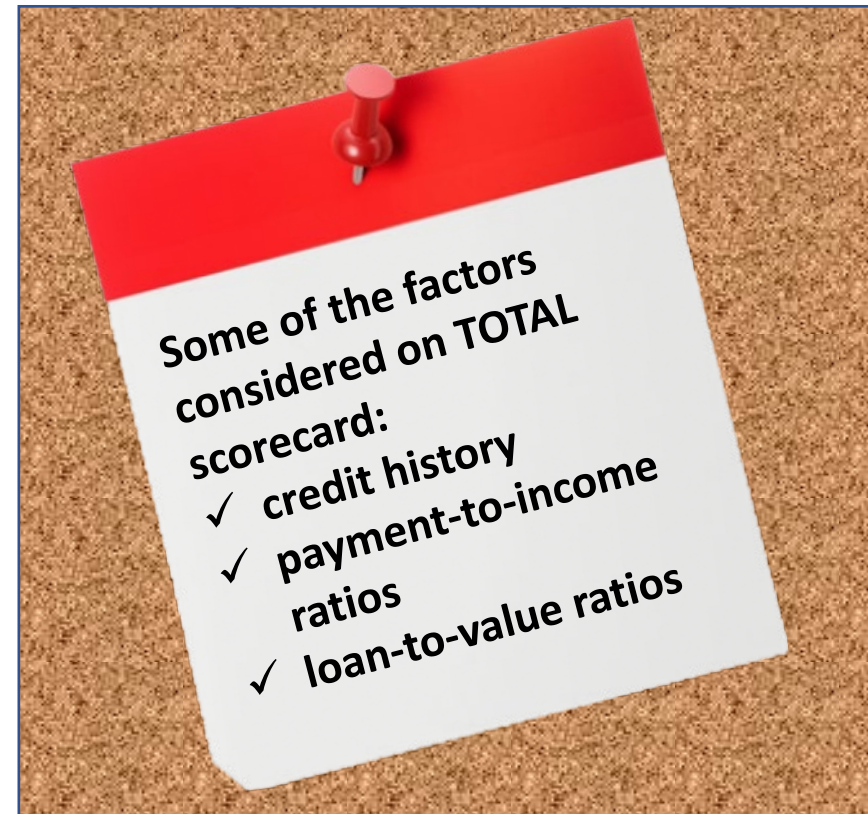
Examples: Electronic promissory notes, deed of trust, etc.

Lenders should be familiar with the securitization requirements of government sponsored enterprises (GSE), such as Ginnie Mae, regarding the transferability of eNotes.

GUS Scorecard & GUS Recommendations

What determines the underwriting recommendation returned by the Guaranteed Underwriting System (GUS)?

- Uses a risk evaluation scorecard
- Compliments but does NOT replace the consideration and judgement of experienced underwriters
- Scorecard allows favorable consideration to applicants that exhibit positive compensating factors



Assets & GUS

Chapter 9

- Calculate and enter assets correctly to avoid receiving errors.
- When disclosing the assets of the borrower on the “Assets and Liabilities” page of GUS, lenders have the responsibility to determine if the asset is liquid or readily converted to cash and can be done so absent retirement or job termination.
- Assets such as 401(k)s, IRAs, etc. may be included in the underwriting analysis up to only 60 percent of the vested value.
- Assets should never be overvalued as it affects the risk assessment provided by the automated underwriting system.
- The lesser of the current balance or previous month’s ending balance will be input on the “Assets and Liabilities” page of GUS.
- In lieu of entering assets in GUS, the lender may underwrite to the most conservative approach with no consideration of assets on the “Assets and Liabilities” page and underwriting recommendation.

This section in GUS allows users to enter information about borrower assets that will be used to evaluate their loan eligibility. Verified assets could offset risks associated with the underwriting recommendation.

The screenshot shows the 'Assets and Liabilities' section of the GUS interface. The breadcrumb trail includes 'Eligibility', 'Borrower Information', 'Assets and Liabilities', 'Real Estate', 'Loan and Property Information', 'Declarations / Military', and 'More...'. The main heading is 'Assets and Liabilities'. Below it, there is a dropdown menu for 'Assets - Bank Accounts, Retirement, and Other Accounts You Have (0)'. A green 'Add Asset' button is highlighted with a yellow circle containing the number 1. Below the button, there is a link for '> Other Assets You Have (0)'.

The screenshot shows the 'Add Asset' form in the GUS interface. The breadcrumb trail is the same as in the previous screenshot. The main heading is 'Assets and Liabilities'. Below it, there is a dropdown menu for 'Assets - Bank Accounts, Retirement, and Other Accounts You Have (1)'. A red 'Remove' button is visible. The form fields are: 'Account Owner/Borrower Name (P)' with a dropdown menu and a 'Choose One' button; 'Account Type (P)' with a dropdown menu and a 'Choose One' button; 'Financial Institution (F)' with a text input field; 'Account Number (F)' with a text input field; and 'Cash or Market Value (P)' with a text input field containing '\$0.00'. A yellow box highlights the 'Account Type', 'Financial Institution', 'Account Number', and 'Cash or Market Value' fields. Below the form, there is a grey 'Add Additional Asset' button. At the bottom, there is a section for 'Total Cash or Market Value for All Borrowers' with a text input field containing '\$0.00'. A yellow circle with the number 2 highlights the 'Account Owner/Borrower Name' field, and a yellow circle with the number 3 highlights the 'Add Additional Asset' button.

ASSET CHANGES AFTER CONDITIONAL COMMITMENT ISSUANCE

Assets verified prior to loan closing that are less than the amounts entered into GUS or on the loan application may retain the issued Conditional Commitment (Form RD 3555-18/18E) when one of the following are met:

1. The application was approved with zero months of cash reserves; or
2. The application will continue to have a minimum of four months of cash reserves.

Where to find the GUS recommendation

Eligibility Borrower Information Assets and Liabilities Real Estate Loan and Property Information **View Findings** More...▼

GUS Underwriting Findings Report GUS Underwriting Analysis Report GUS Credit Report

GUS Underwriting Findings Report

The underwriting findings for the final submission should be printed by the lender, retained in their permanent case file, and are the official findings that the lender must conform to. Lenders must perform a review of the Final GUS Underwriting Findings Report (The Finding Report displayed after the Final Submission) and confirm the conditions prior to the Conditional Commitment have been met. Your loan application has been submitted to the Rural Development Office for review. You are now locked out of the loan application and have view only capability of the application. Rural Development will contact you concerning the status of your loan. If you have questions, please contact your local office.

1. View Findings
2. GUS Underwriting Findings Report
3. Print PDF option

Underwriting Summary

Underwriting Recommendation: **Accept / Eligible**

| | | | |
|----------------------|----------|----------------------------|-------------------------|
| Property Eligibility | Eligible | Primary Borrower | Homeowner, John |
| Income Eligibility | Eligible | Submission Type | Final |
| Loan Eligibility | Eligible | Submission Sequence Nbr | 2 |
| Loan Risk Evaluation | Accept | Submission Date/Time Stamp | 08/18/2020 04:17 PM CDT |
| | | Submitted By | ULATest32 Level2 |

| Borrower Name | Borrower Eligibility | Borrower Risk Evaluation |
|-----------------|----------------------|--------------------------|
| Homeowner, John | Eligible | Accept |

GUS Recommendations

- Accept
- Accept with Full Documentation
- Refer
- Refer with Caution
- Ineligible

Utilizing Attachment 15-A

ACCEPT

- 3555-21
- Standard Flood Determination Form
- Mortgage Payoff Statement (if refinance transaction)
- Credit Report for Non-Purchasing Spouse (as applicable)
- Appraisal Report

Loan Origination Checklist Guaranteed Underwriting System (GUS)- Purchase and Non-Streamlined and Streamlined Refinance Transactions

Underwriting Recommendation: ACCEPT

When submitting documents in GUS, the appraisal report must be uploaded separately.

| | |
|--------------------------|--|
| <input type="checkbox"/> | Form RD 3555-21, Request for Single Family Housing Loan Guarantee Include all pages from the current published version Executed by applicant(s) and lender |
| <input type="checkbox"/> | FEMA Form 086-0-32, Standard Flood Determination Form New construction properties located in 100-year flood plains require additional documentation, including confirmation the base flood elevation (BFE) is below lowest habitable floor |
| <input type="checkbox"/> | Mortgage Payoff Statement: If refinance transaction |
| <input type="checkbox"/> | Credit Report for Non-Purchasing Spouse (as applicable) Applies to applicant or property located in a community property state: AZ, CA, ID, LA, NV, NM, TX, WA, WI |
| <input type="checkbox"/> | Uniform Residential Appraisal Report (URAR) FNMA 1004/FHLMC 70 or applicable report as determined by appraiser (not required for most streamlined refinances) |

Loan Origination Checklist

Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation, or GUS Accept with Full Documentation Message on GUS Underwriting Findings and Analysis Report

When submitting documents in GUS, the appraisal report must be uploaded separately.

| | |
|--------------------------|---|
| <input type="checkbox"/> | Form RD 3555-21, Request for Single Family Housing Loan Guarantee Include all pages from current published version Executed by applicant(s) and lender |
| <input type="checkbox"/> | Underwriting Analysis: FNMA 1008/FHLMC 1077, or similar form Executed by the approved lender's underwriter Documentation of annual and repayment income calculations Credit waiver explanations, debt ratio waiver compensating factors, and overall loan file comments may be documented on this form |
| <input type="checkbox"/> | Uniform Residential Loan Application: FNMA 1003/FHLMC 65 Not required to be signed by applicant(s) or lender Loan amount is not required to match the loan request in GUS or on Form RD 3555-21 |
| <input type="checkbox"/> | Income Verification Documentation: Applicable methods Alternative Documentation: Non self-employed: Written/Electronic VOE + 1 earning statement with YTD figures Full Documentation: Non self-employed: 2 years W-2s + 4 weeks of earning statements with YTD figures Self-Employed: 2 years personal and business filed income tax returns or IRS transcripts with all schedules + YTD profit and loss statement Additional Income Types: SSI, VA Benefits, Pension, Retirement, etc. Refer to Chapter 9 for acceptable verification documents |
| <input type="checkbox"/> | Asset Documentation: Documentation for all applicable household members per 3555.152(d) VOD's, bank or investment statements, gift letters, etc. Refer to Chapter 9 for acceptable verification documents. |
| <input type="checkbox"/> | Credit Report: (as applicable) Credit Report: For loans submitted outside of GUS. GUS loans will have the credit report uploaded. Non-Traditional credit tradelines, as applicable Credit supplements, if utilized to support data adjusted from credit report |
| <input type="checkbox"/> | Credit Report for Non-Purchasing Spouse (as applicable) Applies to applicant or property located in a community property state: AZ, CA, ID, LA, NV, NM, TX, WA, WI |
| <input type="checkbox"/> | Verification of Rent: NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION Applicable for manually underwritten loans with credit scores less than 680 |
| <input type="checkbox"/> | Mortgage Payoff Statement: If refinance transaction |
| <input type="checkbox"/> | FEMA Form 086-0-32, Standard Flood Determination Form: New construction properties located in 100 year flood plains require additional documentation, including confirmation base flood elevation (BFE) is below lowest habitable floor |
| <input type="checkbox"/> | Evidence of qualified alien: If applicant(s) is not a U.S. Citizen For Non-Streamlined and Streamlined Refinance transactions evidence is required when adding a new borrower who is not a U.S. Citizen. |
| <input type="checkbox"/> | Uniform Residential Appraisal Report (URAR) NOT APPLICABLE TO MOST STREAMLINED OR STREAMLINED-ASSIST REFINANCES FNMA 1004/FHLMC 70 or applicable report as determined by appraiser |

REFER/REFER with CAUTION or GUS Accept with Full Documentation

- 3555-21, Request for Single Family Housing Loan Guarantee
- Underwriting Analysis, Credit waiver (if required)
- Uniform Residential Loan Application
- Complete Income Documentation for all adult household members
- Asset verification docs
- Credit Report and supporting docs
- Credit Report for non-purchasing spouse (community property states only)
- Verification of Rent
- Mortgage payoff statement (refinance)
- Standard Flood Determination Form
- Evidence of qualified alien
- Appraisal



Streamlined Assist Refinance Manual

Underwrite Review

- 3555-21, Request for Single Family Housing Loan Guarantee
- Underwriting Analysis
- Uniform Residential Loan Application
- Complete income documentation for all adult household members
- Asset verification documentation
- Mortgage Payment History for previous 12-month period
- Mortgage Payoff Statement
- Evidence of qualified alien
- Appraisal, only if the original loan was a Direct loan and subsidy recapture is due

| Loan Origination Checklist | |
|---|---|
| Streamlined Assist Refinance Manual Underwrite Review | |
| <input type="checkbox"/> | Form RD 3555-21, Request for Single Family Housing Loan Guarantee Include all pages from current published version Executed by applicant(s) and lender |
| <input type="checkbox"/> | Underwriting Analysis: FNMA 1008/FHLMC 1077, or similar form Executed by the approved lender's underwriter Documentation of annual and adjusted annual income calculations |
| <input type="checkbox"/> | Uniform Residential Loan Application: FNMA 1003/FHLMC 65 Not required to be signed by applicant(s) or lender Loan amount is not required to match the loan amount on Form RD 3555-21 |
| <input type="checkbox"/> | Income Verification Documentation: Required for Annual Income Calculations Alternative Documentation: Non self-employed: Written/Electronic VOE + 1 earning statement with YTD figures Full Documentation: Non self-employed: 2 years W-2's + 4 weeks of earning statements with YTD figures Self-Employed: 2 years personal and business filed income tax returns or IRS transcripts with all schedules + YTD profit and loss statement Additional Income Types: SSI, VA Benefits, Pension, Retirement, etc. Refer to Chapter 9 for acceptable verification documents |
| <input type="checkbox"/> | Asset Documentation: Annual Income Calculations Documentation for all applicable household members per 3555.152(d) VOD's, bank or investment statements, gift letters, etc. Refer to Chapter 9 for acceptable verification documents. |
| <input type="checkbox"/> | Mortgage Payment History for previous 12 month period Credit Report or Verification of Mortgage |
| <input type="checkbox"/> | Mortgage Payoff Statement |
| <input type="checkbox"/> | Evidence of qualified alien status is required when adding a new borrower who is not a U.S. Citizen. |
| <input type="checkbox"/> | Uniform Residential Appraisal Report (URAR) Only applicable to current Direct Loan borrowers for the purpose of calculating subsidy recapture. |

UPLOADING DOCUMENTS TO GUS

Eligibility Borrower Information Assets and Liabilities Real Estate Loan and Property Information **Application Documents** More...▼

Application Documents

Borrower Information

Borrower ID / Name

Borrower Address

Upload Documents

Add and Index Individual Document(s) Into Image Repository

File Upload Instructions

- Acceptable file formats are Adobe PDF and TIF (no password protected PDF files)
- Password protected documents are not permitted.
- Maximum File Size is **100MB**.
- User must make a selection for **"Type of Document"** prior to adding files using the Upload feature.
- Up to **10** individual documents can be uploaded at a time.
- Select **"Submit Document(s)"** to attach document(s) to application for submission to USDA.

Type of Document

File Name

Submission Status

Actions

10011 Request for Guarante
Choose One
10002 Appraisal Report
10006 Underwriting
10011 Request for Guarantee

Upload Files Or drop files

Submit Document(s)

Note: It may take several minutes for individually indexed documents to process and be available for display.

- Click the **"Display Document"**  button icon to display the document you wish to view.


1. Application Documents
2. Borrower information
3. File upload instructions
4. Pick type of document
5. Upload File

1

INSTRUCTIONS ON HOW TO MOST EFFICIENTLY UPLOAD YOUR DOCUMENTS TO GUS!

Combining files and reduce file size in Adobe before uploading to GUS

Add correct files from Attachment 15-A



2

Add files by clicking the button below or drag and drop them here.
You can also add the current open files from below.

Add Files

Add Open Files

Help

Adobe Acrobat Pro (32-bit)

File Edit View E-Sign Window Help

- Open... Ctrl+O
- Reopen PDFs from last session
- ECF Menus
- Create
- Insert Pages
- Save Ctrl+S
- Save As... Shift+Ctrl+S
- Save as Other**
- Reduce File Size
- Export To
- Protect Using Password
- Share File
- Revert
- Close File Ctrl+W
- Properties... Ctrl+D
- Print... Ctrl+P

4

- Reduced Size PDF...**
- Certified PDF...
- Reader Extended PDF
- Optimized PDF...
- Archivable PDF (PDF/A)
- Press-Ready PDF (PDF, PDF/E)

Adobe Acrobat Pro (32-bit)


File Edit View E-Sign Window Help

Home Tools

Combine Files

Combine

Arrange in correct stacking order



3555-21 sa....pdf Flood Dete....pdf Mortgagepdf

3

Appraisal Requirements

Clear photos of the entire property, including attic and crawl space

*Photos must be in color

Stating that “the property does or does not meet HUD Handbook 4000.1 requirements”

Borrower's name(s) and address are spelled correctly and match GUS

- ❖ If there is an Accessory Dwelling Unit, the appraiser must discuss highest and best use.
- ❖ If the appraisal is completed “as improved,” the lender must obtain verification that all required repairs were completed, or satisfaction of the requirements and conditions noted in the original appraisal report

eAuthentication

<https://www.rd.usda.gov/sites/default/files/rd-sfh-systemaccessandsecurityguide.pdf>

You can find instructions on how to obtain an eAuthentication (eAuth) and how to manage user roles for your organization in this System Access and Security Guide.

SINGLE FAMILY HOUSING GUARANTEED LOAN PROGRAM

System Access and Security Guide

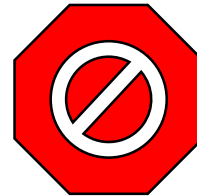
Final Version 2.0

1/22

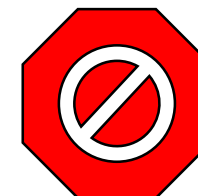
Allows lenders to conduct official business transactions online:

- Submitting forms electronically
- Completing applications
- Checking the status of USDA accounts

More access with fewer passwords!



IMPORTANT:



Users MAY NOT share access identification in any system, even within the same lender institution! Each user must have an accurately assigned role, as roles define how much functionality is allowed.

GUS Access/User Roles

USER ROLES

Security Administrator

- There must be at least one from your financial organization, we recommend two. For larger organizations, more than 2 may be beneficial.
- Assigns proper security roles to their associates
- Responsible for assigning, modifying, deleting security roles for their associates.

[Link to form](#)

| User Roles | Lender | Branch |
|--|---|---|
| | For all branches within an organization | For specific branch(es) within an organization |
| Viewer | <ul style="list-style-type: none">• Views applications associated with Lender Tax ID (for all branches)• Monitors loan applications in GUS | Same as the Lender but limited to the user's lender Branch only |
| Representative | <ul style="list-style-type: none">• Imports applications• Manually enters loan application information• Performs preliminary submission• Typically, an originator or processor for their lender's organization | Same as the Lender but limited to the user's lender Branch only |
| Representative with Final Submit Authority | <ul style="list-style-type: none">• Imports applications• Manually enters loan application information• Performs preliminary and final submissions• Confirms that loan information is accurate and consistent with documentation in the lender's mortgage loan file• Certifies the loan has been underwritten• Usually an underwriter or senior processor | Same as the Lender but limited to the user's lender Branch only |
| Lender's Security Administrator | <ul style="list-style-type: none">• Imports applications• Manually enters loan application information• Performs preliminary and final submissions | Same as the Lender but limited to the user's lender Branch only |
| Lender Agent/Broker | <ul style="list-style-type: none">• Manually enters loan application information on behalf of lender / branch organizations (through the Lender Agent affiliation)• Imports applications on behalf of lender / branch organizations (through the Lender Agent affiliation)• Performs preliminary submissions• Must release control of the application back to a Lender user for final submission | |

Community Property States (CPS)

Lenders must follow applicable community property state lending laws when the applicant(s) and/or property reside in a CPS.

Lenders are responsible to know CPS laws and requirements for the treatment of NPS debts.

Items needed for applicant's who reside or are purchasing in a community property state:

- ✓ Credit report for non-purchasing spouse (**NPS**)
- ✓ Debts of non-purchasing spouse must be included in the applicant's repayment ratios, unless specifically excluded by state law.



Community Property State -GUS entry example

Example of a file **NEEDING CORRECTION:**

The review of your submission for the above referenced loan guarantee request could not be finalized. The following items need to be addressed before further review can occur:

- Both Community Property boxes should be marked on the LENDER LOAN INFORMATION screen:



Lenders should ensure that the boxes in this section of GUS are marked correctly. Sometimes only one box is checked WHEN both should be.

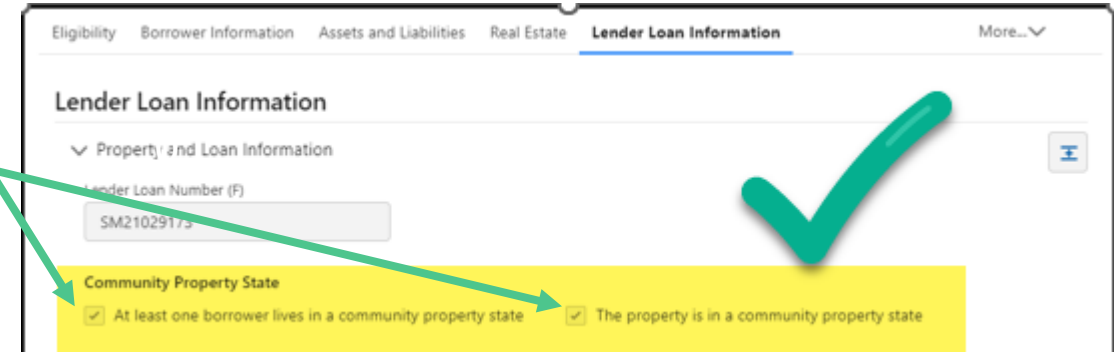
- The BORROWER INFORMATION screen in GUS shows the borrower is "Unmarried". This conflicts with his marital status listed in the URLA 1003, credit report and LOE.

- Please correct as needed.

- If you'd like GUS to be released back, you may pull the file back yourself by using the RECALL feature, OR please send a request by replying to this email.

Example of the **CORRECTED** file:

Both boxes should have been checked for this file, as the property ***and*** borrower are in a CPS.



Manufactured Housing Pilot has been renewed

[Link for Pilot in the Federal Register](#)

Unit must...

- Have been constructed on or after January 1, 2006.
- Not have been previously installed on a different homesite.
- Have a floor area of not less than 400 sq. feet.
- Meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555.
- Have no alterations or modifications since construction in the factory except for...
- Porches, decks, or other structures which were built to engineered designs or were approved and inspected by local code officials are acceptable.

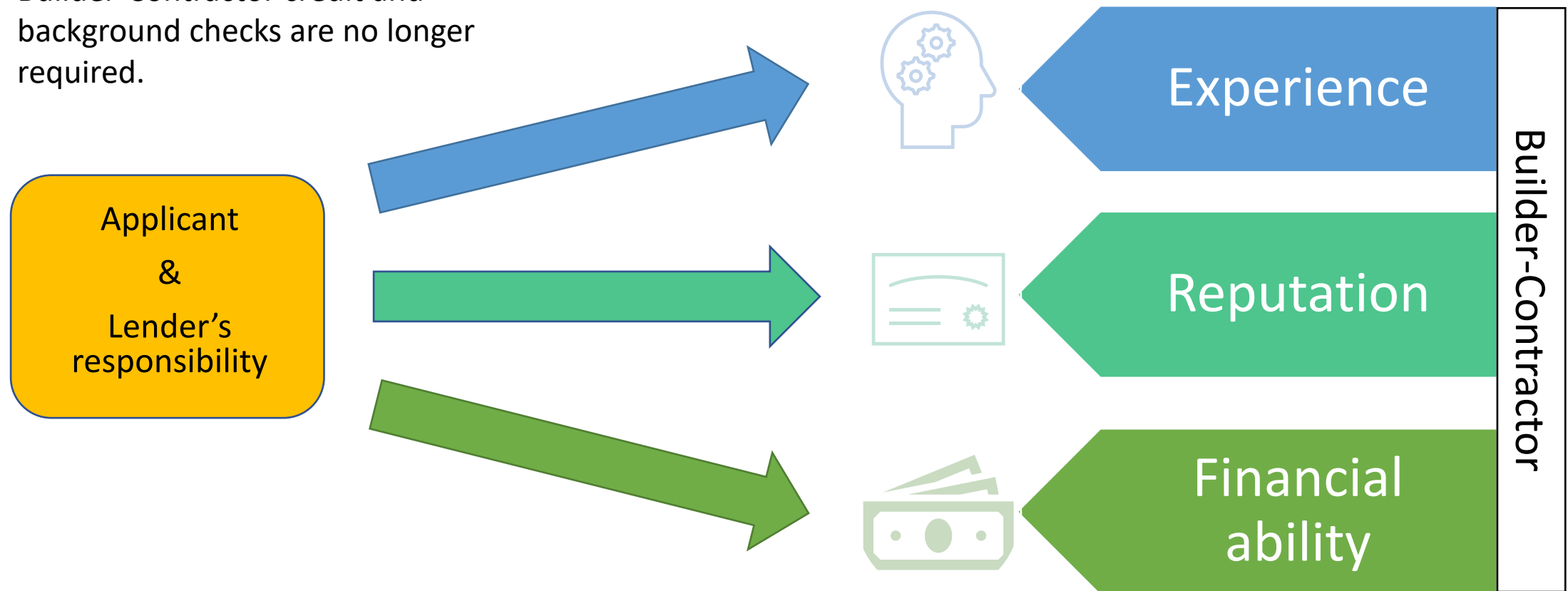
States included in the pilot are: CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY.

[Manual File Submission Job Aid](#)

FINAL RULE-Effective November 29, 2022

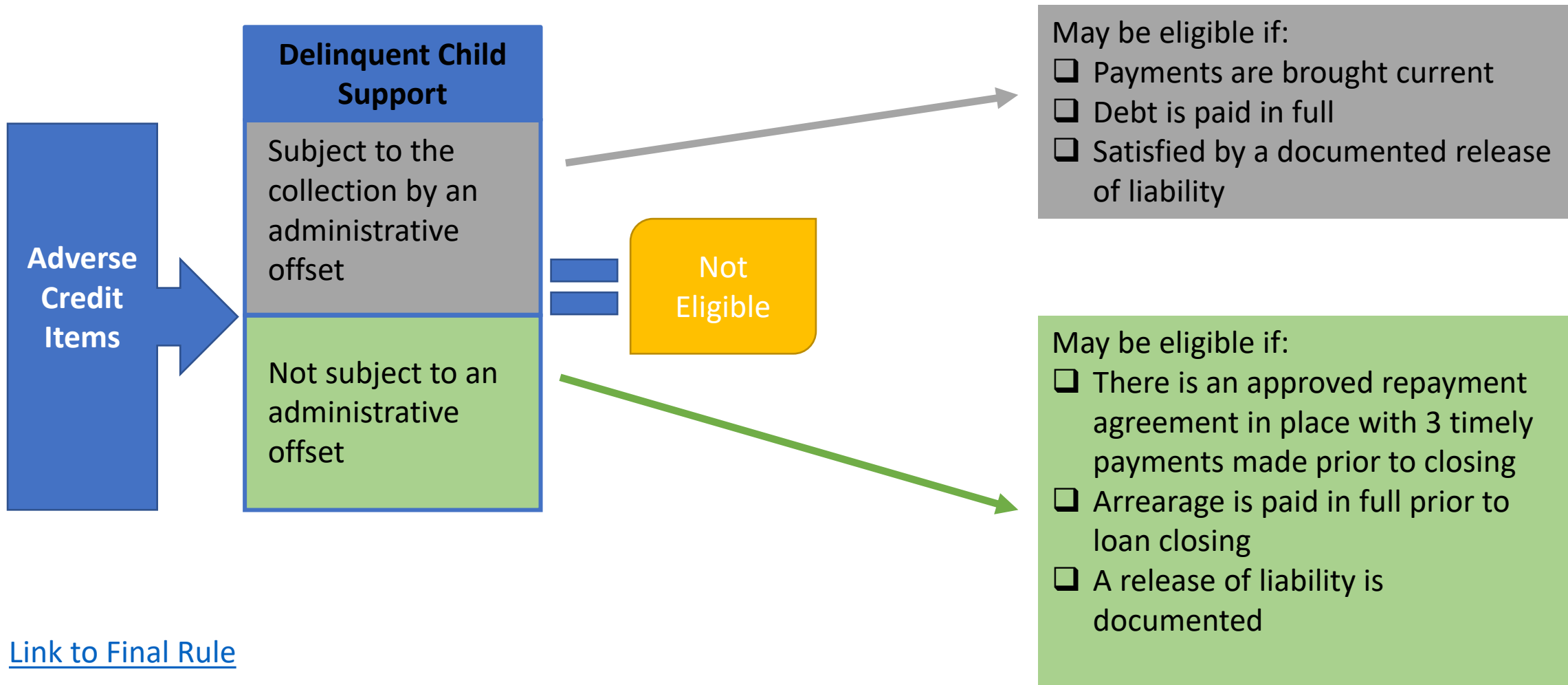
Lender Financial and Participation Requirements Final Rule, published August 31, 2022

- ❖ Builder-Contractor credit and background checks are no longer required.



FINAL RULE - Effective November 29, 2022

Lender Financial and Participation Requirements Final Rule, published August 31, 2022





Reminders

Reminder: Use the most updated forms

USDA United States Department of Agriculture
Service Center Agencies eForms

Home About eForms Help Contact Us Login

You are here: Home / Browse Forms Search

Browse Forms

You may search for a form by completing any of the fields below or just click Search for a list of all forms. You can view and print the forms without signing in. If you would like to save and submit the forms electronically, click login.

When viewing the forms, please have only **one** browser window open.

Agency Name:

Program Name:

Service Name:

Form Number:

eforms:

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

LINC Training Library

Guaranteed Underwriting System (GUS)

Lender Approval

Lender Training

Loan Closing

Loan Origination

Loan Servicing

GUS Lender Test Environment

New**

- [Department of Hawaiian Home Lands MOU](#)

Documents & Resources

1. [3555 Handbook](#) (PDF)
2. [3555 Regulation - 7 CFR 3555](#) (PDF)
3. [FAQ Loan Origination](#) (PDF)
4. [Form RD 3555-21 Request for Loan Guarantee](#) (PDF)
5. [GRH Loan Checklist -- Attachment 15-A](#) (PDF)
6. [Manual Submission Job Aid](#) (PDF)
7. [GRH Income Worksheet -- Attachment 9-B](#) (PDF)
8. [Guaranteed and Annual Fee Calculation Guidance](#) (PDF) [Calculator \(Excel\)](#)
9. [Income Matrix](#) (PDF)

LINC Library:

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library/loan-origination>

Form RD 3555-21, Request for SFH Loan Guarantee

Ensure all pages of the 3555-21 reflect the revision day of August 2022

Income worksheet was removed from 3555-21

Income calculations must still be submitted for all file submission types, except for GUS Accept files.

Whether documentation is required to be submitted to RD or not, lenders must still document their permanent loan files with income calculations.



!!!IMPORTANT!!!

Calculations for Annual, adjusted, and repayment income **MUST STILL BE PROVIDED!**

Calculations provided must match what is entered in GUS



Lender Resources

**LIVE
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NEW TRAINING AVAILABLE!!

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Guaranteed Underwriting System (GUS)

Lender Approval

Lender Training

Loan Closing

Loan Origination

Loan Servicing

GUS Lender Test Environment

Training

Recorded Live Trainings

Single Close Construction Program - [Webcast](#) | [Q&As](#)

Creating Efficiency with New GUS - June 2021 [Webcast](#) | [Slides](#)

Appraisal and Property Requirements - October 2021 [Webcast](#)



Combination Construction to Permanent & Rehab Loans

Presented by: Ed Peace, Finance and Loan Analyst

February 2023

Lender and Partner Activities Branch

Ed.Peace@usda.gov

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Direct Link to training:

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library/lender-training>



7 CFR Part 3555



Bookmark It!



Use Ctrl-F to find answers quickly!



PART 3555—GUARANTEED RURAL HOUSING PROGRAM

Contents

Subpart A—General

- §3555.1 Applicability.
- §3555.2 Purpose.
- §3555.3 Civil rights.
- §3555.4 Mediation and appeals.
- §3555.5 Environmental requirements.
- §3555.6 State and local law.
- §3555.7 Exception authority.
- §3555.8 Conflict of interest.
- §3555.9 Enforcement.
- §3555.10 Definitions and abbreviations.
- §§3555.11-3555.49 [Reserved]
- §3555.50 OMB control number.

Subpart B—Lender Participation

- §3555.51 Lender eligibility.
- §3555.52 Lender approval.
- §3555.53 Contracting for loan origination.
- §3555.54 Sale of loans to approved lenders.
- §§3555.55-3555.99 [Reserved]
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Subpart C—Loan Requirements

- §3555.101 Loan purposes.
- §3555.102 Loan restrictions.
- §3555.103 Maximum loan amount.
- §3555.104 Loan terms.
- §3555.105 Combination construction and permanent loans.
- §3555.106 [Reserved]
- §3555.107 Application for and issuance of the loan guarantee.
- §3555.108 Full faith and credit.
- §3555.109 Qualified mortgage.
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- §3555.150 OMB control number.

Subpart D—Underwriting the Applicant

- §3555.151 Eligibility requirements.
- §3555.152 Calculation of income and assets.
- §§3555.153-3555.199 [Reserved]
- §3555.200 OMB control number.

Subpart E—Underwriting the Property

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Lender Interactive Network Connection (LINC)

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

The screenshot shows the USDA LINC website home page. At the top left is the "USDA LINC" logo. Below it are navigation links for "FSALINC Home", "RBS LINC Home", "RHS LINC Home", and "RUS LINC Home". The "RHS LINC Home" and "RUS LINC Home" links are circled in red. A text box with an arrow points to these circles, stating: "Click either circled selection to enter the RHS home page". Below the navigation links are four service tiles: "Farm Service Agency", "Rural Business Service", "Rural Housing Service", and "Rural Utilities Service". The "Rural Housing Service" tile is also circled in red. At the bottom of the page is a navigation bar with links for "USDA LINC Home", "FSALINC Home", "RBS LINC Home", "RHS LINC Home", "RUS LINC Home", "Help", "Site Map", and "Message Board". The "Message Board" link is highlighted with a red box. A text box with an arrow points to this box, stating: "You can click on the Message Board for system messages such as updates or expected down times".

- Single Family Guaranteed Rural Housing
 - [Electronic Status Reporting \(ESR\)](#)
 - [Electronic Status Reporting Corrections](#)
 - [Guaranteed Annual Fee](#)
 - [Mortgage Recovery Advance Receivable Payments](#)
 - [Mortgage Recovery Advance Receivable History](#)
 - [Loss Claim Administration](#)
 - [Guaranteed Underwriting System \(GUS\)](#)
 - [Legacy Guaranteed Underwriting](#)
 - [Lender Loan Closing/Administration](#)
 - [ID Cross Reference](#)
 - [Application Authorization](#)
 - [Lender PAD Account Maintenance](#)
 - [Training and Resource Library](#)

Training and resource library for trainings and resources.



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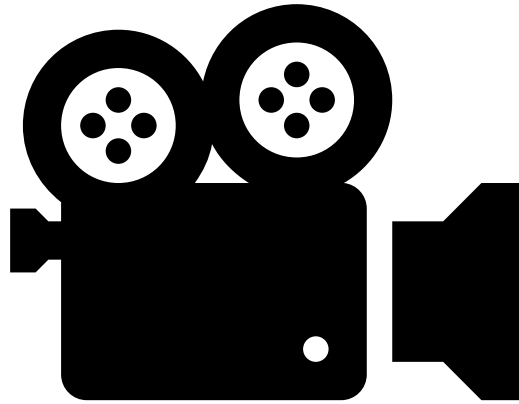


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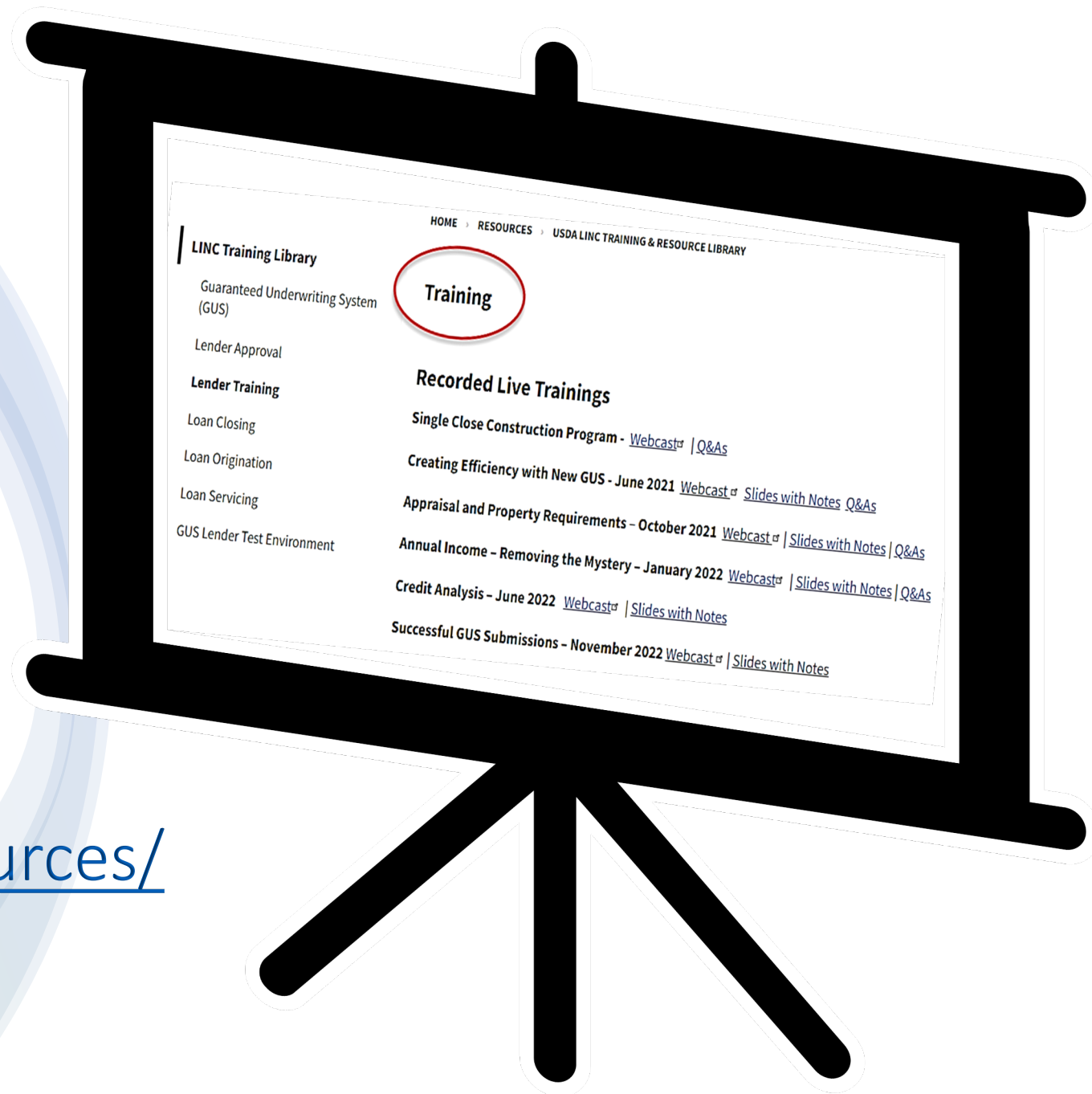
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Monday-Friday from 9:00 am-3:30 pm EST

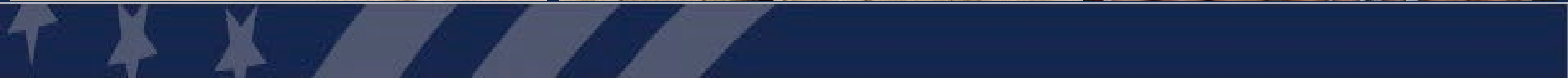
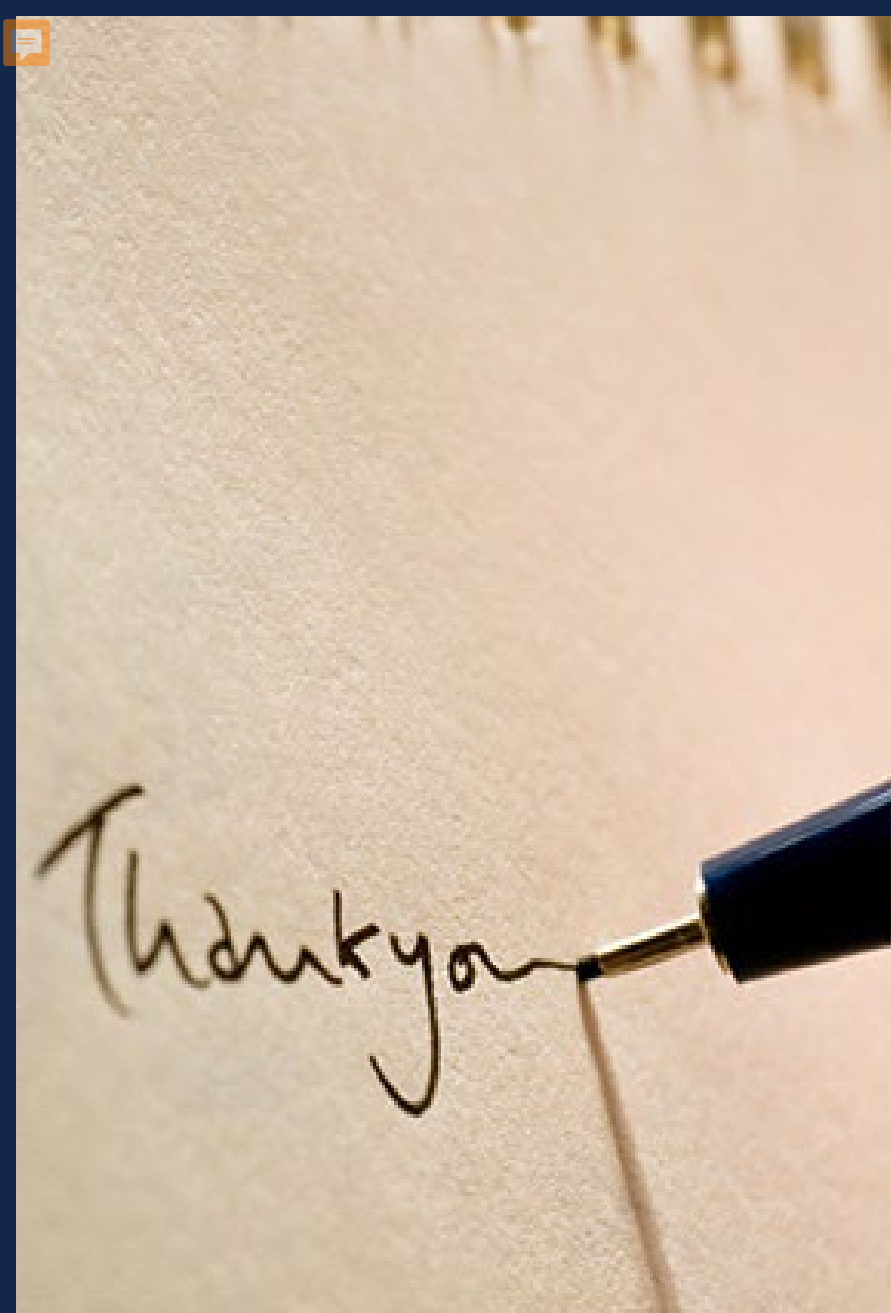
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| TOPIC | CONTACT |
|---|---|
| File-Specific Questions Information to include in email: <ul style="list-style-type: none"> Identify the state the application is located; if applicable; Provide applicant's name and USDA borrower ID, if applicable;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



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| Technical Issues: GUS | RD.HD@USDA.GOV or *833-314-0168, ext. 5 |
| Technical Issues: e-Authentication | E-Authentication FAQs: https://www.eauth.usda.gov/eauth/b/usda/faq E-Authentication Contact Us: https://www.eauth.usda.gov/eauth/b/usda/contactus |
| Loss Claims | guarantee.svc@usda.gov |
| Monthly & Quarterly Status Reporting | rd.nfaoc.hsb@usda.gov |
| GUS User Agreements | |