

Hot Tips for Successful Loan Submission

Single Family Housing
Guaranteed Loan Program

 August 2020



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- Welcome to Rural Development's "Hot Tips for Successful Loan Submission" training module.

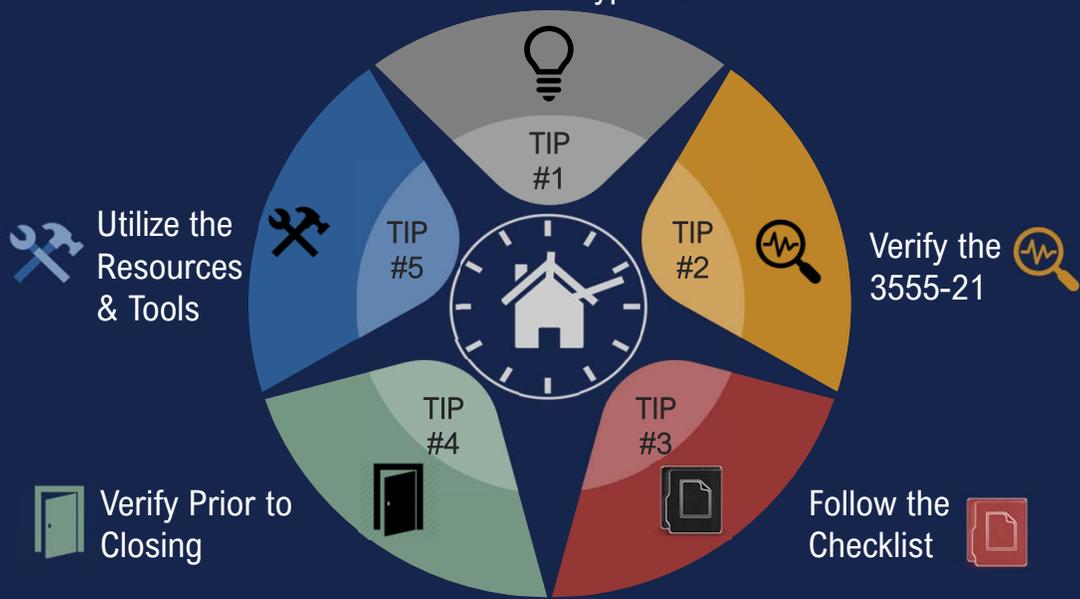


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- Rural Development continues to experience record-breaking loan volume in the Single Family Housing Guaranteed Loan Program. We thank you for your continued partnership and dedication to rural homeownership.
- During times of increased loan activity, we need your help in making sure documentation is complete and accurate prior to submitting the application to Rural Development.
- We have identified some common issues that are contributing to extended loan processing times and delays in the issuance of Conditional Commitments.
- We appreciate everyone involved in the guaranteed loan process to take a few minutes to review this module.

Understand Submission Types



- Tip #1. Understand Submission Types.



GUS LOANS

Accept

- Review "GUS Findings Report".
- Refer to "Loan Origination Checklist" for Accept Loans.
- Upload documents via the GUS in stacking order.

Accept with "FULL DOCUMENTATION" Message

- Review "GUS Findings Report".
- Refer to "Loan Origination Checklist" for Manually Underwritten Loans. Not all documents will be applicable.
- Upload documents via the GUS in stacking order.

Refer and Refer with Caution

- Review "GUS Findings Report".
- Refer to "Loan Origination Checklist" for Manually Underwritten Loans.
- Upload documents via the GUS in stacking order. No need to email anything!

- It's important to know the different types of applications so you know what documents are required to be submitted to Rural Development based on the GUS underwriting recommendation.
- GUS loans that receive an "Accept" underwriting recommendation generally require a minimal submission of documents.
- In some cases, a GUS "Accept" loan may receive a "Full Documentation Review" condition which will be listed under the lender's "Prior to Conditional Commitment" conditions and additional documentation will be required. Loans selected for a full documentation review are randomly selected for a data integrity review.
- Loan requests that receive a "Refer" or "Refer w/Caution" underwriting recommendation require further review and will require a full document submission.
- Lenders must review their GUS findings report and submit documentation accordingly. Agency staff will not review a loan file that is incomplete and condition for missing loan documents. Files that are severely incomplete will be released back to the lender and create delays.
- Regardless of the GUS underwriting recommendation, you will upload all documents via the GUS application. There is no need to email anything to Rural Development.



GUS Accept with "FULL DOCUMENTATION" Message

LENDER'S REQUIRED CONDITIONS

Prior To Final Submission

1. 601 - Standard Flood Hazard Determination Form (SFHF): Obtain FEMA Form 086-4-32 (SFHF). Submit form to Rural Development when requesting a conditional commitment for loan rate guarantee. If an existing dwelling is in a 100-year floodplain the lender must ensure flood insurance through FEMA's National Flood Insurance Program (NFIP) is available for the community and flood insurance whether NFP, "write your own", or private flood insurance, as approved by the lender, is purchased. Additional requirements for flood insurance are listed in HB-1-3555 Chapter 12.108, including requirements for new construction properties.
2. 605 - Property Appraisal: Obtain an appraisal report for the subject property and submit to Rural Development. The appraisal report must not be more than 180 days old at the time of loan closing. See HB-1-3555 Chapter 12.58 for extended validity terms available when an appraisal update is performed. All appraisals must comply with the reporting requirements of USPAP and include a Market Condition Addendum (Form FIMA 1004MC) and meet the Uniform Appraisal Dataset (UAD) requirements set forth by Fannie Mae and Freddie Mac.
3. 624 - Verification of Income/Employment: Lender must verify income information. Income verifications cannot be greater than 120 days old at the time of loan closing (including divorce decrees and income tax returns). All sources of income for each adult household member must be validated by the underwriter. Refer to HB-1-3555 Chapter 9 for complete guidance. Eligible income captured on the Eligibility page in GUS may differ from employment income captured on the Income and Expenses page in GUS.
4. 3650 - Other Credits: Ensure any amount entered as an "Other Credit" on the Transaction Details page is not duplicated in an "Asset" account on the Assets and Liabilities page.
5. 3190 - Income and Liabilities of a NonPurchasing Spouse (NPS): Except for obligations specifically excluded by state law, the debts of a NPS must be included in the applicant's total debt ratio when the subject property is located in a community property state. The credit history of a NPS is not a reason to deny a loan application. Obtain an eligible credit report for the NPS independent of GUS and manually enter the NPS debts in the liabilities section. Enter "NPS debt" in the notes data field for each applicable liability. The manual entry of NPS debts on the Asset and Liabilities page in GUS will not require the lender to downgrade an automated underwriting recommendation of ACCEPT. The income of a NPS must be verified for program eligibility purposes.
6. 5001 - Conventional Credit Test: The lender must certify the applicant(s) does not qualify for a conventional credit loan. The conventional credit test for RD purposes includes all of the following: 1) The applicant(s) has available non-retirement liquid assets of at least 2% of the purchase price for down payment; 2) In addition to the down payment, applicant(s) can pay all closing costs from available non-retirement liquid assets; 3) After applying the down payment and closing costs the applicant(s) would not exceed a 28% PITI ratio and 36% DTI ratio; 4) The applicant demonstrates qualifying credit for a conventional loan; and 5) The conventional credit term is for 30 years at a fixed rate of interest without a requirement to carry private mortgage insurance (PMI). HB-1-3555 Chapter 8.2B defines qualifying credit and liquid non-retirement assets.
7. 6002 - Intersted Party Contribution Cap: Seller or other interested party contributions towards closing costs in excess of six percentage points are prohibited in accordance with HB-1-3555 Chapter 6.3 (some exclusions may apply).
8. 6000 - Authorized User Accounts: Authorized User (AU) accounts are not the legal responsibility of an authorized user. Lenders are not required to include a monthly payment for an AU account in the total debt ratio but may do so at their discretion. Lenders may include an AU account to validate the credit score for GUS REFER and REFER WITH CAUTION files as applicable per HB-1-3555 Chapter 10. AU accounts that are closed or terminated do not require further analysis.
9. 6005 - Disputed Account Non-Disputary: When an applicant's credit report indicates a trade or public record is in dispute, an ACCEPT underwriting may be required to be downgraded to a REFER. A downgrade is not required if any of the following are met regarding the non-disputary disputed account: 1) The trade has a zero dollar balance; 2) The trade is 24 months of age or greater; 3) The trade is in current and paid as agreed; 4) The payment listed on the credit report is included in the monthly debts; 5) A documented payment from the creditor is included in the monthly debts; 6) Five percent of the stated account balance on the credit report is included in the monthly debts. If none of these options can be met, the lender must downgrade the loan file to a REFER and include and include monthly debt payments for the disputed items per HB-1-3555 Chapter 10.
10. 6015 - Disputed Account Derogatory: Review disputed derogatory accounts per HB-1-3555 Chapter 10 to determine which accounts must be considered. An ACCEPT loan with less than \$2000 of disputed derogatory accounts must include one of the following: 1) The minimum monthly payment stated on the credit report; 2) Five percent of the balance of the account; or 3) A lesser payment due verified by the creditor. An ACCEPT file with \$2000 or more of disputed derogatory accounts must be downgraded to a REFER. REFER and REFER WITH CAUTION loan files must include one of the payments stated in this message as required per HB-1-3555 Chapter 10.
11. 622 - Lender Due Diligence: Lenders must apply due diligence when reviewing the loan file to determine if there is any potentially derogatory or contradictory information that is not part of the data submitted to GUS or if there is any erroneous information in the data submitted to GUS (not all inclusive) an underwriting recommendation of ACCEPT may be required to be manually downgraded by the lender to REFER on the Request Credit Underwriting page in GUS. The file must be manually underwritten by the lender.

Prior To Conditional Commitment

1. 2001 - Required Documentation: ACCEPT recommendation is contingent on submission of the following to Rural Development: 1) Completed Form RD 3555-21, Request for Single Family Housing Loan Guarantee, which includes the Worksheet for Documenting Eligible Household and Repayment Income; 2) Completed Uniform Residential Appraisal Report or its equivalent (excluding streamline refinance transactions); 3) Completed FEMA Form 086-4-32, Standard Flood Hazard Determination Form; and 4) A copy of the final GUS Underwriting Findings Report. Certain transactions may require additional documentation be submitted (e.g. qualified alien documentation, temporary interest rate buydown, non-purchasing spouse credit report, etc.).
2. 3190 - Credit Report for NonPurchasing Spouse (NPS): If the subject property is located in a community property state, obtain an eligible credit report that was obtained independent of GUS as evidence of the NPS's debts. Submit the NPS's credit report to Rural Development with the commitment request and retain a copy in the lender's permanent case file.
3. 3113 - FULL DOCUMENTATION REVIEW: This application has been selected for a data integrity review by the Agency prior to issuance of conditional commitment. Lender must provide a fully documented loan file to Rural Development in support of all data entered into the automated application.

- The condition "Full Documentation Review" is listed on the GUS findings under the lender's "Prior to Conditional Commitment" conditions as shown here.

Applications Not Supported in the GUS

Manufactured Housing Pilot Loans

Streamlined-Assist Refinance Loans

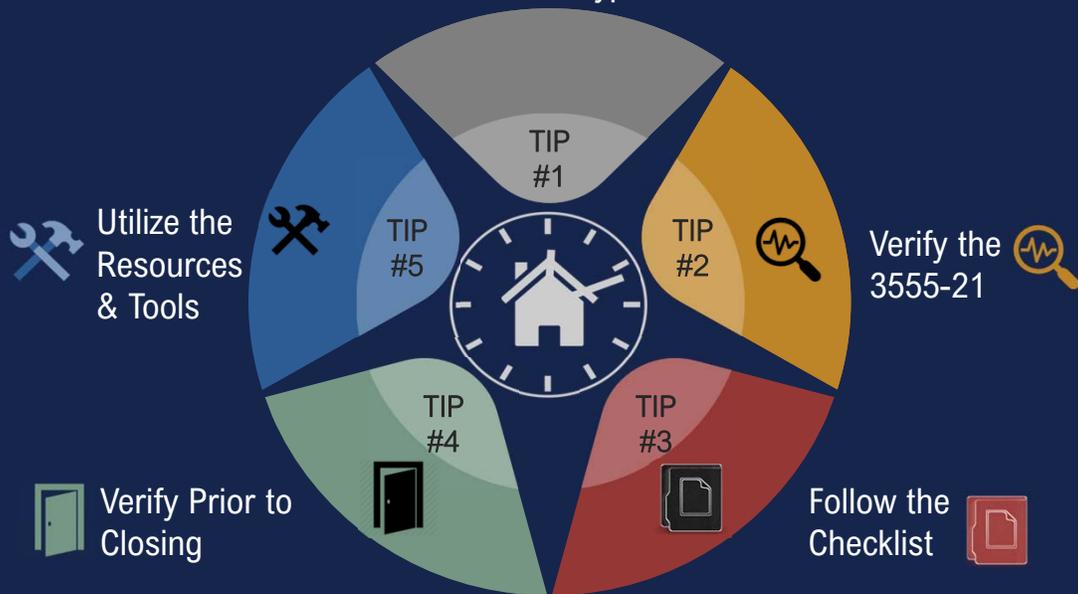
- Refer to “Loan Origination Checklist” for Manually Underwritten Loans.
- Assemble documents in stacking order and submit to Rural Development electronically via email, secure server, etc.
- Remember to protect PII.



Production Teams	States
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

- There are two types of loans that cannot be processed through the GUS and those are Manufactured Housing Pilot and Streamlined-Assist refinance loans.
- In these instances, documents must be electronically submitted to Rural Development via email, secure server, etc.
- Email the appropriate Rural Development Production Team based on which state the property is located in.
- Always remember to protect Personally Identifiable Information (PII).

Understand Submission Types



- Tip #2. Verify Form RD 3555-21, “Request for Single Family Housing Loan Guarantee”.
- The #1 reason conditional commitments are delayed is because this form is submitted with incomplete or inaccurate information.
- Rural Development staff cannot update this form on behalf of the lender.
- If there are differences between the data entered into the GUS and the information on the 3555-21, the file will be released back to the lender for updating and this will cause processing delays.
- The next few slides will highlight the portions of the form you will want to double check before submitting it to Rural Development.

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Does the property information match the Appraisal and the GUS?

Does the "Total Request" match the loan amount in the GUS?

Form RD 3555-21 (Rev. 10-19) UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT RURAL HOUSING SERVICE REQUEST FOR SINGLE FAMILY HOUSING LOAN GUARANTEE Form Approved OMB No. 0575-0179

Approved Lender:	Approved Lender Tax ID No.:
Contact:	Approved Lender E-Mail:
Phone Number:	
Third Party Originator (TPO):	TPO Tax ID No.:

Please issue a Conditional Commitment for Single Family Housing Loan Guarantee in the following case:

Applicant Information (Please complete or mark as appropriate) Name: _____ SSN: _____ Veteran: <input type="checkbox"/> Yes <input type="checkbox"/> No The applicant <input type="checkbox"/> has <input type="checkbox"/> does not have a relationship with any current Rural Development employee. Explain: _____ GS/SAM Exclusion: <input type="checkbox"/> Yes <input type="checkbox"/> No (check Yes if any party is excluded, otherwise check No) Date GS/SAM Checked: _____	Co-Applicant Information (Please complete or mark as appropriate) Name: _____ SSN: _____ Veteran: <input type="checkbox"/> Yes <input type="checkbox"/> No The applicant <input type="checkbox"/> has <input type="checkbox"/> does not have a relationship with any current Rural Development employee. Explain: _____ GS/SAM Exclusion: <input type="checkbox"/> Yes <input type="checkbox"/> No (check Yes if any party is excluded, otherwise check No) Date GS/SAM Checked: _____
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ANY ADDITIONAL APPLICANTS MUST BE FULLY DOCUMENTED ON A SEPARATE FORM

Property Address: _____ City, State, Zip Code: _____ County: _____

1. Is this a refinance loan? No Yes If Yes, refinance loan is an RD Single Family Housing Guaranteed Loan Direct Loan
If Yes, Non-Streamline Streamline Streamline-Assist

2a. Number of persons in the household: _____ 2b. Number of dependents under the age of 18 or full-time students: _____

3a. Current annual income in the household is _____ 3b. Current adjusted income for the household is _____
(Initial, non-verified income may vary from calculated income reflected on income worksheet listed on page 3 and 4)

4. The applicant understands that Rural Development approval of guarantee is required and is subject to the availability of funds.

5. The applicant is unable to secure the necessary conventional credit without a Rural Development guarantee upon reasonable rates, terms, and conditions in which the applicant could reasonably be expected to fulfill. (See 7 CFR 3555 HS-1-3555 Chapter 5 and 8 for conventional credit definition).

6. Loan funds will be used for the following purpose(s):

Purchase/Refinance Amount:	_____	_____
Financed Loan Closing Costs:	_____	_____
Repairs/ Other:	_____	_____
Guarantee Fee:	_____	_____
Total Request:	_____	_____

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0179. The time required to complete this information collection is estimated to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Page 1 of 7 8

- Make sure the property information matches the Appraisal and the GUS application.
- Line 6 breaks down the total loan request. Only include those items being financed and included in the loan amount. For example, if the applicant is not financing any portion of the up-front guarantee fee, do not include any portion of the fee here.
- The Total Request must match your loan amount, or line "o", on your GUS "Transaction Details" page to avoid any confusion regarding the loan amount being requested. If the file is a manually underwritten loan, make sure the loan amount also matches the Underwriting Analysis that has been confirmed and executed by the underwriter.
- Make sure the loan amount accounts for any rounding that may occur at closing in your system. The loan cannot close for even one cent higher than the loan amount on the Conditional Commitment without prior approval from Rural Development.

Form RD 3555-21 (Page 3)

GUS "Eligibility" Page

WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME

Lender Instructions: Determine eligible household income for the Single Family Housing Guaranteed Loan Program (SFHGLP) by documenting all source/types of income for all household members. Qualify the loan by documenting all source/type of income that is stable and dependable utilized to repay the loan.

Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receive Income Y/N?	Source of Income
Parker Person	37	No	No	Yes	Employed
Bobbi Person	12	Yes	No	No	
Soth Person	18	Yes	No	No	

ANNUAL INCOME CALCULATION (Consider anticipated income for the next 12 months for all adult household members as described in 7 CFR 3555.152(a) and HB-1-3555 Chapter 9. Website for instructions/administrative notices: <https://www.fs.usda.gov/publications/regulations-quicklinks>)

1. Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.) Calculate and record how the calculation of each income source/type was determined in the space below. 15*40*52+31200/12+2600.00 Bonus 700 483/5=88.60 99*12=1188	\$32,388.00
2. Co-Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.) Calculate and record how the calculation of each income source/type was determined in the space below.	
3. Additional Income to Primary Income (Automobile Allowance, Mortgage Differential, Military, Secondary Employment, Seasonal Employment, Unemployment) Calculate and record how the calculation of each income source/type was determined in the space below.	
4. Additional Adult Household Member (s) who are not a Party to the Note (Primary Employment from Wages, Salary, Self-Employed, Additional income to Primary Employment, Other income). Calculate and record how the calculation of each income source/type was determined in the space below.	
5. Income from Assets (income from household assets as described in HB-1-3555, Chapter 9). Calculate and record how the calculation of each income source/type was determined in the space below.	
Annual Household Income (Total 1 through 5)	\$32,388.00

Eligibility

Number of Residents Under 18 Years Old, Disabled, or 65 Years of age or greater

Annual Child Care Expenses

Are there any Disabled Persons living in the household?

Annual Disability Expenses

Monthly Gross Income For All Household Members
(Annual income of household members to determine income eligibility)

Applicant(Borrower with highest income)

Base Employment Income

Overtime

Bonuses

Commissions

Dividends/Interest

Other

Net Rental

All Other Monthly Income Received by Adult Members of Household

Income Category [Income Category](#)

Which Income Category should I choose?

Results from Checking Income Eligibility

Total Household Income	\$32,388.00
Allowable Adjustments	\$950.00
Adjusted Household Income	\$31,438.00

- On page 3, the lender will document their annual income calculations for all adult household members.
- This total must match the total annual income entered on the "Eligibility" GUS application page.
- More information regarding annual income can be found in Chapter 9 of the 3555 handbook.

Form RD 3555-21 (Page 4)

ADJUSTED INCOME CALCULATION (Consider qualifying deductions as described in 7 CFR 3555.152(c) and HB-1-3555 Chapter 8)	
7. Dependent Deduction (\$480 for each child under age 18, or full-time student attending school or disabled family member over the age of 18) - s 2	\$480.00
8. Annual Child Care Expenses (Reasonable expenses for children 12 and under) Calculate and record the calculation of the deduction in the space below.	
9. Elderly/Disabled Household (1 household deduction of \$400 if 62 years of age or older, or disabled and a party to the note)	
10. Disability (Unreimbursed expenses in excess of 3% of annual income per 7 CFR 3555.152(c) and HB-1-3555 Chapter 9.) Calculate and record the calculation of the deduction in the space below.	
11. Medical Expenses (Elderly/Disabled households only. Unreimbursed medical expenses in excess of 3% of annual income per 7 CFR 3555.152(c) and HB-1-3555 Chapter 9.) Calculate and record the calculation of the deduction in the space below.	
12. Total Household Deductions (Total 7 through 11)	\$960.00
13. Adjusted Annual Income (Item 6 minus item 12) and Moderate Income Limit to be eligible for SFVHGLP	\$31,429.00

Moderate Income Limit: \$90,300.00 State: LA County: East Baton Rouge

GUS "Eligibility" Page

Eligibility	
Loan Terms	Number of Residents Under 18 Years Old, Disabled, or Years of age or greater
Borrower	Annual Child Care Expenses
Employment	Are there any Disabled Persons living in the household?
Income and Expenses	Annual Disability Expenses
Assets and Liabilities	Monthly Gross Income For All Household Members (Annual income of household members to determine income eligibility)
Transaction Details	
Additional Data	Applicant/Borrower with highest income
Credit / Underwriting	Base Employment Income \$2,600.00
View Findings	Overtime \$0.00
Display Documents	Bonuses \$99.00
Upload Documents	Commissions \$0.00
Request Forms	Dividends/Interest \$0.00
USDA Administration	Other \$0.00
Activity History	Net Rental \$0.00
GUS Reports	
Loan List	
Data Modified	All Other Monthly Income Received by Adult Members of
GUS User Guide	Income Category Moderate
Help	Which Income Category should I choose?
	Check Income Eligibility
	Results from Checking Income Eligibility
	Income Eligibility is
	Total Household Income \$32,388.00
	Allowable Adjustments \$960.00
	Adjusted Household Income \$31,428.00

- Adjusted annual income will be documented on page 4.
- This total must match the "Adjusted Household Income" entered on the "Eligibility" GUS application page. Please note that the GUS will automatically round this number to the nearest \$10.00 and that is acceptable.
- More information regarding adjusted annual income can be found in Chapter 9 of the 3555 handbook.

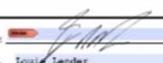
Form RD 3555-21 (Page 5)

MONTHLY REPAYMENT INCOME CALCULATION Consider stable and dependable income of parties to the note as described in 7 CFR 3555.152(a) and HB-1-3555 Chapter 9. Non-occupied borrowers or co-signers are not allowed.

14. Stable Dependable Monthly Income (Parties to note only.) Calculate and record how the calculation of each income source/type was determined in the space below. Identify income type by party to note.

	Applicant	Co-Applicant	Total
Base Income	\$2,533.20 Calculation of Base Income: YTD 12665.99/5 (5/29)=	Calculation of Base Income:	\$2,533.20
Other Income	Calculation of Other Income:	Calculation of Other Income:	\$0.00
Total Income	\$2,533.20	\$0.00	\$2,533.20

15. Monthly Repayment Income (Total of 14) **\$2,533.20**

Preparer's Signature: 
 Name (Print): Todd Lender
 Title: Underwriter
 Date: 07-13-2020

GUS "Income and Expenses" Page

Income and Expenses

Monthly Repayment Income ^(P)
 (Stable and dependable income of parties to the note)

	Person, Parker	Total
Base Employment Income	\$2,533.20	\$2,533.20
Overtime	\$0.00	\$0.00
Bonuses	\$0.00	\$0.00
Commissions	\$0.00	\$0.00
Dividends/Interest	\$0.00	\$0.00
Other (enter details below)	\$0.00	\$0.00
Subtotal	\$2,533.20	\$2,533.20
Net Rental	\$0.00	\$0.00
Total	\$2,533.20	\$2,533.20

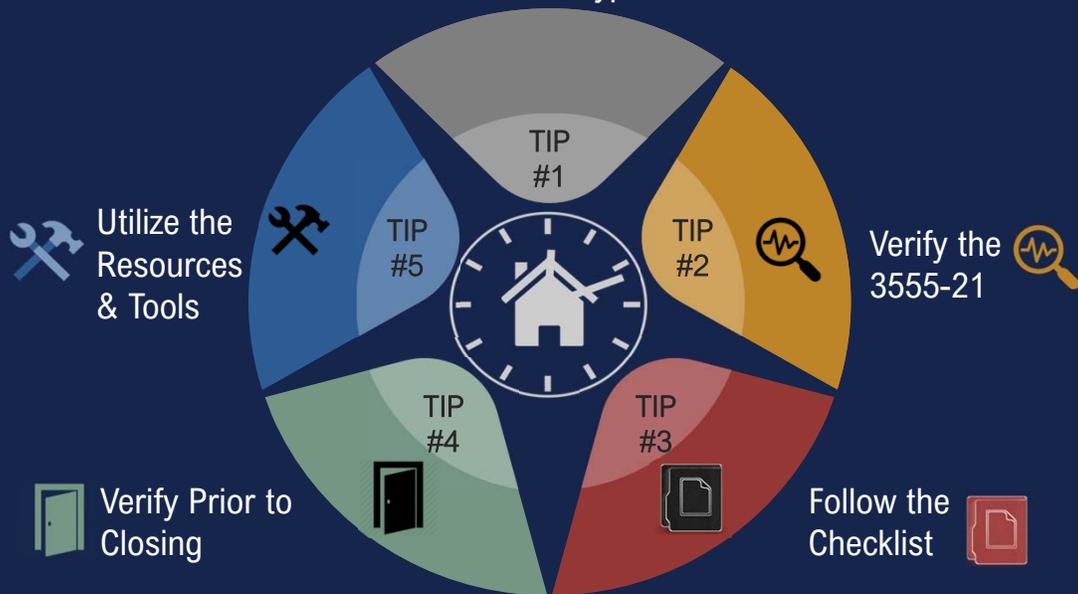
Other Income

Borrower	Description
Del Select One	Select One
Del Select One	Select One
Del Select One	Select One

Insert More Other Income

- Monthly repayment income will be documented on page 5.
- This total must match the "Monthly Repayment Income" entered on the "Income and Expenses" GUS application page.
- More information regarding repayment income can be found in Chapter 9 of the 3555 handbook.

Understand Submission Types



- Tip #3. Make sure you utilize the correct loan origination checklist and that the items are assembled in the order listed on the checklist.
- Doing so will be a huge time saver for Rural Development and will ensure quicker turn times on Conditional Commitments.

GUS "Accept"

Purchase

Non-Streamline Refinance

Streamline Refinance

ATTACHMENT 15-A



Guaranteed Rural Housing
Loan Origination Checklist

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 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 in the SPHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/efm-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-Streamline and Streamline 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" <ul style="list-style-type: none"> Include all pages from the current published version Executed by applicant(s) and lender Income Calculation Worksheet must be completed with all income calculations fully documented
<input type="checkbox"/>	FEMA Form 086-0-32, "Standard Flood Determination Form" <ul style="list-style-type: none"> 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"/>	Evidence of qualified alien: if applicant(s) is not a U.S. Citizen
<input type="checkbox"/>	Credit Report for Non-Purchasing Spouse (as applicable) <ul style="list-style-type: none"> Applies to applicants 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) <ul style="list-style-type: none"> FNMA 1004/FHLMC 70 or applicable report as determined by appraiser (not required for a streamline refinance)

- For GUS loans that receive an "Accept" underwriting recommendation, you will follow Page 1 of "Attachment 15-A", "Loan Origination Checklist" when assembling documents for upload to the GUS.
- Assemble the following documents in this stacking order:
 - The completed and signed Form RD 3555-21, "Request for Single Family Housing Loan Guarantee"
 - Remember to include all pages and make sure your loan and income totals match your GUS entries
 - "Standard Flood Determination Form"
 - Mortgage Payoff Statement (if it's a refinance transaction)
 - Evidence applicant or co-applicant is a qualified alien if not a US citizen
 - Credit report for non-purchasing spouse if property is located in a community property state
 - And lastly, the appraisal report. This document must be uploaded separately in the GUS and must include color photographs.
 - That's it! Just be sure to double check your GUS findings report and make sure the loan wasn't randomly selected for a full documentation review.

GUS “Refer” and “Refer with Caution”

GUS “Accept” with “Full Documentation” Message

Underwritten Without the Assistance of the GUS

Applications Not Supported in the GUS

- Manufactured Housing Pilot Loans

Loan Origination Checklist	
Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation, or GUS Accept when Full Documentation Message on GUS Underwriting Findings and Analysis Report	
<i>When submitting documents to GUS, the appraisal report must be uploaded separately.</i>	
<input type="checkbox"/>	Form RD 3555-21, “Request for Single Family Housing Loan Guarantee: <ul style="list-style-type: none"> • Include all pages from current published version • Executed by applicant(s) and lender • Income Calculation Worksheet must be completed and document the income calculation
<input type="checkbox"/>	Underwriting Analysis: FNMA 1008/FHLMC 1077 or similar form <ul style="list-style-type: none"> • NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION • Executed by the approved lender’s underwriter • 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 <ul style="list-style-type: none"> • 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 Streamlined: Non self-employed: <ul style="list-style-type: none"> • Written/Electronic VOE + 1 earning statement with YTD figures Full Documentation: Non self-employed: <ul style="list-style-type: none"> • 2 years W-2’s + 4 weeks of earning statements with YTD figures + Verbal VOE Self-Employed: <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • Refer to HB 9 for acceptable verification documents
<input type="checkbox"/>	Asset Documentation: <ul style="list-style-type: none"> • Document for all applicable household members per 3555.152(d) • VOD’s, bank or investment statements, gift letters, etc.
<input type="checkbox"/>	Credit Report: below as applicable <ul style="list-style-type: none"> • 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, as applicable
<input type="checkbox"/>	Credit Report for Non-Purchasing Spouse (as applicable) <ul style="list-style-type: none"> • Applies to applicants or property located in a community property state: AZ, CA, ID, LA, NM, TX, WA, WI
<input type="checkbox"/>	Verification of Rent: <ul style="list-style-type: none"> • NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION • May be applicable for manually underwritten loans with credit scores less than 650
<input type="checkbox"/>	Mortgage Payoff Statement: if refinance transaction
<input type="checkbox"/>	FEMA Form 086-0-32, Standard Flood Determination Form: <ul style="list-style-type: none"> • 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
<input type="checkbox"/>	Uniform Residential Appraisal Report (URAR) <ul style="list-style-type: none"> • NOT APPLICABLE TO STREAMLINED OR STREAMLINED-ASSIST REFINANCE • FNMA 1004/FHLMC 70 or applicable report as determined by appraiser

- Follow the checklist on page 2 of “Attachment 15-A”, “Loan Origination Checklist”, for GUS loans that receive a “Refer” or “Refer with Caution” underwriting recommendation and those that receive the “Full Documentation” condition message.
- You will also follow this checklist for applications underwritten without the assistance of the GUS and those not supported in the GUS, including manufactured housing pilot loans.
- Assemble the following documents in this stacking order:
 - Completed and signed Form RD 3555-21, “Request for Single Family Housing Loan Guarantee”
 - Underwriting Analysis that has been signed by the underwriter. If a credit or ratio waiver is required, document it here. This form is not required for GUS Accept loans that are randomly selected for a full documentation review.
 - Uniform Residential Loan Application
 - Complete income documentation for all adult household members
 - Asset verification documentation such as verification of deposits, bank statements, gift letters, etc. is always required, even if net family assets are below \$50,000.

GUS “Refer” and “Refer with Caution”

GUS “Accept” with “Full Documentation” Message

Underwritten Without the Assistance of the GUS

Applications Not Supported in the GUS

- Manufactured Housing Pilot Loans

Loan Origination Checklist	
Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation, or GUS Accept when Full Documentation Message on GUS Underwriting Findings and Analysis Report	
<i>When submitting documents to GUS, the appraisal report must be uploaded separately.</i>	
<input type="checkbox"/>	Form RD 3555-21, “Request for Single Family Housing Loan Guarantee <ul style="list-style-type: none"> • Include all pages from current published version • Executed by applicant(s) and lender • Income Calculation Worksheet must be completed and document the income calculation
<input type="checkbox"/>	Underwriting Analysis: FNMA 1008/FHLMC 1077 or similar form <ul style="list-style-type: none"> • NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION • Executed by the approved lender’s underwriter • 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 <ul style="list-style-type: none"> • 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 Streamlined: Non self-employed: <ul style="list-style-type: none"> • Written/Electronic VOE + 1 earning statement with YTD figures Full Documentation: Non self-employed: <ul style="list-style-type: none"> • 2 years W-2’s + 4 weeks of earning statements with YTD figures + Verbal VOE Self-Employed: <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • Refer to HB 9 for acceptable verification documents
<input type="checkbox"/>	Asset Documentation: <ul style="list-style-type: none"> • Document for all applicable household members per 3555.152(d) • VOD’s, bank or investment statements, gift letters, etc.
<input type="checkbox"/>	Credit Report: below as applicable <ul style="list-style-type: none"> • 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, as applicable
<input type="checkbox"/>	Credit Report for Non-Purchasing Spouse (as applicable) <ul style="list-style-type: none"> • Applies to applicants or property located in a community property state: AZ, CA, ID, LA, NM, TX, WA, WI
<input type="checkbox"/>	Verification of Rent: <ul style="list-style-type: none"> • NOT APPLICABLE FOR GUS ACCEPT FULL DOCUMENTATION • May be 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: <ul style="list-style-type: none"> • 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
<input type="checkbox"/>	Uniform Residential Appraisal Report (URAR) <ul style="list-style-type: none"> • NOT APPLICABLE TO STREAMLINED OR STREAMLINED-ASSIST REFINANCE • FNMA 1004/FHLMC 70 or applicable report as determined by appraiser

- Credit report and supporting documentation for loans underwritten without the assistance of the GUS (for GUS loans, the agency can retrieve a copy of the credit report from the GUS)
- Credit report for non-purchasing spouse if property is in a community property state
- A VOR is required if the applicant’s credit score is less than 680. A VOR is not required for a GUS Accept loan that is randomly selected for a full documentation review.
- Mortgage Payoff Statement (if it’s a refinance transaction)
- “Standard Flood Determination Form”
- Evidence applicant or co-applicant is a qualified alien if not a US citizen
- And lastly, the appraisal report. Again, remember to upload this document separately in the GUS and include color photographs.
- Make sure the appraised value is correctly entered in the GUS on the “Additional Data” application page! Your application will be considered incomplete if this field is input incorrectly.

Streamlined-Assist Refinance

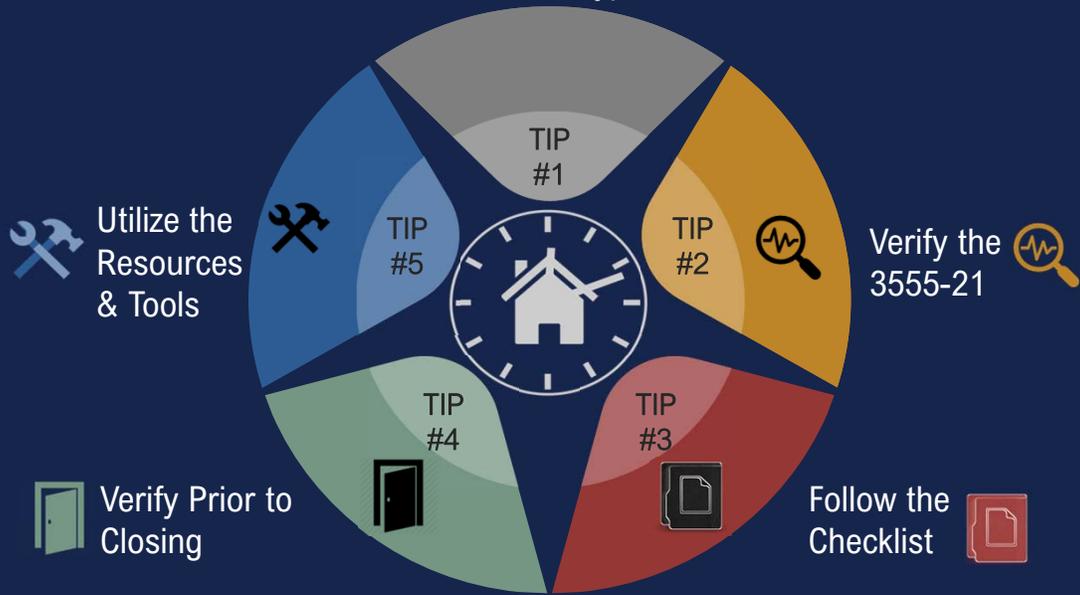
Not Supported in the GUS

Email loan application package to the appropriate Rural Development Production Team

Loan Origination Checklist Streamline Assist Refinance Manual Underwrite Review	
<input type="checkbox"/>	Form RD 3555-21, "Request for Single Family Housing Loan Guarantee" <ul style="list-style-type: none"> • Include all pages from current published version • Executed by applicant(s) and lender • Annual Income Calculation Worksheet must be completed
<input type="checkbox"/>	Underwriting Analysis: FNMA 1008/FHLMC 1077 or similar form <ul style="list-style-type: none"> • Executed by the approved lender's underwriter
<input type="checkbox"/>	Uniform Residential Loan Application: FNMA 1003/FHLMC 65 <ul style="list-style-type: none"> • 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 Streamlined Documentation: Non self-employed: <ul style="list-style-type: none"> • Written/Electronic VOE + 1 earning statement with YTD figures Full Documentation: Non self-employed: <ul style="list-style-type: none"> • 2 years W-2's + 4 weeks of earning statements with YTD Figures + Verbal VOE Self-Employed: <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • Refer to HB 9 for acceptable verification documents
<input type="checkbox"/>	Asset Documentation: Annual Income Calculations <ul style="list-style-type: none"> • Document for all applicable household members per 3555.152(d) • VOD's, bank or investment statements, gift letters, etc.
<input type="checkbox"/>	Mortgage Payment History for previous 12 month period <ul style="list-style-type: none"> • Credit Report or • Verification of Mortgage
<input type="checkbox"/>	Mortgage Payoff Statement
<input type="checkbox"/>	Uniform Residential Appraisal Report (URAR) <ul style="list-style-type: none"> • Only applicable to current Direct Loan borrowers for the purpose of calculating subsidy recapture.

- The last checklist on page 3 of "Attachment 15-A", "Loan Origination Checklist", is for Streamlined-Assist Refinance loans.
- Assemble the following documents in this stacking order:
 - Completed and signed Form RD 3555-21, "Request for Single Family Housing Loan Guarantee"
 - Underwriting Analysis that has been signed by the underwriter
 - 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
 - Appraisal, only if the original loan was a Direct loan and subsidy recapture is due
- As a reminder, streamlined-assist refinance loans are not supported in the GUS and must be manually underwritten and the complete loan application must be emailed to the appropriate production team

Understand Submission Types



- Tip #4. Make sure you give yourself ample time to verify loan terms and conditions prior to closing.

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Form RD 3555-18
"Conditional Commitment for Single Family Housing Loan Guarantee"

"NEVER CLOSE A LOAN WITHOUT IT"

USDA-RD Form RD 3555-18 (Rev. 01-20) FORM APPROVED CMB NO. 403-6179

CONDITIONAL COMMITMENT FOR SINGLE FAMILY HOUSING LOAN GUARANTEE

TO: Lender's Name and Address		Borrower ID: (cross page 10, not 800)	
		State:	County:
		State Code:	County Code:
Borrower:		Principal Amount of Loan:	
Borrower SSN:		\$	

From a review of all submitted information, the United States of America, acting through the Rural Development-Rural Housing Service (RHS or Agency), or its successor, will execute Form RD 3555-17(7E) "Loan Note Guarantee" in accordance with Agency regulations at 7 CFR part 3555, Agency guidance, and terms set forth in this Conditional Commitment.

- Up-front Loan Note Guarantee fee payable by the Lender to Agency is \$
- Interest rate for the loan is %
- Annual fee for the first year of the loan, based upon the above stated principal amount of loan and stated interest rate of this commitment is \$
- Guarantee System Technology Fee payable by the lender is \$

A Loan Note Guarantee will be issued when the Lender executes the attached Lender Certification for SFH Guaranteed Loans. The Lender Certification certifies that the loan was underwritten and closed in accordance with applicable laws and guidance, and meets the terms set forth in this Conditional Commitment. Changes to these terms must have been approved by the Agency in writing before loan closing.

The Lender should submit the request for a Loan Note Guarantee in accordance with 7 CFR 3555.107(i) within 30 days from date of loan closing. Once the Loan Note Guarantee is issued, no change of conditions will be permitted.

For additional conditions and requirements see Attachment to this form.

The attached "Lender Certification" for SFH Guaranteed Loans must be executed by the Lender prior to issuance of a Loan Note Guarantee.

Subject to conditions of the final official "GUS Underwriting Findings Report."

This Conditional Commitment will expire on _____ unless extended by the Agency upon request of the lender, or the Lender notifies the Agency that it does not desire to obtain a Loan Note Guarantee.

UNITED STATES OF AMERICA

By: _____

Date: _____ (Title)

1. The annual fee is calculated each year on the amount of principal outstanding at the end of each year. The annual fee for the first year will be calculated when the loan is closed based upon the amount of principal outstanding at the time of closing. The amount of the annual fee will change the amount for interest.

2. The Agency will approve the expiration date of this contract. The initial date will not exceed 90 days from the date of issuance. The Agency may grant a 30-day extension based on the approved Lender's request. If construction is involved, the expiration date may correspond with projected completion date of the building.

According to the Agreement Between Us of 2001, no person may request or request a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0700-0047. This form requires to complete this information collection a computerized survey of loan programs, including the time and resources necessary, including writing this contract, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- Always verify you have a valid Conditional Commitment from Rural Development prior to closing a loan. Never close a loan without it!
- 7 CFR 3555 prohibits closing a single family housing guaranteed loan without a conditional commitment. Loans closed prior to issuance of a Conditional Commitment will be rejected by Rural Development and will not be eligible for a Loan Note Guarantee.
- Don't risk it. Monitor the lender webpage for turnaround times and plan accordingly.

RESUBMISSION POLICY

REQUIRED

- Borrowers added or deleted
- Decrease in income
- Decrease in cash assets
- Increase in loan amount
- Increase in interest rate
- Increase in mortgage or personal liabilities of \$51 or more

NOT REQUIRED

- Decrease in interest rate
- Decrease in loan amount
- Decrease in mortgage or personal liabilities
- Increase in assets
- Increase in mortgage or personal liabilities of \$50 or less

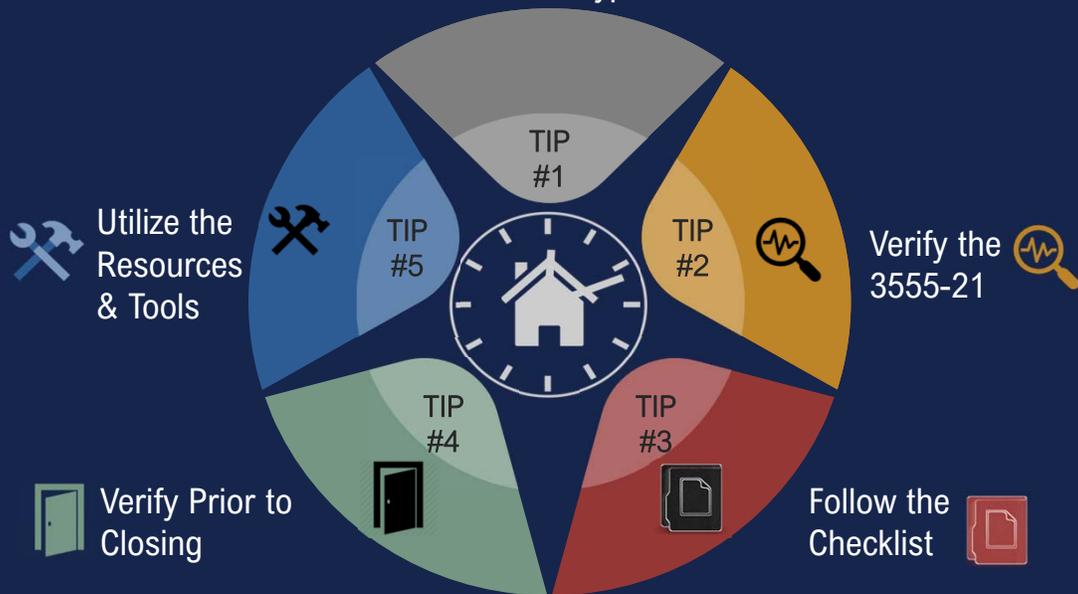


Seller (or other interested party) contributions may never exceed 6%

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- If there have been any changes since the Conditional Commitment was issued that may negatively impact the loan, those changes must be reviewed and approved by Rural Development prior to closing.
- To avoid closing delays, loan processors, loan officers, underwriters, and closers must work together to ensure they allow Rural Development ample time to review changes that require Rural Development approval.
- This slide lists changes that do and do not require Rural Development approval.

Understand Submission Types



- Our final tip, #5, Utilize your resources and tools.
- Save yourself valuable time by utilizing the numerous tools and resources Rural Development has developed to assist lenders with originating and processing guaranteed loans.

Bookmark your references!

Your quickest answers are found with Ctrl-F!

<https://www.rd.usda.gov/resources/regulations/program-regulations>

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.

<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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- Chapter 1** - Overview
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- 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
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- Chapter 12** - Property and Appraisal Requirements
- Chapter 13** - Special Property Types
- Chapter 14** - Funding Priorities
- Chapter 15** - Submitting the Application Package

- Users should first look for answers to their questions in the 7 CFR Part 3555 and HB-1-3555.
- Save yourself valuable time and Use Cntrl-F to quickly find your answers.



Monitor posted turn times daily.

Utilize your online resources & tools.

Don't forget to sign up for GovDelivery updates.



SFH Guaranteed Lender

HOME > SFH GUARANTEED LENDER

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- About RD
- Programs & Services
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- Resources
- Contact Us

COVID-19

An important notice for servicers with loans insured or guaranteed by the Rural Housing Service [CARES Act Forbearance Fact Sheet for Mortgagees and Servicers](#)

Loan Status

We are currently reviewing new loan applications and conditions received on or before 06/19/2020

Subscribe to Notifications

Critical program information such as policy updates, funding status, and automation changes are sent by email through GovDelivery [Sign Up to Receive Critical Updates](#)

Overview

On February 16, 2020 we integrated the Guaranteed Loan Program into a single integrated national team! For more information, please reference our [Integration Information sheet](#).

USDA Rural Development's Guaranteed Loan Program assists approved lenders in providing up to 100% financing for eligible borrowers (households that do not exceed 115% of the [Median Household Income](#)) purchasing homes in [eligible rural areas](#). Automated underwriting assistance through GUS (Guaranteed Underwriting System) allows for expanded ratios and flexible credit.

We now have Single Close Construction-to-Permanent Financing! A single-close loan combines the features of a

<https://www.rd.usda.gov/page/sfh-guaranteed-lender>

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- Find current loan processing turnaround times on the SFH Guaranteed Lender webpage. Monitor the site and use it as a guide when setting customer expectations.



www.rd.usda.gov
1 (800) 800-670-6553

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



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This will conclude our quick tips training module. Thank you and have a great day!