



September 18, 2015

# Illinois GRH Update

## TURN TIMES

We are currently processing complete applications received today. 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 us!](#)

### Credit Score Validation & Borrowers with One or No Score

- ⇒ **Credit score validation** requires at least one applicant whose income or assets are used for qualification to have at least three trade line payment references that have existed for at least 12 months (current/old; open or closed) showing on the credit report. [HB-1-3555 Chapter 10.5](#)
- ⇒ **A borrower with one score or no score** will require non-traditional credit to be verified. Three (3) trade references are required when at least one is a Verification of Rent. Four (4) trade references must be verified if a Verification of Rent is not available. Trade lines must be open and active for the previous 12 months. [HB-1-3555 Chapter 10.6](#)
- ⇒ The lender must manually downgrade an ACCEPT underwriting recommendation to a REFER if the credit score of at least one applicant cannot be validated. The manual downgrade indicator must be selected on the Credit/Underwriting screen in GUS.

#### Manually Downgrade Application

To manually downgrade an ACCEPT underwriting recommendation to a REFER, check the box and provide a detailed explanation.

- Downgrade automated underwriting recommendation to a "REFER" and provide explanation.**  
(Limited to 2000 characters)

### Important Reminders

- ⇒ The Department of Housing and Urban Development (HUD) has replaced two of its handbooks for property standards, HUD Handbooks 4150.2 and 4905.1. The successor replacing the two handbooks is HUD Handbook 4000.1. Chapter 12 of HB-1-3555 refers to the two handbooks which have been replaced. HUD Handbook 4000.1 became effective on September 14, 2015 and is also in effect for purposes of HB-1-3555.
- ⇒ The FY 2015 2% up-front guarantee fee should be used for underwriting loans received by the Agency through close of business (COB) September 30, 2015. It is not necessary for the loan to close before the end of the fiscal year as the fee is based on the date funds are obligated and a Conditional Commitment is issued.
- ⇒ On October 1, 2015, any GUS loan in a final submission status (at the FY 15 guarantee fee structure) that was not issued a Conditional Commitment will be automatically released back to the lender for correction.
- ⇒ Beginning October 1, 2015, Rural Development will no longer accept emailed application documents for GUS loans. All documentation must be uploaded into GUS.
- ⇒ Please read the final GUS Findings Report! This report will inform users of necessary items and documents that must be sent to the Agency prior to the issuance of a Conditional Commitment.
- ⇒ When estimating real estate taxes for new construction or for a property that has multiple exemptions, please use the fully assessed value minus the homestead exception **for underwriting purposes only**. Existing exemptions on the property do not always carry over to the new occupants.
- ⇒ Open accounts with a zero balance are not considered a debt.

### Closing Tips

- ⇒ When completing the Lender Loan Closing screen, ensure the Servicing and Holding Lender information is updated. *Highlight the lender ID in grey numbers that are shown and delete it out and type the correct lender ID. Make sure you have the branch number shown and click on confirm. This will then pop in the correct lender name and address. If the holding lender is the same as servicing lender, just click the box in front of 'Same as Servicing' and it will change the information to match the servicing.*
- ⇒ If the servicing or holding lender changes after the Loan Note Guarantee is issued, complete [RD Form 3555-11 Lender Record Change](#) and mail, fax or email the completed form to the Guaranteed Loan Branch listed at the top of the form.

