



## **Guaranteed Home Loan Program May 31, 2016**

### **Lender Handbook Changes Effective June 17**

The following USDA Rural Development guaranteed home loan program lender handbook changes take effect June 17. These changes promote process efficiencies and can translate into cost savings for lenders and homeowners.

- **3555.306 Liquidation:** USDA Rural Development authorizes the servicer to obtain directly from an appraiser the liquidation value appraisal required after the expiration of the real estate owned (REO) marketing period. Prior to this change USDA Rural Development ordered the appraisal. This improvement in the REO and claims process is expected to reduce the timeframe in which USDA pays a loss claim by up to 44 days.
- **3555.353 Loss Covered by the Guarantee:** This section has been modified to include the servicer's cost of obtaining the liquidation value appraisal as an eligible cost for reimbursement when calculating a loss payment.
- **3555.353 Net Recovery Value:** Updates to this section remove the reference to the requirement that USDA Rural Development obtain the liquidation value appraisal.

Call (515) 284-4667, email [rd-grhia@ia.usda.gov](mailto:rd-grhia@ia.usda.gov) or visit [www.rd.usda.gov/ia](http://www.rd.usda.gov/ia) for more information.

Last year, 2,300 rural Iowa families and individuals purchased homes through USDA Rural Development's guaranteed home loan program and more than \$110 million is currently available to qualifying households in rural Iowa.

### **USDA Guaranteed Home Loan Program - Additional Information and Resources**

Stay informed of guaranteed home loan program changes by signing up for alerts at [https://public.govdelivery.com/accounts/USDARD/subscriber/new?qsp=USDARD\\_25](https://public.govdelivery.com/accounts/USDARD/subscriber/new?qsp=USDARD_25)

USDA Rural Development's current 3555 Lender Handbook can be found at [www.rd.usda.gov/publications/regulations-guidelines/handbooks#hb13555](http://www.rd.usda.gov/publications/regulations-guidelines/handbooks#hb13555).

Additional program information and training is available on the Lender Interactive Network Connection (LINC) Training and Resource Library at <https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>.

###

USDA is an equal opportunity provider, employer and lender.