



Rural Development

State Director -  
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State Office

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TO: Guaranteed Program Lenders and Brokers

FROM: Ronald W. Davis  
State Director

Reginald D. Marable, Sr.  
Single Family Housing Programs Director

RE: Incomplete and Inaccurate GRH Application Files

GRH Lenders:

Thanks to you, in 2015 Alabama Rural Development achieved record numbers in GRH loan production. We are again on pace for a banner year and I wanted to share with you some recent changes that will affect all program partners from this point forward. I am pleased to report that our current processing turn times are within 72 hours at this time. We will continue to do everything possible to maintain these processing turn times.

All lenders recently received information from the National Office on incomplete files being submitted – which has a negative impact on our ability to review GRH loan applications quickly. This program is designed to ensure that each lender incorporates effective quality control measures designed to identify deficiencies prior to submittal to USDA RD.

**We will be enforcing a new process for all loan application files submitted on or after February 15, 2016.**

When a file is received in our pipeline and the GRH Specialists reviews the file – be advised that all incomplete applications (missing documentation as required by Attachment 15-A and the GUS Underwriting Report – if applicable) will be released back to the lender for correction and will subsequently lose its place in the GRH application pipeline. Only complete applications are processed in date order received by the Agency. Lenders must submit loan applications in accordance with 7 CFR Part 3555 Section 3555.107(f), HB 1-3555 Chapter 15 and Attachment 15-A "Origination Order Stacking Checklist". Also, please adhere to the stacking requirements when uploading your documents into the system. Reminder: Lenders that utilize GUS to remit documents to USDA must upload the appraisal report separately from other required documents.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

## How does USDA deal with Application Files that contain inaccurate / incorrect information?

We are still experiencing an increased volume of GRH applications that contain inaccurate and incorrect information which we consider to be critical deficiencies. In the event a submitted file is incorrect, USDA RD will notify the lender in writing to identify the error(s) or incorrect information. The lender is required to correct and submit the applicable corrections and upload corrected documents. The lender has 72 hours to submit the required cure item(s). If the required items are not received within 72 hours of notification, the file will be returned to the lender and the lender will be required to resubmit the file and will lose its initial place in the loan application pipeline. Also, we allow for a maximum two (2) cure submissions by the lender per application. In the event that the file has been returned to the lender two (2) times and the same problem still exists with the application file (items not successfully cured) the GRH application will be released back to the lender and subsequently lose its place in the pipeline.

When the lender submits the cure item(s) back to the Agency, - the GRH Loan Specialist has up to 5 working days to review the corrections. Our Loan Specialists consistently do average less than the 5 days allotted to review and please – after the correction is submitted – do not try to contact the GRH Loan Specialist to find out the status of the application or if they have picked up the file yet. In the event that the full 5 day period has elapsed and you still have not received a decision on the loan application – then you should directly contact the GRH Team Leader as to the reason for the delay on the corrected loan application.

Also, remember to not schedule any loan closings until you receive a Conditional Commitment from USDA Rural Development. We cannot move application files up in the pipeline to accommodate for closings that were pre-scheduled.

### Training Availability and Technical Questions:

As a reminder, we do have available training programs on-line that provide you information on the HB 1-3555 and associated requirements in processing a GRH loan application. The link for this training is identified below. This is an excellent tool for new originators and underwriters working in your organization.

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

In the event that you have a technical question, we ask that you please first refer to the Handbook HB 1-3555. When in the Handbook – you can use the “Search” function on any subject matter that you are inquiring about and that will help you to expedite the search. If you still cannot obtain the information needed, please send Cynthia Smith, GRH Team Leader an email at [cynthia.smith@al.usda.gov](mailto:cynthia.smith@al.usda.gov) .

The link for HB 1-3555 is identified below:

<http://www.rd.usda.gov/publications/regulations-guidelines/handbooks#hb355501>

We believe that if all of our participating lenders comply with the program requirements for loan application submissions, that the improved quality of the loan applications will reduce the need for retouches of incomplete and inaccurate loans and thus allow us to move faster through the application pipeline. Again, please do not to set closing dates until the conditional commitment is issued by Rural Development. Our website and/or twitter are updated consistently to identify the date that we are processing submitted loans.

We fully understand that the changes in how we process incomplete and incorrect GRH loan applications may seem punitive. The net effect on non-compliant GRH loan application submissions is that it slows down the RD response time to those lending partners who consistently meet the submission requirements. Please share this information with all staff in your organization who works with our Guaranteed Loan Program.

Thank you in advance for your support of the Guaranteed Loan Program.

If you have any questions please contact Reginald D. Marable, Sr., Director - SFH Programs at (334) 279-3618 to discuss.

Respectfully,



Ronald W. Davis  
State Director

cc: Cynthia Smith, GRH Team Leader