



November 19, 2014

Processing Information

REMINDER: No New USDA Guaranteed Home Loan Applications Accepted From Close of Business Nov. 21 Through Start of Business Dec. 1

USDA Rural Development **will not** be accepting new Guaranteed Rural Housing loan applications from the close of business on Friday, November 21 through the start of business on Monday, December 1 as we begin implementing regulation-related conversion changes that will streamline program processing and save lenders time and money.

To prepare for the December 1 conversion to the new 7 CFR 3555 regulation and to avoid greater disruption of our lenders' application submission processes, USDA Rural Development must eliminate as much of the conditional commitment backlog nationwide as possible. In some states the backlog is substantial and an undertaking of this magnitude requires we assign all available staff resources to the project. USDA Rural Development will focus on eliminating the backlog during the week applications are not accepted.

We greatly appreciate your support as we begin this conversion. We believe the benefits you receive will far outweigh these early inconveniences, but we are aware that this complicates your processing and we will do everything we can to ease the transition.

Please visit http://www.rurdev.usda.gov/IA_hp_rhsguar_Newsletters.html and click on the November 2014 newsletter for more detailed information about some of the most common questions we've received from lenders regarding the upcoming conversion.

Electronic Loan Note Guarantees Starting December 1

USDA Rural Development will begin issuing loan note guarantees (LNG) electronically on December 1. To receive the LNG immediately after it is issued, lenders will need to sign up for the automated lender loan closing (LLC) system. Lender benefits of the automated LLC system include:

1. Save money through paperless processing and the elimination of overnight delivery fees to submit checks and closing documents to USDA Rural Development.
2. Electronically submit the upfront guarantee fee to USDA Rural Development via a pay.gov interface (no more paper checks)

3. Electronically upload loan closing documentation via a secure environment (e.g. promissory note, HUD-1, etc.). This eliminates the need to send via secured email, encrypting documents, etc.)
4. Eliminate the paper-based lender certification
5. Receive a secure link to the LNG immediately after it is issued. Lenders can then view, download, print, and/or save the information.

To receive the electronically issued LNG, lenders must be signed up for the automated loan closing system. Learn more at <https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>

Systematic Alien Verification for Entitlements Being Added Dec. 1

On December 1 a new feature will be added to the Guaranteed Underwriting System (GUS) allowing Systematic Alien Verification for Entitlements (SAVE) verifications to be conducted through the GUS platform. SAVE assists in the determination whether non-U.S. citizens are qualified to receive federal assistance. The SAVE program database is maintained by the Department of Homeland Security's Citizenship and Immigration Services.

GUS will sync with SAVE to obtain online immigration status information to assist in determining a non-citizen applicant's program eligibility. In most cases, SAVE will provide immediate responses concerning the immigration status of an applicant. RD Instruction 1980-D, section 1980.346(c), limits eligibility for individuals who receive a loan note guarantee (LNG) under the Single Family Housing Guaranteed Loan Program (SFHGLP) to those who "Reside as a citizen in any of the 50 States, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Marianas, Federated States of Micronesia, and the Republics of the Marshall Islands and Palau, or a non-citizen who resides in one of the foregoing areas after being legally admitted to the U.S. for permanent residence or on indefinite parole."

Lenders remain responsible for securing proof of identity and evidence that non-citizens who apply for a guaranteed loan are qualified aliens. The evidence confirming qualified alien status may be obtained after the lender has received an application for credit from the potential borrower.

Thank you for your continued support and use of USDA Rural Development's Guaranteed Rural Housing program. Please contact LindaKay Rhoades at Linda.Rhoades@ia.usda.gov or (515) 284-4723 with any questions.