

## PROCEDURE NOTICE

**RD MANUAL CHANGES**

**INSERT RD INS 440.1  
(WSAL)**

**INTEREST RATES, AMORTIZATION,  
GUARANTEE FEE, ANNUAL CHARGE, AND  
FIXED PERIOD.** This Instruction is  
partially revised as follows:

Exhibit B is partially revised to update the Treasury Judgement rate and the effective date of March 1, 2021.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 15).

INSERT

Exhibit B: [Pages 1 & 2 \(Rev 16\)](#).

**INSERT RD INS 2045-LL  
(WSAL)**

**RD ANTI-HAARASSMENT POLICY AND COMPLAINT  
PROCEDURES.** This Instruction is  
partially revised as follows:

This Instruction outlines Rural Development’s (RD) Anti-Harassment policy and establishes procedures for reporting, reviewing, investigating, and resolving allegations of harassment, and taking prompt and appropriate corrective action when necessary; and identifies roles and responsibilities. This Instruction does not affect rights under the Equal Employment Opportunity (EEO) complaint process.

This Instruction is partially revised to updates and replace broken hyperlinks **and** incorrect embedded email address.

REMOVE

Pages 5 & 6, 9 & 10, 11 & 12.

INSERT

[Pages 5 & 6 \(Rev 1\), 9 & 10 \(Rev 1\)  
and 11 & 12 \(Rev 1\)](#).

(CON.)

**RD HANDBOOK CHANGES**

**RD HB-1-3555  
(WSAL)**

**SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK.** This Handbook is partially revised as follows:

**Chapter 2:**

The proposed changes to Chapter 2 include the removal of Attachment 2-A, Minimal Essential Documents Matrix. Additionally, there are minor grammatical and formatting edits, including guidance added to align with the revision of Form RD 3555-21.

**Paragraph 2.3B:**

- Removal Attachment 2-A, Minimal Essential Documents Matrix. The matrix is for internal guidance relating to retention documents and are specific to Agency employees. The internal guidance will be made available in OPD's desk procedures. The paragraph has been restructured accordingly to remove references to this attachment.
- Removed references regarding the income worksheet attachment on RD Form 3555-21. This change aligns with previous revisions that have been made to this form.
- A bulletin was added for annual and repayment income calculation. Requesting documentation calculating income on Attachment 9-B, Income Calculation Worksheet, or Uniform Underwriting and Transmittal Summary 1008 and/or equivalent (excluding GUS "Accept" recommendations).

**Paragraph 2.3B:**

- Removal of Uniform Underwriting and Transmittal Summary loan analysis as it is requested in the previous bullet.
- Clarification internal processing and closing checklists.

**Chapter 5:**

**Paragraph 5.2 A:**

- Rearranged and combined some bullets for clarity.
- Added chapter references at the beginning of each bullet for consistent formatting and easy reference.

**RD HANDBOOK CHANGES  
RD HB-1-3555 (Con.)  
(WSAL)**

**Paragraph 5.3 A:**

- Minor language revision.
- Updated the Fannie Mae Credit Provider link.

**Paragraph 5.3 B:**

- Took out reference to specific GUS guide and replaced with "job aids"
- Added hyper link to USDA LINC Training and Resource Library

**Paragraph 5.3 C:**

- Removed redundant sentence regarding user guide
- Revised language to clarify the lender's underwriter is responsible for "manual underwrites"

**Paragraph 5.3 D:**

- Updated language referring to MISMO and DU underwriting systems to reflect the new versions.

**Paragraph 5.3 E:**

- Removed methodology for calculating assets - Added reference to Chapter 9.

**Paragraph 5.2 F:**

- Added clarification for omitting liabilities in GUS.5.2 G.
- Removed redundancies.
- Reworded for clarity and minor formatting revision.

**Paragraph 5.2 H:**

- Added reference to Attachment 9-A as an optional form.
- Revised wording for clarity.
- Revised wording for added clarification for manual underwriting.

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**RD HANDBOOK CHANGES  
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(WSAL)**

**Paragraph 5.2 J:**

- Added "and verified" to the lender representations list
- Removed detailed list of documents.
- Added reference to Chapter 15
- Removed internal language regarding time to review a GUS ACCEPT recommendation
- Removed language indicating submissions may be delivered via mail or fax and added encrypted email to the appropriate production team as the preferred manual submission method
- Replaced "Rural Development with "Agency" for consistency
- Revised to emphasize the lender's underwriter manually underwrites the loan
- Added Attachment 9-B as an option for documenting income calculations
- Added that loans should not be "approved" as well as denied solely on the GUS recommendation

**Paragraph 5.2 K:**

- Added conventional credit test as an additional reason to analyze assets
- Revised wording for clarity

**Paragraph 5.2 L:**

- Added link to the SFH Guaranteed Lender page for production team contact information
- Removed language referring to States

**Paragraph 5.3 M:**

- Revised contact for submitting a request to release GUS to align with the GRH integration.

**Paragraph 5.3 O:**

- Revised for clarity.

(CON.)

**RD HANDBOOK CHANGES  
RD HB-1-3555 (Con.)  
(WSAL)**

**Chapter 8:**

The following updates were made to Chapter 8 to make minor grammatical and formatting changes, correct discrepancies, and provide clarification for easier understanding of guidance.

**Paragraph 8.1:**

- Removed requirement for a personal interview to be conducted by the lender.

**Paragraph 8.2A**

- Simplified language to clarify when it is acceptable for an applicant to retain ownership in another dwelling.
- Included clarification that a cosigner on an active 502 loan is not an eligible SFHGLP applicant.
- Removed examples of inadequate housing because this limited allowable situations.
- Simplified language, combined repayment and ratio paragraphs relating to rental income and added a reference to Chapter 9, the reference provides guidance on calculation.
- Provided a link to the training resource available on entering rental income into GUS.

**Paragraph 8.2B:**

- Clarified the second bullet point that closing costs refer to the borrower's portion of closing costs.
- Removed explanation of why land is not considered a liquid asset.

**Paragraph 8.2D:**

- Added clarification that trusts and corporations are not eligible applicants.

**Paragraph 8.2E:**

- Removed reference to Chapter 15 as it is no longer applicable.
- Added clarification SAM date is needed on Form RD 3555-21.

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**RD HANDBOOK CHANGES**  
**RD HB-1-3555 (Con.)**  
**(WSAL)**

**Paragraph 8.2F:**

- Restructured the paragraphs for better readability and defined only the Agency has access to the SAVE system, included the definition of SAVE.
- Updated #5 on list of qualified alien status to be consistent with the definition under Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
- Removed reference and link to the Wabanaki Legal News as it is no longer an accurate reference.
- Clarified that the non-citizen's documentation is maintained in the lender's permanent case file.
- Removed the list of possible supporting documents to prevent the impression that anyone with a listed document would be determined eligible.
- Clarified the eligibility review process for GUS submissions, manual submissions, and refinance transactions.
- Provided the link for specific training on utilizing GUS for determining an alien's eligibility status.
- Removed screen shots and guidance for SAVE as these are solely internal instructions, not utilized by, or beneficial to, lenders or other outside parties.

**Paragraph 8.4:**

- Removed paragraph regarding access steps to SAVE as these are solely internal instructions, not utilized by, or beneficial to, lenders or other outside parties.

**Attachment 8-A:**

Removed attachment regarding access steps to SAVE as these are solely internal instructions, not utilized by, or beneficial to, lenders or other outside parties.

**RD HANDBOOK CHANGES**  
**RD HB-1-3555 (Con.)**  
**(WSAL)**

**Chapter 10:**

The following revisions were made to correspond with the launch of the new GUS system occurring March 1, 2021. The proposed changes include updating guidance relating to GUS and references to Fannie Mae 3.2 file, MISMO 2.3.1 file, and Fannie Mae 1003 form. Additionally, minor grammatical and formatting edits and clarification to existing language

**Attachment 10-A Credit Matrix**

- Reformatted some sections for consistency.
- Added new GUS underwriting recommendation of "Accept with Full Document" to all instructions relating to GUS Accept Recommendation guidance.
- Credit Alert Verification Reporting System (CAIVRS); Clarified existing language relating to the automatic and manual retrieval process of CAIVRS responses in GUS.
- Added Chapter 11 to list of bankruptcy types.

**Consumer Credit Counseling;**

- Moved documentation requirements under Refer, Refer with Caution, and
- Manually underwritten files as it is not applicable to Gus "Accept" loans.

**Non-Purchasing Spouse Debts (NPS);**

- Removed "Gus retrieves credit reports for the applicants". Clarified instructions for NPS liabilities.
- Added instructions for lenders to retain supporting documentation (state statute) if an NPS obligation was being omitted from TD ratio.

**DEED-IN-LIEU (DIL); SHORT SALE; DEED-IN-LIEU (DIL); Refer, Refer with Caution, and manually underwritten loan files;**

- Added "within" to match 7 CFR "A credit exception is required for a DIL within the 36 months prior to loan application".

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**RD HANDBOOK CHANGES**  
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**PREVIOUS USDA LOSS;**

- Clarification added the Agency will review the application after final and complete application submission.
- Re-arranged paragraph structure and clarified which documents the applicant and lender are required during submission.

**Chapter 12:**

The following revisions were made to HB-1-3555, Chapter 12 to make minor grammatical and formatting changes, correct discrepancies, and provide clarification for easier understanding of guidance.

**Paragraph 12.4:**

- Removed requirement for enforceable maintenance arrangements for streets and inserted permanent recorded easements to align language with that in paragraph 12.7.

**Paragraph 12.5B:**

- Revised the guidance for uploading individual appraisal reports in the new GUS pages.
- Clarified that one appraisal update extends the validity period of the appraisal not to exceed 240 days from original appraisal date.

**Paragraph 12.5E:**

- Replaced "Field" staff with "OPD" staff and replaced appraisal regional agency with Appraisal Services Branch.

**Paragraph 12.9:**

- Removed the "FHA Roster" appraiser term throughout the document and replaced with qualified appraiser. A qualified appraiser is licensed or certified and does not have to be an FHA roster appraiser. Removing this provided clarification to our lenders and concurred by matching the same terminology approved in previous revisions.
- This section was also restructured to provide better readability.

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**RD HANDBOOK CHANGES  
RD HB-1-3555 (Con.)  
(WSAL)**

**Paragraph 12.10B:**

- Clarified that only existing dwellings located in flood zones must obtain flood insurance.
- Added guidance to the end of this paragraph for unmapped properties.

**Paragraph 12.12**

- Rephrased introduction paragraph and revised pages for coding Construction-to-Permanent/Single Close Construction loans in the new GUS.

**Paragraph 12.20**

- Added guidance to lenders for reporting the completion of construction and uploading applicable documentation in the SFH Single Close New Construction page in Lender Loan Closing System (LLC).

**Paragraph 12.28**

- Added GUS entry instructions for the Rehab and Repair with Purchase transactions similar to the guidance in paragraph 12.12.

**Attachment 12-A**

- Directed map errors determining property eligibility to the Policy, Analysis and Communications Branch.

**Chapter 15:**

The following updates were made to Chapter 15 to make minor grammatical and formatting changes, correct discrepancies, and provide clarification for easier understanding of guidance.

**Paragraph 15.3A**

- Clarified applications not supported in GUS include Streamlined Assist Refinance transactions and select pilot programs.
- Added production team and Lender webpage link.

**RD HANDBOOK CHANGES**  
**RD HB-1-3555 (Con.)**  
**(WSAL)**

**Paragraph 15.3B**

- Added "documentation" to the title to eliminate possible confusion between streamlined loan files and the streamlined refinance programs.
- Clarified additional information regarding processing procedures are located in the GUS User Guide and provided a link.
- Updated verbiage regarding how GUS signifies an "Accept" file has been selected for a full documentation review.

**Paragraph 15.5A**

- Removed internal processing guidance for Agency employees.

**Paragraph 15.5B**

- Clarified the Agency's policy for reviewing Lender's Underwriting Decisions.

**Paragraph 15.7A**

- Removed statement that lenders must return an executed Form RD 3555-18 with the loan closing package, as this is only required on closings manually submitted.

**Attachment 15-A**

- Updated logo and removed the former Rural Development logo.
- Removed requirement to submit Income Calculation Worksheet to correspond with the updates being made to Form RD 3555-21.

**Attachment 15-A:**

- Removed statement that Form FNMA 1008/FHLMC 1077, or similar form, is not required for GUS Full Documentation files.
- Clarified that qualified alien status documentation is not required for Refinance transactions unless a new borrower, who is not a U.S. Citizen, is being added to the loan.
- Underwriting Analysis -added documentation of income calculations to bulleted list.

**RD HANDBOOK CHANGES  
RD HB-1-3555 (Con.)  
(WSAL)**

**Attachment 15-A:**

- Income Documentation - removed Verbal VOE from the submission requirements for full documentation income verifications since this is not a requirement of the initial loan application submission.
- Asset Documentation - added reference to Chapter 9.

**Chapter 16:**

**Paragraph 16.2:**

- Provided clarification that if the agency granted an approval to extend the 90-day deadline to close the loan, a new Conditional Commitment would be issued to the lender reflecting the new expiration date.

**Paragraph 16.3:**

- Removed Attachment 16-A and created a Non-electronic Closing and Paper Check Guide which will be posted under Lender Loan Closing tab on the LINC Training and Resources website. In response to this revision the paragraph removed references to the attachment.

**Paragraph 16.3A:**

- Clarified the electronic Lender Loan Closing (LLC) can be used for all loan transactions.

**Paragraph 16.3B:**

- Revised the paragraph to clarify the process for Non-Electronic, previously called full documentation. This new name disassociates the loan transaction recommendation and clarifies the processes outlined can be used for any loan transaction. Provides an introduction to a guide for lenders who are unable to use the Lender Loan Closing system and a hyperlink to the instruction.

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**(WSAL)**

**Paragraph 16.7B:**

- Revised to add the non-electronic closing and paper check guide hyperlink. Clarified closing documentation should be encrypted and emailed to the production team associated with issuing the Conditional Commitment.

**Paragraph 16.12C:**

- Paragraph revised to clarify Hazard Insurance replacement coverage costs will be equal to the guaranteed value of the improvements or the **unpaid principal balance, whichever is less.**

**Attachment 16-A Manual Loan Closing Checklist**

- The checklist was removed from the Handbook and incorporated into the Non-electronic Closing and Paper Check Guide. The guide will be made available on the Lender LINC Training Page, a hyperlink to the location is provided. The guide provides detailed instructions for submission of the paper check for the upfront Guarantee Fee and Technology fee and closing package when requesting the Loan Note Guarantee (LNG). Nationwide guaranteed loan processing removed responsibilities associated with the issuance of an LNG from individual states; therefor, updated instructions were necessary.
- Checklist improved formatting and details were added to ensure the Loan Note Guarantee is obtained as quickly and efficiently as possible.

**Attachment 16-B Loan Closing Reference Guide**

- Revised GUS page references to align with new GUS system implementation.

**Appendix 7:**

- Changed the title to reflect the correct acronym spelled out.
- Reworded the 2<sup>nd</sup> paragraph on page 1 to remove reference to Direct loans and enhance readability.
- Rearranged paragraphs throughout for better flow.
- Replaced the CAIVRS letter definition chart with a more user-friendly bullet point version.

(CON.)

**RD HANDBOOK CHANGES**  
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**(WSAL)**

**Appendix 7:**

- Updated NFAOC contact information.
- Removed HUD contact telephone number - only email contact is currently available.
- Updated screen shots to coincide with HUD's CAIVRS website.
- Added reminder to update password.
- Added titles and step numbers for clearer formatting and readability.

REMOVE

Chapter 2 dated 03-09-16:  
 Pages 2-1 thru 2-8;  
 Chapter 5 dated 03-09-16:  
 Pages 5-1 thru 5-16;  
 Chapter 8 dated 03-09-16:  
 Pages 8-1 thru 8-13;  
 Chapter 10 dated 03-09-16:  
 Pages 10-1 thru 10-2  
 Attachment 10-A:  
 Pages 1 thru 16;  
 Chapter 12 dated 03-09-16:  
 Pages 12-1 thru 12-44,  
 Attachment 12-A: Page 5;  
 Chapter 15 dated 03-09-16:  
 Pages 15-1 thru 15-6;  
 Attachment 15-A:  
 Pages 1 thru 3;  
 Chapter 16 dated 03-09-16:  
 Pages 16-1 thru 16-18;  
 Attachment 16-A & 16-B;  
 Appendix 7 dated 03-09-16:  
 Pages 1 thru 9.

INSERT

Chapter 2 dated 03-09-16:  
[Pages 2-1 thru 2-4 revised;](#)  
 Chapter 5 dated 03-09-16:  
[Pages 5-1 thru 5-13 revised;](#)  
 Chapter 8 dated 03-09-16:  
[Pages 8-1 thru 8-8 revised;](#)  
 Chapter 10 dated 03-09-16:  
[Pages 10-1 thru 10-2 revised,](#)  
 Attachment 10-A:  
[Pages 1 thru 17 revised;](#)  
 Chapter 12 dated 03-09-16:  
[Pages 12-1 thru 12-44 revised,](#)  
 Attachment 12-A: Page 5 revised;  
 Chapter 15 dated 03-09-16:  
[Pages 15-1 thru 15-6 revised;](#)  
 Attachment 15-A:  
[Pages 1 thru 3 revised;](#)  
 Chapter 16 dated 03-09-16:  
[Pages 16-1 thru 16-17 revised,](#)  
[Attachment 16-A & 16-B revised;](#)  
 Appendix 7 dated 03-09-16:  
[Pages 1 thru 8 revised 03-01-21.](#)

**FORM  
NEW**

**RD 5001-2A**  
**(WSAL)**

**MULTI-STATE & NON-TRADITIONAL LENDER  
AGREEMENT**

dated 02-21. Prescribed in RD  
Instruction 5001. This form is the signed

agreement between USDA and the lender setting forth the lender's loan responsibilities. This form will be executed to designate participating lenders for the purpose of processing and requesting Loan Note Guarantees authorized under 7 CFR 5001. The Agency should enter the date through which Non-Traditional lenders may originate new guaranteed loans (5 years from date of Agency execution).

INSERT  
FMI dated 03-01-21.

**REPLACEMENT**

**RD 3555-17**  
**(WSAL)**

**LOAN NOTE GUARANTEE** revised 01-21.  
Prescribed in RD Handbook HB-1-3555.

This Form and FMI are revised to protect personal identifiable information by removing the social security number from the form. available on the Rural Development Directives home page (<https://www.rd.usda.gov/resources/directives>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

REMOVE  
FMI dated 04-30-20.

INSERT  
FMI revised 03-01-21.

**RD 3555-18**  
**(WSAL)**

**CONDITIONAL COMMITMENT FOR SINGLE FAMILY  
HOUSING GUARANTEED LOAN** revised 01-21.

Prescribed in RD Handbook HB-1-3555.

This Form and FMI are revised to protect personal identifiable information by removing the social security number from the form. available on the Rural Development Directives home page (<https://www.rd.usda.gov/resources/directives>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

REMOVE  
FMI dated 01-15-20.

INSERT  
FMI revised 03-01-21.

**FORM**

**REPLACEMENT**

**RD 3555-21**  
**(WSAL)**

LOAN NOTE GUARANTEE revised 03-21.  
Prescribed in RD Handbook HB-1-3555.  
This Form and FMI are revised to as follows:

- Changed "Contact" to "Contact for this File"
- Changed "Approved lender E-Mail" to "Contact E-Mail"
- Changed "Phone Number" to "Contact Phone Number"
- Removed Social Security Number for borrower and co-borrower
- Removed reference to Veteran for borrower and co-borrower
- Added additional co-borrower fields
- Added "only applicable to non-GUS submissions" for the question relating to GSA/SAM
- Removed property address information
- line number 5 Removed line number 6 (now line number 5) Added ""Only applicable to non-Gus Transactions"
- Removed pages 3-5 protect personal identifiable information by removing the social security number from the form. available on the Rural Development Instructions home page (<https://www.rd.usda.gov/publications/regulations-guidelines>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

REMOVE  
FMI dated 10-04-19.

INSERT  
FMI revised 03-01-21.

**RD 5001-2**  
**(WSAL)**

**LENDER AGREEMENT** revised 02-21.  
Prescribed in RD Instruction 5001.  
This Form and FMI are revised to update the signature block. available on the Rural Development Directives home page (<https://www.rd.usda.gov/resources/directives>.) No paper copy distribution of this form will be made, and it will not be stocked in the warehouse.

REMOVE  
FMI dated 10-01-20.

INSERT  
FMI revised 03-01-21.

NO SPECIAL PROCEDURE NOTICE RELEASED.

NO ADMINISTRATIVE NOTICES RELEASED.