Single Family Housing Guaranteed Loans

Single Close New Construction and Rehabilitation and Repair Loans Reference Guide

The Single Close Combination Construction to Permanent Loan Final Rule was published on July 23, 2019 with an effective date of October 1, 2019. To assist lenders and field office staff, the Agency has issued additional instructions for Single Close New Construction and Rehabilitation and Repair Loan data entry in GUS. The following instructions will ensure the Single Close loans are correctly identified and coded in GUS.

ORIGINATION:

Loan Terms GUS Application Page
Single Close New Construction Loans and Rehabilitation and Repair Loans

- 1) In the *Property Information and Purpose of Loan* Application Page for either Single Close New Construction or Single Close Rehabilitation and Repair Loan transactions:
 - The "Purpose of Loan" must equal "Construction Only".
 - The "Single Close New Construction" radio button must equal "Yes".

Property Information and Purpose of Loan Property Address * 100 Kelly Ave City * Oak Hill State/Zip * 25901 West Virginia Zip Code Lookup County/MSA * Fayette County Fayette Number of Units Year Built 2019 Purpose of Loan (P) Construction Only > Single Close New Yes O No Construction?

2) In the Additional Data GUS Application Page,

For Single Close New Construction Loans:

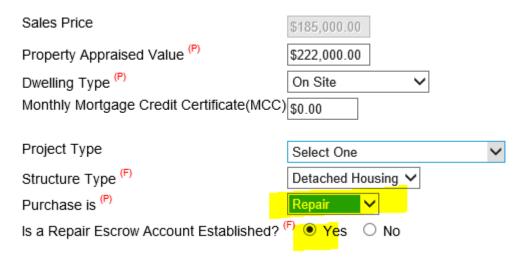
- The "Purchase is" must equal "New".
- All repair escrow data fields will be unavailable to the user.

Additional Data Sales Price \$185,000.00 Property Appraised Value (P) \$222,000.00 Dwelling Type (P) On Site Monthly Mortgage Credit Certificate(MCC) \$0.00 Project Type Select One Structure Type (F) Detached Housing > Purchase is (P) Is a Repair Escrow Account Established? Yes No Type of Repairs Escrowed (F) Select One Escrow Repairs Completed By (F) Select One

For Rehabilitation and Repair Loans:

- The "Purchase is" must equal "Repair".
- The "Is a Repair Escrow Account Established" must equal "Yes".

Additional Data



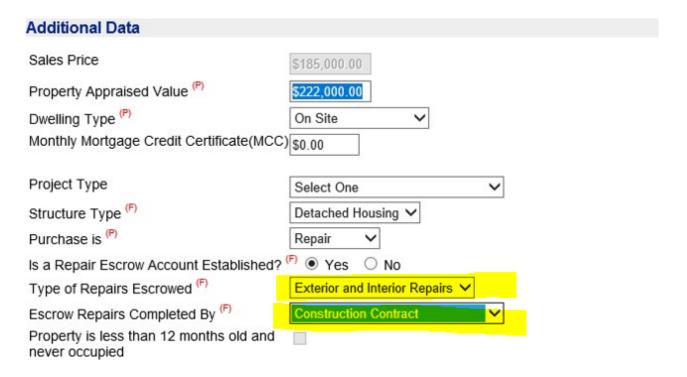
NOTE: If "Existing" instead of "Repair" is selected for "Purchase is" a GUS rule will fire on the GUS Underwriting Findings Report to render the application ineligible.

LOAN/APPLICANT ELIGIBILITY

Loan Eligibility Finding(s)

INELIGIBLE

- 1. 2030 Ineligible Combination for Construction Only, If the transaction involves the rehabilitation and repair of an existing dwelling under the single close program, then the Purchase is field must be equal to Repair on the Additional Data page.
 - The "Type of Repairs Escrowed" must be selected from the options available in the drop-down box.
 - The "Escrow Repairs Completed By" field must equal "Construction Contract". The Borrower is not permitted to do their own repairs on a Rehabilitation and Repair Loan.



Note: If the lender selects the escrow repairs will be completed by the homeowner, the following GUS rule will fire on the GUS Underwriting Findings Report.

LOAN/APPLICANT ELIGIBILITY

Loan Eligibility Finding(s)

INELIGIBLE

1. 2016 - Ineligible Single Close Rehab Transaction: Escrowed repairs must be completed under a fixed price construction contract. The borrower may not act as the general contractor.

3) Additional Data GUS Application Page - Requirements Checks

For Single Close New Construction Loans:

Select "Escrow" in response to "Are all RHS thermal and site standards in compliance?".
 This selection will ensure the correct GUS rules fire on the GUS Underwriting Findings Report for property standards.

Requirements Checks	
(Enter any that apply)	
Are all RHS thermal and site standards in compliance? (F)	Escrow 🗸
For existing dwellings, are current requirements of HUD Handbook 4000.1 Standards met? (P)	Select One ✓

For Rehabilitation and Repair Loans:

 Select "Escrow" in response to "For existing dwellings, are current requirements of HUD Handbook 4000.1 Standards met?".
 This selection will ensure the correct GUS rules fire on the GUS Underwriting Findings Report for property standards.

Requirements Checks

(Enter any that apply)

Are all RHS thermal and site standards in compliance? (F)

For existing dwellings, are current requirements of HUD Handbook 4000.1 Standards met? (P)



Note: Once the construction has been completed, lenders will report the final construction in the Lender Loan Closing/Administration Page.

CONSTRUCTION COMPLETION:

SFH Lender Administration List Page in LLC:

Single Close New Construction Loans

Lenders may access the Lender Loan Closing/Administration Page from the USDA LINC page:



USDA LINC Lender Interactive Network Connection

USDA LINC

RHS LINC

RUS LINC

Single Family Guaranteed Rural Housing

Electronic Status Reporting (ESR) Electronic Status Reporting Corrections Guaranteed Annual Fee Loss Claim Administration Guaranteed Underwriting System (GUS)

Lender Loan Closing/Administration

ID Cross Reference

Application Authorization Lender PAD Account Maintenance Training and Resource Library

Multi-Family Housing

Lender Loan Closing/Administration ID Cross Reference **Application Authorization Lender Status Report List Lender PAD Account Maintenance**

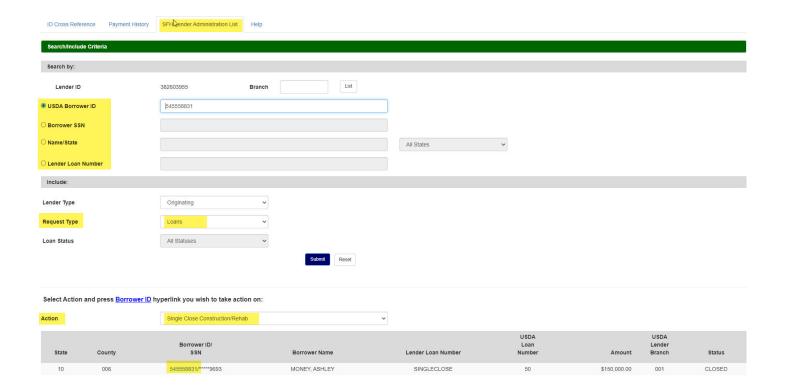
Community Facilities

Lender Loan Closing/Administration ID Cross Reference **Application Authorization Lender Status Report List Lender PAD Account Maintenance**



In the SFH Lender Administration List Page:

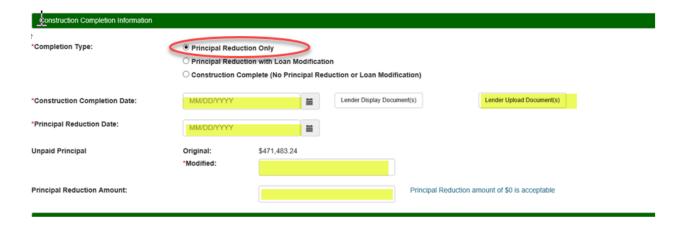
- Lenders will retrieve the loan using either the "USDA Borrower ID number", "Borrower SSN", "Name/State" or "Lender Loan Number".
- In the "Request Type" field, select "Loans" and click Submit.
- Select "Single Close Construction/Rehab" in the "Action" drop down field.



When you select the loan by clicking on the Borrower ID, the Construction Completion Information Page will populate. Select the appropriate "Completion Type". Three options are available.

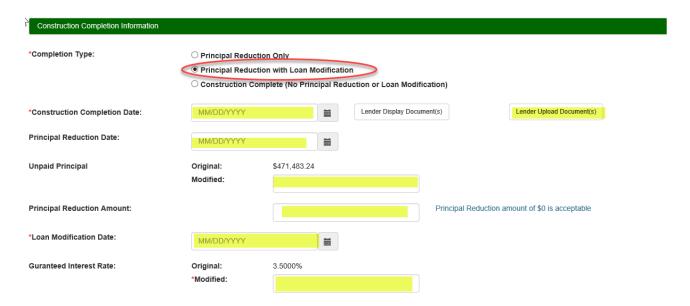
1) Principal Reduction Only:

Enter the construction complete and principal reduction date fields, the modified unpaid principal balance and the amount of the principal reduction. Upload documentation of evidence of the principal reduction and lender certification (ex: Attachment 12-D).



2) Principal Reduction with Loan Modification:

Enter the construction complete and principal reduction dates, the modified unpaid principal balance, amount of principal reduction and the date of the loan modification. When applicable, enter a lower modified interest rate. Upload the modified loan documents, evidence of the principal reduction and lender certification that the construction has been completed.



3) Construction Complete (No Principal Reduction or Loan Modification):

Enter the construction completion date and upload lender certification.

Construction Completion Information	
*Completion Type:	○ Principal Reduction Only ○ Principal Reduction with Loan Modification
	Construction Complete (No Principal Reduction or Loan Modification)
*Construction Completion Date:	MM//DD/YYYY Lender Display Document(s) Lender Upload Document(s)