


USDA Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

# Assets

Single Family Housing Guaranteed Loan Program  
(SFHGLP)

09/2020

A close-up photograph of a silver and black calculator resting on a spiral-bound notebook. A blue pen is positioned diagonally across the notebook pages. The calculator's display and keypad are clearly visible.

1

# ASSETS

- ✓ Verify
- ✓ Document
- ✓ Calculate

A conceptual illustration featuring a silhouette of a person standing on a large pile of gold coins. The person is holding a large grey puzzle piece. To the right, several other grey puzzle pieces are scattered. A small green plant with three leaves grows out of the top of the coin pile. The word 'ASSETS' is written in large, bold, black letters at the top.

2

## 7 CFR Part 3555: 3555.152 (d)

(d) *Net family assets.* For the purpose of computing annual income, the net family assets of all household members must be included in the calculation of annual income. Lenders must document and verify assets of all household members.

(1) Net family assets include, but are not limited to, the actual or imputed income from:

(i) Equity in real property or other capital investments, other than the dwelling or site;

(ii) Cash on hand and funds in savings or checking accounts;

(iii) Amounts in trust accounts that are available to the household;

(iv) Stocks, bonds, and other forms of capital investments that is accessible to the applicant without retiring or terminating employment;

(v) Lump sum receipts such as lottery winnings, capital gains, and inheritances;

(vi) Personal property held as an investment; and

(vii) Any value, in excess of the consideration received, for any business or household assets disposed of for less than fair market value during the 2 years preceding the income determination. The value of assets disposed of for less than fair market value shall not be considered if they were disposed of as a result of foreclosure, bankruptcy, or a divorce or separation settlement.



3

3

## 7 CFR Part 3555: 3555.152 (d)

(2) Net family assets for the purpose of calculating annual income do not include:

(i) Interest in American Indian restricted land;

(ii) Cash on hand which will be used to reduce the amount of the loan;

(iii) The value of necessary items of personal property;

(iv) Assets that are part of the business, trade, or farming operation of any member of the household who is actively engaged in such operation;

(v) Amounts in voluntary retirement plans such as individual retirement accounts (IRAs), 401(k) plans, and Keogh accounts (except at the time interest assistance is initially granted);

(vi) The value of an irrevocable trust fund or any other trust over which no member of the household has control;

(vii) Cash value of life insurance policies; and

(viii) Other amounts deemed by the Agency not to constitute net family assets.



4

4

## 7 CFR Part 3555: 3555.152 (d)

When is an asset calculation required?

### 9.4 CALCULATING INCOME FROM ASSETS [7 CFR 3555.152(d)]

Household members with cumulative net family assets (non-retirement) of \$50,000 or greater, must have those assets reviewed for annual income purposes as indicated in 3555.152(d). Lenders must review asset information provided by applicant(s) and household members at the time of loan application. Net family assets with actual earnings will use the **stated rate of interest** to calculate annual income. Net family assets that do not earn interest will use a **current passbook savings rate** (verified through the lender's personal banking rates, online website, etc.) to calculate annual income.

Refer to the Asset section in Attachment 9-A for individual asset types and options for documentation/verification.



5

**Review Attachment 9-A**  
Pages 28-32

**Verify & Document**

**Calculate Asset Income**  
*If cumulative total is \$50,000 or more*

<https://www.rd.usda.gov/files/3555-1chapter09.pdf>

HB-1-3555  
Attachment 9-A  
Page 28 of 32

| Assets and Reserves   |
|---|
| <b>3555.152(d)</b>  |
| Funds to close will be subtracted from the assets entered on the Assets and Liabilities and/or Transaction Details GUS application pages. Remaining funds eligible for reserves must be available to the applicant post loan closing. Lenders must use caution and not overstate assets utilized for reserves. USDA does not require evidence from all parties to access joint or business accounts unless access to the funds are restricted without it. |
| <b>Bridge Loan</b>  |
| <b>Documentation:</b>   |
| <ul style="list-style-type: none"> <li>Evidence of the loan proceeds, where they are held (depository account, etc.), and balance remaining</li> <li>Confirm corresponding liability for this debt is included in the total debt ratio if applicable</li> </ul>   |
| <b>Reserves:</b> Eligible   |
| <b>Funds to Close:</b> Eligible   |
| <b>Business Accounts</b>  |
| <b>Documentation:</b>   |
| <ul style="list-style-type: none"> <li>Two months of recent bank statements, <i>gg</i></li> <li>Verification of Deposit (VOD) and a recent bank statement, <i>gg</i></li> <li>Alternate evidence (example: statement print outs stamped by lender) to support account activity and monthly balances</li> </ul>  |
| <b>Reserves:</b> Eligible   |
| <ul style="list-style-type: none"> <li>Lenders must use the lesser of the current balance or previous months ending balance</li> </ul>  |
| <b>Funds to Close:</b> Eligible   |
| <b>Cash on Hand</b>   |
| <b>Documentation:</b>   |
| <ul style="list-style-type: none"> <li>Applicant must supply a letter of explanation to state how the funds were accumulated (how much weekly/monthly/etc.)</li> </ul>  |
| <b>Reserves:</b> Eligible   |
| <b>Funds to Close:</b> Eligible   |
| <b>Certificate of Deposit (CD)</b>  |
| <b>Documentation:</b>   |
| <ul style="list-style-type: none"> <li>Recent account statement (monthly, quarterly, etc.) to evidence the account balance and early withdraw penalty if applicable</li> </ul>  |
| <b>Reserves:</b> Eligible   |
| <ul style="list-style-type: none"> <li>Lenders may use the current vested balance, minus applicable fees/penalties</li> </ul>   |
| <b>Funds to Close:</b> Eligible   |

6

## 7 CFR Part 3555: 3555.152 (d)

### Things to keep in mind:

- Income from eligible assets may be required to be included in annual income.
- Assets are considered a compensating factor which do impact underwriting recommendations in the GUS.
- Lenders will determine if assets are to be included in the underwriting analysis.



7

## Asset Verification is Always Required!

**Uniform Residential Loan Application**

**VI. ASSETS AND LIABILITIES**

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borers can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If person, this Statement and supporting schedules must be completed about that spouse or other person also.

| ASSETS   | Cash or Market Value | Liabilities and Pledged Assets. List the car, automobile loans, revolving charge acco continuation sheet, if necessary. Indicate by upon refinancing of the subject property. |
|--|----------------------|---|
| Description<br>Cash deposit toward purchase held by: | \$                   |   |
| <b>List checking and savings accounts below</b>      |                      | <b>LIABILITIES</b>  |
| Name and address of Bank, S&L, or Credit Union       |                      | Name and address of Company   |
| Acct. no.  | \$                   | Acct. no.   |
| Name and address of Bank, S&L, or Credit Union       |                      | Name and address of Company   |

**Optional**

USDA United States Department of Agriculture **GUS** Guaranteed Underwriting System

Eligibility  
Loan Terms  
Borrower  
Employment  
Income and Expenses  
Assets and Liabilities  
Transaction Details  
Additional Data

**Assets and Liabilities**

**Assets**

|                    | Account Owner | Asset Type |
|--------------------|---------------|------------|
| Del                | Select One    | Select One |
| Del                | Select One    | Select One |
| Del                | Select One    | Select One |
| Insert More Assets |               |            |

**WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME**

**Lender Instructions:** Determine eligible household income for the Single Family Housing Guaranteed Loan Program (SFHGLP) by documenting all source/types of income for all household members. Qualify the loan by documenting all source/type of income that is stable and dependable utilized to repay the loan.

| Identify all Household Members | Age | Full-time Student Y/N?   | Disabled Y/N?            | Receive Income Y/N?      | Source of Income |
|--------------------------------|-----|--------------------------|--------------------------|--------------------------|------------------|
|                                |     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |
|                                |     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |
|                                |     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |
|                                |     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |
|                                |     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                  |

**ANNUAL INCOME CALCULATION** (Consider anticipated income for the next 12 months for all adult household members as described in 7 CFR 3555.112(a) and 7 CFR 3555.112(b) Chapter 8. Refer to business administrative system. [Refer to the GUS system for questions regarding the calculation of each income source type as described in 7 CFR 3555.112\(b\).](#)

### Required (if over \$50,000)

|                        |  |
|------------------------|--|
| Eligibility            | Years of age or greater  |
| Loan Terms             | Annual Child Care Expenses   |
| Borrower               | Are there any Disabled Persons living in the household?              |
| Employment             | Annual Disability Expenses   |
| Income and Expenses    | <b>Monthly Gross Income For All Household Members</b> (P)            |
| Assets and Liabilities | (Annual income of household members to determine income eligibility) |
| Transaction Details    | <b>Applicant(Borrower with highest income)</b>                       |
| Additional Data        | Base Employment Income \$6,470.00                                    |
| Credit / Underwriting  | Overtime \$679.00  |
| View Findings          | Bonuses \$51.00  |
| Display Documents      | Commissions \$0.00   |
| Upload Documents       | Dividends/Interest \$0.00  |
| Request Forms          |  |

8

8

## 7 CFR Part 3555: 3555.152 (d)

### Asset Inflation

- Invalid GUS underwriting recommendations
- Invalid compensating factors
- Inaccurate annual income calculation
- Potential fraud



9

## 7 CFR Part 3555: 3555.152 (d)

### Example: Calculating Income from Assets

- **Checking account (non-interest bearing):** \$17,000
- **Savings account (.25% interest):** \$24,000
- **Certificate of Deposit (3% interest):** \$15,000

**Total Assets:** \$56,000 less \$5,000 from checking used to purchase the home

**Remaining Assets =** \$51,000



10



## 7 CFR Part 3555: 3555.152 (d)

### Example (continued): Calculating Income from Assets

- Checking:  $\$17,000 - \$5,000 = \$12,000 \times .25\% = \$30$
- Savings:  $\$25,000 \times .25\% = \$62.50$
- CD:  $\$15,000 \times 3\% = \$450$

**Asset Calculation:**  $30 + 62.50 + 450 = \$542.50$

*Include \$542.50 in annual income calculation*

Worksheet for Documenting Eligible Household and Repayment Income. The form includes a table for household members and sections for annual income calculation.

| Identify all Household Members | Age | Full-time Student (Y/N) | Disabled (Y/N) | Revenue Income (Y/N) | Source of Income |
|--------------------------------|-----|-------------------------|----------------|----------------------|------------------|
|                                |     |                         |                |                      |                  |
|                                |     |                         |                |                      |                  |
|                                |     |                         |                |                      |                  |
|                                |     |                         |                |                      |                  |
|                                |     |                         |                |                      |                  |

ANNUAL INCOME CALCULATION (Consider unearned income for the next 12 months for all adult household members as described in 7 CFR 3555.152 (d) (2) (i) (A) through (C). Exclude the income of non-household members.)

1. APPLICABLE INCOME: wages, self-employment, commission, royalties, honoraria, fees, attorney, child support, pension/retirement, social security, disability, child income, etc.; Calculate and record how the calculation of each income source/asset was determined in the space below.

2. CD APPLICABLE INCOME: savings, self-employment, commission, royalties, honoraria, fees, attorney, child support, pension/retirement, social security, disability, child income, etc.; Calculate and record how the calculation of each income source/asset was determined in the space below.

3. ADDITIONAL INCOME TO PRIMARY INCOME: Accounts Income, Savings Incentives, Refunds, Secondary Employment, Unemployment Insurance, etc.; Calculate and record how the calculation of each income source/asset was determined in the space below.

4. ADDITIONAL ASSET INCOME: Interest (Y/N) and USE A Pencil to the 100% primary income from wages, fees, fees, and deposits, additional income to primary employment (Y/N income); Calculate and record how the calculation of each income source/asset was determined in the space below.

5. HOUSEHOLD ASSETS: Income from household assets as described in 7 CFR 3555.152 (d) (2) (i) (A) through (C); Calculate and record how the calculation of each income source/asset was determined in the space below.

Annual Household Income (Use 1 through 5)

11

## 7 CFR Part 3555: 3555.152 (d)

### Average Asset vs. Current Balance

- January Average Balance: \$4,534.52
- February Average Balance: \$354.23
- Current Balance: \$1,456
- Two-month Balance: \$2,444.38

*Current Balance: \$1,456*



12

# LEARNING CHECKS

7 CFR Part 3555 / HB-1-3555



13

13

## QUESTION

*Topic*

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed

14

14

## ANSWER

*Topic*

*7 CFR Part 3555 and HB-1-3555 references provided*

### X. Correct Response

- Additional guidance for clarification may be provided



15

15

*Ready?*

LET'S GET  
STARTED!



16

16





## QUESTION

### Assets

Which of the following assets may be required in the annual income calculation?

**SELECT ALL THAT APPLY:**

- A. Checking account
- B. Net proceeds from sale of current home
- C. Certificate of deposit



17

17

## ANSWER

### Assets

*3555.152(d)(1), HB 9*

- A. Checking account**
- B. Net proceeds from sale of current home**
- C. Certificate of deposit**

All of the above must be considered when determining the annual income calculation.



18

18

## QUESTION

### Assets

Which assets are excluded from a conventional credit test?

#### SELECT ALL THAT APPLY:

- A. Checking account
- B. Antiques and collectibles
- C. Savings account
- D. 401k/Retirement accounts



19

19

## ANSWER

### Assets

*3555.152(d)(2), HB 9*

- **B. Antiques/Collectibles**
- **D. Retirement Plan**

Exclude personal property such as antiques and collectibles, as well as funds in a voluntary retirement account.



20

20

## QUESTION

### Assets

What is the asset threshold when a calculation is required for annual income?

- A. \$5,000
- B. \$20,000
- C. \$50,000
- D. \$10,000



21

21

## ANSWER

### Assets

*3555.152(d)(1), HB 9.4*

**C. \$50,000**

Net family assets of \$50,000 or more must be reviewed for annual income purposes.



22

22

## QUESTION

### Assets

Lenders must enter all assets into the GUS "Assets and Liabilities" application page and the 1003 loan application.

A. TRUE      B. FALSE



23

23

## ANSWER

### Assets

*3555.152(d)(1), HB 9*

**B. FALSE**

Assets are not required to be entered in GUS or on the URLA if below the acceptable threshold



24

24

## QUESTION

### Assets

- **Checking:** \$1,500, non-interest, local passbook savings rate is .25%
- **Savings:** \$15,000, earns .50% annually
- **Certificate of Deposit:** \$65,000, earns 2% annually

What amount of income must be added to annual income?

- A. \$1,378.75                      B. \$0



25

25

## ANSWER

### Assets

*3555.152(b)(4), HB 9*

**A. \$1,378.75**

- **Assets are \$50,000 or greater**
  - \$1,500 x .25% (passbook rate)= \$3.75
  - \$15,000 x .50% = \$75.00
  - \$65,000 x 2% = \$1,300
- **\$3.75 + \$75.00 + \$1,300 = \$1,378.75**



26

26

## QUESTION

### Assets

Which of the following assets can be **excluded** when calculating annual household income?

#### SELECT ALL THAT APPLY:

- A. IRA Account
- B. Money Market Savings Account
- C. Trust Fund Controlled by Borrower's Grandfather
- D. \$2,500 Lotto Winnings
- E. 50 Shares of Stock Interest



27

27

## ANSWER

### Assets

*3555.152(d)(2), HB 9*

- A. IRA Account**
- C. Trust Fund Controlled by Borrower's Grandfather**
- D. \$2,500 Lotto Winnings**

Excluded assets include retirement accounts, trust funds that are not controlled by a household member, and lump sum/one-time payments that are nonrecurring.



28

28




# Way to Go!

## LEARNING CHECK COMPLETED!



29
29

29



U.S. DEPARTMENT OF AGRICULTURE

○

Navigate through these resources and tools like an expert!

○

Take the "Program Overview Training"

○

Available on the USDA LINC:  
<https://www.rd.usda.gov/page/usda-linc-training-resource-library>

<https://www.rd.usda.gov/resources/regulations/program-regulations>

Subpart D—Underwriting the Applicant

- §3555.151 Eligibility requirements.
- §3555.152 Calculation of income and assets.
- §§3555.153-3555.199 [Reserved]
- §3555.200 OMB control number.

<https://rd.usda.gov/resources/directives/handbooks>

HB-1-3555 SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK


A consolidated version of the handbook is available. [HB-1-3555](#) is a large document and may take sometime to load.

**Table of Contents**

- Chapter 1 - Overview
- Chapter 2 - Record Retention
- Chapter 3 - Lender Approval
- Chapter 4 - Lender Responsibilities
- Chapter 5 - Origination and Underwriting Overview
- Chapter 6 - Loan Purposes
- Chapter 7 - Loan Terms and Conditions
- Chapter 8 - Applicant Characteristics
- Chapter 9 - Income Analysis
- Chapter 10 - Credit Analysis
- Chapter 11 - Ratio Analysis
- Chapter 12 - Property and Appraisal Requirements

30
30

30



**USDA Rural Development**  
U.S. DEPARTMENT OF AGRICULTURE

**Single Family Housing Guaranteed Loan Program (SFHGLP)**  
**Contacts & Resources**

| TOPIC  | CONTACT   |
|--|---|
| <b>File-Specific Questions</b><br>Information to include in email: <ul style="list-style-type: none"> <li>Identify the state the application is located, if applicable;</li> <li>Provide applicant's name and USDA borrower ID, if applicable;</li> <li>GUS loan number, if applicable;</li> <li>Include contact information; and</li> <li>Indicate if you would like a call back (otherwise you will receive an email reply)</li> </ul> | Production Team One: <a href="mailto:SFHGLPONE@usda.gov">SFHGLPONE@usda.gov</a><br>AK, AL, AZ, CA, CO, GU, HI, IA, ID, KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WY<br>Production Team Two: <a href="mailto:SFHGLPTWO@usda.gov">SFHGLPTWO@usda.gov</a><br>AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK<br>Production Team Three: <a href="mailto:SFHGLPTHREE@usda.gov">SFHGLPTHREE@usda.gov</a><br>CT, DE, GA, IL, MA, MD, ME, MI, NC, NH, RI, SC, VT, WV<br>Production Team Four: <a href="mailto:SFHGLPFOUR@usda.gov">SFHGLPFOUR@usda.gov</a><br>FL, IN, OH, PA, PR, TN, VA, VI |
| Lender Approval  | <a href="mailto:sfhgld.compliance@usda.gov">sfhgld.compliance@usda.gov</a>  |
| Lender Recertification   | <a href="mailto:sfhgld.compliance@usda.gov">sfhgld.compliance@usda.gov</a>  |
| Program Training   | <a href="mailto:sfhgld.lenderpartner@usda.gov">sfhgld.lenderpartner@usda.gov</a>  |
| Program Marketing & Outreach   | <a href="mailto:sfhgld.lenderpartner@usda.gov">sfhgld.lenderpartner@usda.gov</a>  |
| General Loan Scenario Questions  | <a href="mailto:sfhgld.program@usda.gov">sfhgld.program@usda.gov</a>  |
| Loan Policy/Regulation/Handbook  | <a href="mailto:sfhgld.program@usda.gov">sfhgld.program@usda.gov</a>  |
| Loan Servicing   | <a href="mailto:sfhgld.servicing@usda.gov">sfhgld.servicing@usda.gov</a>  |
| Technical Issues: e-Authentication   | <a href="mailto:sAuthHelpDesk@fc.usda.gov">sAuthHelpDesk@fc.usda.gov</a><br>800-457-3642, option 1 (USDA e-Authentication <a href="#">Issues</a> )  |
| Technical Issues: GUS  | <a href="mailto:RD_HD@STL.USDA.GOV">RD_HD@STL.USDA.GOV</a><br>800-457-3642, option 2 (USDA Applications); then option 2 (Rural Development)   |
| Loss Claims  | <a href="mailto:guarantee.svc@stl.usda.gov">guarantee.svc@stl.usda.gov</a>  |
| Monthly & Quarterly Status Reporting   | <a href="mailto:rd.nfacbsb@stl.usda.gov">rd.nfacbsb@stl.usda.gov</a>  |
| GUS User Agreements  | <a href="mailto:rd.nfacbsb@stl.usda.gov">rd.nfacbsb@stl.usda.gov</a>  |

**TOOLS & RESOURCES**

Regulation and Handbook: <https://www.rd.usda.gov/resources/directives>  
 Lender Webpage—Turn times, contact information, and helpful links: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>  
 USDA LINC—Training modules, user guides, and more useful resources: <https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>  
 GovDelivery—Receive notifications regarding origination, servicing, and GUS updates: <https://public.govdelivery.com/accounts/USDA800/subscriber/new>

Rev. 07/08/2020

Can't find your answer in the regulation or handbook?  
*Contact the PAC team!*

Want additional live program training?  
*Contact the LPA team!*

31



32



USDA Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

[www.rd.usda.gov](http://www.rd.usda.gov)  
1 (800) 800-670-6553  
*USDA is an equal opportunity provider, employer, and lender.*



EQUAL HOUSING  
OPPORTUNITY  
33