



October 20, 2015

# Illinois GRH Update

## TURN TIMES

We are currently processing complete applications received October 20, 2015. Current turn times can be found on our [website!](#)

## HANDBOOK 3555

The handbook can be accessed on the [RD Handbooks](#) website.



## ON-DEMAND TRAININGS

On-demand trainings are available on the new regulation.

- [Origination](#)
- [Servicing](#)

## QUESTIONS?

Toll Free  
866-481-9575

Email

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## !!! FUNDING UPDATE !!!

**Purchase and Refinance (including streamlined, non-streamlined and Rural Refinance Pilot) funds have been received for the Single Family Housing Guaranteed Loan Program.**

Agency staff will begin obligating loans that were issued a commitment with the “subject to funding” wording. Lenders will receive a re-issued conditional commitment for these loans. Receipt of the re-issued CC will alert lenders that loan closing transactions can be processed in the Lender Loan Closing (LLC) System. For lenders submitting manual closings, you may execute and deliver the lender certification along with the closing package. The lender certification must be dated on or after the date the Agency notified the lender that the loan has been obligated (received the re-issued conditional commitment).

Please be patient with our staff as they work through over 130 loans that have had a commitment issued with the “subject to funding” wording.

## Important Tips When Retaining A Dwelling

- ⇒ The dwelling CANNOT be financed by a Rural Development guaranteed OR direct 502 or 504 loan or active grant.
- ⇒ The homeowner must be financially qualified to own more than one house.
- ⇒ The homeowner will occupy the home financed with as the guaranteed loan as their primary residence.
- ⇒ The current home no longer adequately meets the applicant’s needs such as:
  - ⇒ Severe overcrowding is defined as more than 1.5 household members per room.
  - ⇒ The disability or limited mobility of a permanent household resident that cannot be accommodated without substantial retrofitting of the current property.
  - ⇒ The applicant is relocating with a new employer, or being transferred by the current employer to an area not within a reasonable and locally recognized commuting distance.

**Manufactured homes** without a permanent foundation are considered functionally obsolete.  
⇒ Any mortgage expenses including taxes and insurance must be included in total debt ratios.

- ⇒ Rental income (on existing home) for rents received 24 months or greater if renting existing home:
  - ⇒ Positive rental income is considered gross income for repayment income.
  - ⇒ Negative income must be treated as a recurring liability
  - ⇒ Rental income for rents LESS than 24 months is NOT included in repayment income and should not be put in GUS on the REO screen.

Access the Handbook reference: [Owning a Dwelling \[7 CFR 3555.151 \(e\)\]](#)

