Welcome to the Single Family Housing Guaranteed Loan Program Overview training module, presented by USDA’s Single Family Housing Guaranteed Loan Program. In this module, we will discuss the program highlights as well as all the resources and tools available to lenders.
Training Objectives

• Review program highlights.
• Demonstrate where resources and tools are located.

In this module, we will discuss the program highlights as well as all the resources and tools available to lenders.
USDA Rural Development is committed to helping improve the economy and quality of life in rural America.

Through our programs, we help rural Americans in many ways.

Together, America Prospers.

USDA Rural Development is committed to improving the economy and quality of life in rural America. Rural Development offers loans, grants, and loan guarantees for not just housing but also businesses, health care, first responders, water, electric, and communication needs.
Program Highlights

Homebuyer Benefits

- No down payment required.
- Buy existing, build new, or refinance current Rural Development loan.
- Finance eligible loan costs up to 100% of the appraised value plus the one-time upfront guarantee fee.
- Eligible loan costs may include: purchase price, repairs, lenders fees, closing costs, essential household equipment.
- 30-year fixed rate that is negotiated between the applicant and lender.
- No maximum purchase price limits.
- Gift and grant funds allowed.
- Normal purchase contract time.

Why is the Single Family Housing Guaranteed Loan Program a top financing option for homebuyers? USDA loans offer many advantages such as...

- No down payment so they can keep reserves in the bank for future unexpected costs.
- USDA offers the option to buy existing, build new, or refinance a current Rural Development loan.
- Borrowers can finance eligible loan costs up to 100% of the appraised value plus the one-time upfront guarantee fee.
- Eligible loan costs may include: purchase price, repairs, lenders fees, closing costs, essential household equipment.
- 30-year fixed rate that is negotiated between the applicant and lender.
- No maximum purchase price limits. Maximum loan amount is determined solely by the applicant’s repayment ability.
- Gift and grant funds allowed.
- Normal purchase contract time. No need to extend the contract time. Rural Development typically issues a Conditional Commitment to the lender within 2-3 business days of receiving a complete application.
Program Highlights

Lender Benefits

• Less risk with up to a 90% guarantee!
• High performing loans with low delinquency and foreclosure rates.
• Secondary market eligibility through Ginnie Mae, Fannie Mae, Freddie Mac, and State Housing Finance Agencies.
• Streamlined documentation requirements with the use of the Guaranteed Underwriting System (GUS).
• Online training modules and resources that are easy to navigate.
• Single Close Construction-to-Permanent loan option.
• Credit towards Community Reinvestment Act (CRA) performance.

How does the program benefit lenders?

• Guaranteed loans have proven to be high performing loans over the past 25 years with low delinquency and foreclosure rates.
• Lenders may retain these loans to service within their portfolio, or they may sell them to another approved USDA lender for servicing and holding.
• Guaranteed loans are eligible for sale to many investors including Ginnie Mae pools.
• The loan process is streamlined for lenders when they utilize the Guaranteed Underwriting System (GUS).
• Rural Development offers many valuable online tools such as recorded training modules and detailed user guides that are easy to navigate.
• Looking to expand your new construction portfolio? Rural Development offers a low risk option where the lender receives a guarantee before construction even begins.
• Guaranteed loans qualify to obtain Community Reinvestment Act (CRA) credits.
• Best of all, guaranteed loans provide the lender with a 90% Loan Note Guarantee, which surpasses the risk protection provided by private mortgage insurance in the event of a default or loss!
7 CFR Part 3555

- “The Rule”
- 8 Subparts, A - H

The 7 CFR Part 3555 is the program regulation. It is the first place users should look for the answers to their questions. The regulation is the rule and it cannot be overridden by the technical handbook. The 7 CFR Part 3555 is comprised of 8 subparts, A through H. You can access the full regulation from the Resources tab on the Rural Development homepage.
Under “Resources”, there are many options available including Directives, Forms, Publications, and Regulations.

To access the complete 7 CFR Part 3555 regulation, select “Regulations”.
To access the 7 CFR Part 3555 regulation, select “Program Regulations”.
Select the “7 CFR 3555” link under “Rural Housing Service” to access the regulation for the Single Family Housing Guaranteed Loan Program.
You can now navigate through the sections of the 3555 regulation.
HB-1-3555
• “The Handbook”
• Provides guidance to support the regulation
• Handbook is not the rule
• 20 chapters

The 7 CFR Part 3555 regulation cannot cover every topic and every potential scenario, therefore a technical handbook has been published to support the regulation and provide additional clarification.

HB-1-3555, also known as “the handbook,” has 20 chapters. Guidance in the handbook is meant to support the regulation not replace it.

The quickest way to find answers to your questions is to look in the CFR and handbook. Bookmark them and use Cntrl-F to quickly find your answers.
You can access the handbook under “Resources” and “Directives”.

Select “Handbooks”.

A list of all USDA Rural Development handbooks will display.

Be sure to select the correct technical handbook: HB-1-3555.
Once HB-1-3555 is selected, the entire handbook will display for selection.

A copy of the consolidated version of the handbook is available here for you to view and download. Don’t forget to download an updated handbook when you receive notification from GovDelivery that the handbook has been updated.
A few helpful tips:

- When researching topics, it is helpful to begin with the Table of Contents for the regulation and the handbook.
- Utilize the Cntrl-F feature to search the regulation and handbook for topics. Select the “Control” button on the keyboard, hold it down, and then also select the “F” key. A keyword search box will appear. Enter a keyword or phrase to locate information more quickly. Have a question about utilizing overtime income? Open up the consolidated handbook, select Cntrl F, search “overtime” and you will find all sections of the handbook that discuss overtime income. Most program questions can be answered within the 3555 handbook. Again, make sure you download an updated Handbook when you are notified of updates via GovDelivery.
Rural Development has developed numerous tools and resources to assist lenders with originating, processing, and servicing guaranteed loans.
The online Income and Property Eligibility website is accessed through the link displayed on this slide. Let’s first look at online property eligibility.

On the top of the page, select “Single Family Housing Guaranteed.”

Then select “Property Eligibility.”

A Property Eligibility Disclaimer will display to state that every effort is made to ensure the maps and determinations rendered are accurate, however final property eligibility decisions are made by the USDA. You can select “Accept” to move forward to the property eligibility site.
A map of the United States will display. In the upper left hand corner there is a data field where a complete address may be entered. After entering the address select “GO.” If the address is able to be mapped, a determination will display. In this example the property is located in an eligible area.
In this example the property is not located within an eligible area. Another determination may be “Unable to Determine” which may indicate a new construction property or an error in the system at this time. You may always contact the USDA for assistance in determining property eligibility.
There are two ways to help make the income eligibility determination. For those just learning about the guaranteed loan program, you may wish to pursue the first option by selecting “Income Eligibility.”

Once this option is selected the system will prompt you to select the State, County, and Metropolitan Statistical Area (MSA) where the property is located.
On this screen shot you can see we have selected “Wisconsin” for the State, “Portage” for the county.
Now the screens will lead you through the income eligibility determination. First, complete the total number of people in the household.

Enter the number of those household members that are under 18 years of age, or are 18 years of age and older but are full time students or are disabled.

If the Loan Applicant or Co-applicant are age 62 or older enter “yes” or “no.”

If there are any disabled persons living in the household enter “yes” or “no.”

Select “Next” to move forward in the determination.
Eligible child care expenses must be entered as an annual figure.

Many income types will be listed for completion in regards to the applicant, co-applicant, and/or other household members who are age 18 and above. Enter this income as a monthly figure. Once complete select “Finish.”
An eligibility determination will display. The message will state if based on the data entered on the previous screens the applicant is eligible for a guaranteed or direct loan.

A summary of the adjusted annual income will display to document how the eligibility calculations were performed.

This screen may be printed if you wish.
We are pleased to announce extensive updates have been made to our SFHGLP webpage, to include the development of a new SFHGLP Lending Partner Webpage. This new webpage is designed specifically for our lending partners and will include information such as:

- Loan processing and program updates
- Current turn times on new loan applications
- How to contact us with questions on a specific topic
- Links to program resources such as our 3555 Handbook and USDA LINC
- Links to help resources
Effective February 16, 2020, all states were aligned to one of four production teams. If you have a question on a specific loan file, email the production team responsible for the state the property is located in. For example, if you have a question regarding a guaranteed loan application in WI, you would email Production Team One.

All general inquiries including questions on policy, training, outreach, and servicing should be sent to the general email inbox.
Looking for information on becoming an approved lender, training, or technical support? Our lending partner website can assist you!
Your number one destination for origination and servicing resources and guides will be the USDA LINC Training and Resource Library. This site provides a tremendous amount of knowledge. Bookmark it, you will visit it frequently.

Did you miss an important GovDelivery update? No problem, you can find an archive of previous GovDelivery email updates here.
Are you looking for training to become more familiar with the handbook or the Guaranteed Underwriting System? The LINC training modules are available 24/7.
Rural Development will post handbook chapter updates and other resources to the “New” section as they become available. Check back frequently for updates. All of the training modules are available in audio and print format. Here you see a few of the 7 CFR 3555 training modules that are available.
Status reports for ALL loans is required monthly. Servicers are also required to complete Electronic Status and Default Report Corrections. These LINC trainings and the ESR User Guide will assist you with the reporting process.
All Single Family Housing Guaranteed loans are subject to an annual fee. The annual fee is charged annually for the life of the guaranteed loan. These fees are submitted via the Guaranteed Annual Fee or GAF system.

Servicing lenders will determine what associates of their organization will be designated as GAF security administrators and will identify these individuals on their Guaranteed Annual Fee Lender User Agreement form and submit this form to the Rural Development National Financial and Accounting Operations Center (NFAOC). Once Rural Development approves the request and establishes the security administrator’s role in the system, the security administrator can then assign additional user roles for others within their organization.

Learn more about user roles and the GAF by viewing these resources on the LINC.
Automated underwriting simplifies the loan process and streamlines document submission. Rural Development offers an excellent automated underwriting tool called the Guaranteed Underwriting System or “the GUS”.

Similar to that of the GAF system, lenders will determine what associates of their organization will be designated as GUS security administrators and will identify these individuals on their “Gaining Access to GUS Fillable Forms” and submit the forms to the Rural Development National Financial and Accounting Operations Center. Once Rural Development approves the request and establishes the security administrator’s role in the system, the security administrator can then assign additional user roles for others within their organization.

Learn more about user roles and the GUS by viewing these resources on the LINC.
Submitting hard copy loan closing documents and paper checks is a thing of the past! Submit your loan closings electronically using the automated Lender Loan Closing system or the LLC system.

Lenders again will submit an agreement to the Rural Development National Financial and Accounting Operations Center identifying who within their organization will be authorized as a LLC security administrator and those administrators will have the ability to assign others within their organization user roles within the LLC.

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<thead>
<tr>
<th>Documentation &amp; Resources</th>
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<tbody>
<tr>
<td>1. Lender Loan Closing (LLC) Agreement Fillable (PDF)</td>
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<tr>
<td>2. Lender Loan Closing (LLC) Administrative Guide (PDF)</td>
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<tr>
<td>3. Quick Steps to Access Lender Loan Closing (LLC) (PDF)</td>
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<tr>
<td>4. Lender Loan Closing (LLC) User Guide (PDF)</td>
</tr>
<tr>
<td>5. Quick Steps to Complete a Lender Loan Closing (LLC) (PDF)</td>
</tr>
<tr>
<td>6. Electronic Doc Delivery (Non-GUS loans) PDF</td>
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Servicing lenders are required to complete and submit a Trading Partner Agreement to Rural Development. Find more information regarding TPAs and Loss Claims by viewing these documents and resources.
You will find tools such as a guarantee fee and annual fee calculator and sample worksheet for calculating maximum loan amount under the “Loan Origination” section.
Servicing lenders looking for more information on loss mitigation options can find it here! Some available resources include an “Avoid Foreclosure” webcast, loss mitigation user guide, and special loan servicing job aid.
Servicing lenders needing to submit a Property Disposition Plan to Rural Development will find detailed guidance in the “Property Disposition and Document Upload Servicer User Guide” available here.
You will be required to register for an e-Authentication account before you can access systems such as the GUS and the LLC. You will find additional information on registering for an e-Authentication account here.
Remember to sign up for GovDelivery messages. USDA sends out origination, GUS, and servicing messages to alert lenders of new publications, clarifications, and additional program updates. This is our main communication tool with lenders so don’t forget to sign up, you don’t want to miss out on any important news!
General Program/Scenario Questions: sfhglp.program@usda.gov
Specific Loan Application Inquiries:
SFHGLPONE@usda.gov
• AK, AL, AZ, CA, CO, GU, HI, IA, ID, KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WP, WV, WY
SFHGLPTWO@usda.gov
• AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK
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• FL, IN, OH, PA, PR, TN, VA, VI
Lender Training & Outreach: sfhgl.lenderpartner@usda.gov
Lender Approval & Recertification: sfhgl.compliance@usda.gov
Loan Servicing: sfhgservicing@usda.gov
Technical Support (GUS): rd.hd@stl.usda.gov
Technical Support (e-Authentication):
https://www.eauth.usda.gov/eauth/b/usda/contactus
Loss Claims: guarantee.svc@stl.usda.gov
Monthly & Quarterly Status Reporting: rd.nfaoc.hsb@stl.usda.gov

Still have a question after reviewing your resources and tools? We’re here to help! This slide lists
the contact information for the Single Family Housing Guaranteed Loan Program staff. Reach out to
us for assistance by sending your question to the appropriate guaranteed team email address.
Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program and America’s rural homebuyers!
This will conclude the training module. Thank you and have a great day!