

Understanding this document and its role is a very important key to operating successfully within the program, as no Rural Development loan can ever close prior to the receipt of a Conditional Commitment from the Agency. Obtaining a Loan Note Guarantee depends upon following this process and meeting the outlined requirements.

In this training module, we will review the requirements to accept and meet those conditions so that the loan note guarantee may be issued.

# Conditional Commitment

## Form RD 3555-18

Single Family Housing Guaranteed Loan Program  
(SFHGLP)

December 2020

USDA-RD  
Form RD 3555-18  
(Rev 01-20)

FORM APPROVED  
GMS 300 0575-0179

### CONDITIONAL COMMITMENT FOR SINGLE FAMILY HOUSING LOAN GUARANTEE

|                                |   |
|--------------------------------|---|
| TO: Lender's Name and Address: | Borrower ID:<br>(USDA & Agri ID, not 100) |
|                                | State: _____ County: _____                |
|                                | State Code: _____ County Code: _____      |
| Borrower:                      | Principal Amount of Loan: \$ _____        |
| Borrower SSN: _____            |   |

From a review of all submitted information, the United States of America, acting through the Rural Development Rural Housing Service (RHS or Agency), on its accession, will execute Form RD 3555-17/18 "Loan Note Guarantee" in accordance with Agency regulations at 7 CFR, part 3555, Agency guidance, and terms set forth in this Conditional Commitment.

- Up-front Loan Note Guarantee fee payable by the Lender to Agency is \$ \_\_\_\_\_
- Interest rate for the loan is \_\_\_\_\_
- Annual fee for the first year of the loan, based upon the above stated principal amount of loan and stated interest rate of this commitment is \$ \_\_\_\_\_
- Guarantee System Technology Fee payable by the lender is \$ \_\_\_\_\_

A Loan Note Guarantee will be issued when the Lender executes the attached Lender Certification for SFH Guaranteed Loan. The Lender Certification confirms that the loan was underwritten and closed in accordance with applicable laws and guidance, and asserts the terms set forth in this Conditional Commitment. Changes to these terms must have been approved by the Agency in writing before loan closing.

The Lender should submit the request for a Loan Note Guarantee in accordance with 7 CFR 3555.107(i) within 30 days from date of loan closing. Once the Loan Note Guarantee is issued, no change of conditions will be permitted.

For additional conditions and requirements see Attachment to this form.

☒ The attached "Lender Certification" for SFH Guaranteed Loan must be executed by the Lender prior to issuance of a Loan Note Guarantee.

☐ Subject to conditions of the final official "GUS Underwriting Findings Report."

This Conditional Commitment will expire on \_\_\_\_\_, unless extended by the Agency upon request of the lender, or the Lender notifies the Agency that it does not desire to obtain a Loan Note Guarantee.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Date: \_\_\_\_\_ (T&A)

1. The annual fee is calculated each year at \_\_\_\_\_ % of unpaid balance. The annual fee for the first year will be calculated when the loan is closed based upon the loan amount. Therefore, the annual fee is calculated every 12 months based upon the entire scheduled unpaid principal balance. Billing for the annual fee will begin 12 months from the date of loan closing. The amount on this Conditional Commitment is based upon the stated principal loan amount and interest. Changes to either number will change the annual fee amount.

2. The Agency will determine the expiration date of this contract. The initial date will be 90 days from the date of issuance. The Agency may grant a 90-day extension based on the approved Lender's request. If construction is involved, the expiration date may correspond with projected completion date of the dwelling.

According to the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0179. Do not respond to this information collection if it cannot be assigned a time per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Welcome to the Conditional Commitment training module presented by USDA's Single Family Housing Guaranteed Loan Program.

# Lender Notification On Request For Loan Guarantee

HB-1-3555, Chapter 15.6

1

## Loan Guarantee is Approved

- ✓ Loan file meets Agency requirements.
- ✓ Conditional Commitment establishes conditions for issuing the Loan Note Guarantee.
- ✓ Lender must submit and certify all conditions have been met.

2

## Return of Incomplete Application

- ✓ Application is missing information and/or final GUS Underwriting Findings Report.
- ✓ Lender cannot provide necessary information.
- ✓ Agency will suspend application until complete application is received.

3

## Loan Guarantee is Denied

- ✓ Loan guarantee request will be denied if proposed loan fails to meet program requirements.
- ✓ Agency will notify lender in writing with reason for denial and provide appeal rights.
- ✓ Agency will process in the GLS database to record denial.

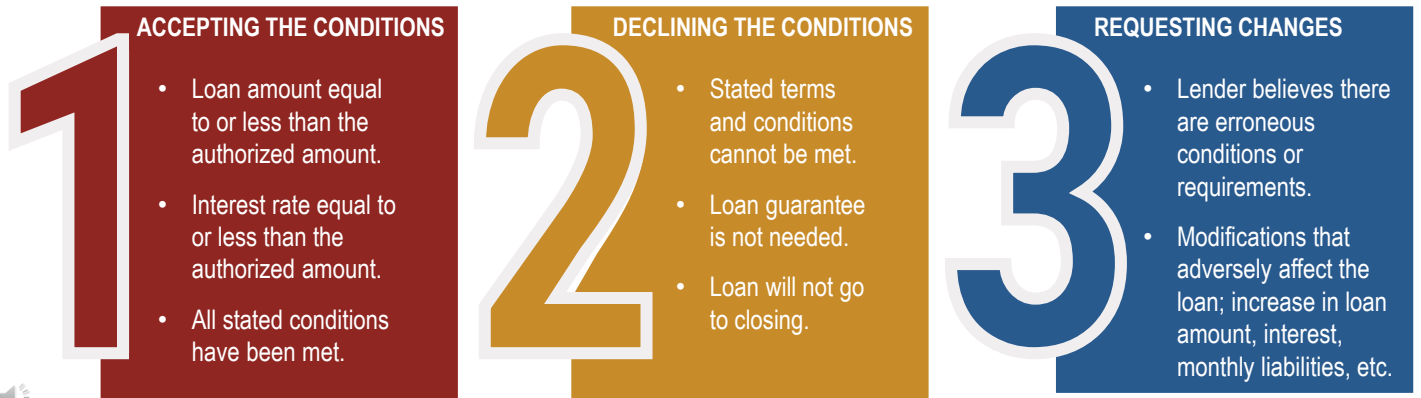
- The Agency will notify the lender of the results of the application review. There are three potential results that could be provided:
  - Loan Guarantee is Approved
  - Return of Incomplete Application
  - Loan Guarantee is Denied

# Lender Response to Conditional Commitment

HB-1-3555, Chapter 15.7



The lender has three responses to the issuance of Form RD 3555-18/18E; the lender may accept the terms and conditions, decline the terms and conditions for loan guarantee, or request that the terms and conditions be altered.



- The lender has three responses to the issuance of Form RD 3555-18/18E, Conditional Commitment:
  1. **Accepting the Conditions.** If the lender understands and agrees to accept the conditions listed on the Conditional Commitment, no further communication with the Agency is required until the lender is ready to request the loan note guarantee.
  2. **Declining the Conditions.** If the lender determines that the terms and conditions stated on the Conditional Commitment cannot be met, that the loan guarantee is not needed, or that the loan will not go to closing, the lender must inform the Agency in writing as soon as possible.
  3. **Requesting Changes in Conditions.** Requests to close the loan at a lower loan amount or interest rate than those authorized on the issued Conditional Commitment do not require any action. However, if the lender believes that there are erroneous conditions and requirements on the Form RD 3555-18/18E that should be altered, the lender can contact the Agency in writing and propose those alternatives.

# Lender Response to Conditional Commitment

HB-1-3555, Chapter 15.7

## **ACTION REQUIRED**

- ✓ Borrowers added or deleted
- ✓ Decrease in income
- ✓ Decrease in cash assets
- ✓ Increase in loan amount
- ✓ Increase in interest rate
- ✓ Increase in mortgage or personal liabilities of \$51 or more

## **NO ACTION REQUIRED**

- ✓ Decrease in interest rate
- ✓ Decrease in loan amount
- ✓ Decrease in mortgage or personal liabilities
- ✓ Increase in assets
- ✓ Increase in mortgage or personal liabilities of \$50 or less

# 3

### REQUESTING CHANGES

- Lender believes there are erroneous conditions or requirements.
- Modifications that adversely affect the loan; increase in loan amount, interest, monthly liabilities, etc.

- Modifications that adversely affect the loan such as an increase in the loan amount, interest rate, monthly liabilities, real estate taxes or homeowner's insurance, or lower the repayment income or assets would require a new underwriting review. The lender would not be authorized to close the loan until a new Conditional Commitment is reissued.

Form RD 3555-18,  
"Conditional  
Commitment"



HB-1-3555,  
Chapter 15



7 CFR 3555.107 (f)



USDA-RD  
Form RD 3555-18  
(Rev 01-20)

FORM APPROVED  
OMB NO. 0575-0179

**CONDITIONAL COMMITMENT FOR**

|                                |                           |   |
|--------------------------------|---------------------------|---|
| TO: Lender's Name and Address: |                           | Borrower ID:<br>(FSA's 4 digit ID, see 808) |
|                                |                           | State: _____ County: _____                  |
|                                |                           | State Code: _____ County Code: _____        |
| Borrower:                      | Principal Amount of Loan: |   |
| Borrower SSN:                  | \$ _____                  |   |

From a review of all submitted information, the United States of America, acting through the Rural Development Rural Housing Service (RHS or Agency), or its successor, will execute Form RD 3555-17(7E) "Loan Note Guarantee" in accordance with Agency regulations at 7 CFR part 3555, Agency guidance, and terms set forth in this Conditional Commitment.

- Up-front Loan Note Guarantee fee payable by the Lender to Agency is: \$ \_\_\_\_\_
- Interest rate for the loan is: \_\_\_\_\_ %
- Annual fee for the first year of the loan, based upon the above stated principal amount of loan and stated interest rate of this commitment is: \$ \_\_\_\_\_
- Guarantee System: Technology Fee payable by the lender is: \$ \_\_\_\_\_

**CERTIFICATION FOR SFH GUARANTEED LOAN** The Lender Certification confirms that the loan was underwritten and closed in accordance with applicable laws and guidance, and meets the terms set forth in this Conditional Commitment. Changes to these terms must have been approved by the Agency in writing before loan closing.

The Lender should submit the request for a Loan Note Guarantee in accordance with 7 CFR 3555.107(i) within 30 days from date of loan closing. Once the Loan Note Guarantee is issued, no change of conditions will be permitted.

For additional conditions and requirements see Attachment to this form.

☒ The attached "Lender Certification" for SFH Guaranteed Loan must be executed by the Lender prior to issuance of a Loan Note Guarantee.

☐ Subject to conditions of the final official "GUS Underwriting Findings Report."

This Conditional Commitment will expire on \_\_\_\_\_<sup>2</sup> unless: extended by the Agency upon request of the lender; or the Lender notifies the Agency that it does not desire to obtain a Loan Note Guarantee.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Date: \_\_\_\_\_ (Title)

1 The annual fee is calculated each year at \_\_\_\_\_ % of unpaid balance. The annual fee for the first year will be calculated when the loan is closed based upon the loan amount. (However, the annual fee is calculated every 12 months based upon the average scheduled unpaid principal balance. Billing for the annual fee will begin 12 months from the date of loan closing. The amount on this Conditional Commitment is based upon the stated principal loan amount and interest. Changes to either number will change the annual fee amount.)

2 The Agency will determine the expiration date of this contract. The initial date will be original 30 days from the date of issuance. The Agency may grant a 30-day extension to the expiration date of this contract. If construction is involved, the expiration date may correspond with projected completion date of the building.

According to the Paperwork Reduction Act of 1980, no person is required to provide information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0179. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- The lender is required to comply with all conditions stated on Form RD 3555-18/18E, "Conditional Commitment for Single Family Housing Loan Guarantee" and any attachments, as applicable.
- The loan must close under the same terms as underwritten and approved for in the Conditional Commitment

# Closing the Loan

HB-1-3555, Chapter 16.2



## Required Closing Timeframe

### Purchase Transactions

- Conditional Commitment expires in 90 days.
  - One 90-day extension may be requested.

Closing loans for:

- Purchase Transactions:
  - Lender has 90 days from the issuance of the Conditional Commitment to close the loan
  - Lender can request a one-time, 90-day extension
  - The extension must be requested prior to the original expiration date

# Closing the Loan

HB-1-3555, Chapter 16.2



## Required Closing Timeframe

### Construction Transactions

- Conditional Commitment expiration date should correspond with estimated project completion date.
  - Not to exceed 12 months.
  - Does not apply to “Combination Construction to Permanent Loans”.
- The Agency must grant any approved extensions in writing.

Closing loans for:

- Construction Transactions:
  - The expiration date for new construction should correspond with the estimated project completion date, not exceeding 12 months
  - This does not apply to “combination construction permanent loan”
- The Agency must grant any approved extensions in writing



# Closing the Loan

HB-1-3555, Chapter 16.2



## Closing in Compliance with Conditional Commitment

- Loan must close under same terms as underwritten and approved for on Conditional Commitment.
- Adverse changes may require the release of application submitted in the GUS to the lender for correction and resubmission.
- The Agency must verify in writing prior to loan closing that the changes are acceptable.

- The loan must close under the same terms as underwritten and approved for on the Conditional Commitment
- Any changes in the loan terms, characteristics of the applicant, or property from the issuance of the Conditional Commitment to loan closing requires the lender to notify the Agency in writing
- Adverse changes may require the release of the application submitted in GUS to the lender for correction
- Resubmission is required to ensure there is no impact to the underwriting recommendation
- The Agency must verify in writing prior to loan closing that the changes are acceptable
- Failure by the lender to obtain approval from the Agency may result in denial of the From RD 3555-17E, "Loan Note Guarantee

# Closing the Loan

HB-1-3555, Chapter 16.2



## Signatures

- All applicants must sign the loan application and any addendums.
- Follow state laws and ensure a valid first lien.
- Signatures of those who have not been reviewed during the mortgage credit analysis may jeopardize issuance of the loan note guarantee.
- Lenders should not encourage borrowers to sign blank or incomplete documents.

- All individuals applying for the loan and assuming responsibility for the mortgage must sign the loan application and any addendums
- Any individual whose signature is required by state law must sign the security instruments. All owners to be vested in title must sign the security instruments, unless otherwise noted.
- Lenders should not encourage borrowers to sign blank or incomplete documents.

# Closing the Loan

HB-1-3555, Chapter 16.2



## Power of Attorney

- May be used when the mortgagee verifies and documents the following applicable requirements have been satisfied:
  - Specific or general POA must comply with state law and allow legal enforcement of mortgage note.
  - Military Personnel
    - POA may only be used for one of the applications (initial or final) but not both.

A Power of Attorney (POA) may be used when the mortgagee verifies and documents the following requirements have been met, as applicable:

- Any specific or general POA must comply with state law and allow for legal enforcement of the mortgage note
- For military personnel, a POA may only be used for one of the applications (initial or final), but not both

# Closing the Loan

HB-1-3555, Chapter 16.2



## Power of Attorney

- May be used when the mortgagee verifies and documents the following applicable requirements have been satisfied:
  - For incapacitated borrowers, a POA may only be used where:
    - Borrower is incapacitated and unable to sign the application.
    - Incapacitated individual will occupy the property.
    - Attorney-in-fact has specific authority to encumber the property.

- For incapacitated borrowers, a POA may only be used where;
  - A borrower is incapacitated and unable to sign the mortgage application;
  - The individual will occupy the property to be guaranteed; AND
  - The attorney-in-fact has specific authority to encumber the property and to obligate the borrower

# Closing the Loan

HB-1-3555, Chapter 16.2



## Interest Credit Closing

- Loans were scheduled to close at the end of the month but were not able to due to unforeseen reasons.
- Lenders and borrowers agree to credit the per diem interest to the borrower.
- Mortgage payments begin the first of the succeeding month.

- Lenders and borrowers may agree to credit the per diem interest to the borrower and have the mortgage payments begin the first of the succeeding month in order to reduce the burden on borrowers whose loans were scheduled to close at the end of the month but did not due to unforeseen circumstances.

# Closing the Loan

HB-1-3555, Chapter 16.2



## Lender Certification

- Loan has been underwritten and closed in accordance with the Regulation.
- Meets all conditions set forth in the Conditional Commitment.
- All documentation has been submitted to Rural Development.
- Agency will issue Loan Note Guarantee once conditions and required fees are received.

- The lender must certify that the loan has been underwritten and closed in accordance with the regulations and that it meets all conditions set forth from the Conditional Commitment
- The lender acknowledges that upon receipt and acceptance of the Conditional Commitment and required fees, the Agency will execute and issue the Loan Note Guarantee

Conditional Commitment is Valid for 90 Days!

One 90-Day Extension May Be Granted

**§3555.107(f) Application for and issuance of the loan guarantee**

(f) *Issuance of a conditional commitment.* The lender must demonstrate that all the general loan, applicant, and site eligibility requirements of this part are met before Rural Development will issue a conditional commitment. The lender, however, may obtain any required property inspection reports, such as a well test or construction phase inspections, if applicable and not needed for environmental compliance, after the issuance of the conditional commitment, but prior to loan closing.

(1) The conditional commitment will expire in 90 days from issuance, unless new construction is involved.

(2) The expiration of a conditional commitment may coincide with projected completion of new construction.

(3) An extension may be granted if the loan cannot be closed due to circumstances beyond the lender's control.

(4) Lenders may accept or decline the conditional commitment, or submit requests for changes with adequate support and documentation to be reviewed by the Agency.

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- 7 CFR 3555.107 (f) is the regulation that states the issuance of a conditional commitment from Rural Development will occur after the approved lender has submitted the required documentation for Agency review.
- The commitment may be issued with conditions the lender will be required to meet as applicable.

Form RD 3555-18/18E



HB-1-3555, Chapter 16



7 CFR 3555.107 (f)



USDA-RD  
Form RD 3555-18  
(Rev 01-20)

FORM APPROVED  
OMB NO. 5775-0179

CONDITIONAL COMMITMENT FOR  
SINGLE FAMILY HOUSING LOAN GUARANTEE

|                                |                           |  |              |
|--------------------------------|---------------------------|--|--------------|
| TO: Lender's Name and Address: |                           | Borrower ID:<br>(USDA # Age 20, and 000) |              |
|                                |                           | State:                                   | County:      |
|                                |                           | State Code:                              | County Code: |
| Borrower:                      | Principal Amount of Loan: |  |              |
| Borrower SSN:                  | \$                        |  |              |

From a review of all submitted information, the United States of America, acting through the Rural Development-Rural Housing Service (RHS or Agency), or its successor, will execute Form RD 3555-17/17E "Loan Note Guarantee" in accordance with Agency regulations at 7 CFR part 3555, Agency guidance, and terms set forth in this Conditional Commitment.

- Up-front Loan Note Guarantee fee payable by the Lender to Agency is \$ \_\_\_\_\_
- Interest rate for the loan is \_\_\_\_\_
- Annual fee for the first year of the loan, based upon the above stated principal amount of loan and stated interest rate of this commitment is \$ \_\_\_\_\_
- Guarantee Systems Technology Fee payable by the lender is \$ \_\_\_\_\_

A Loan Note Guarantee will be issued when the Lender executes the attached Lender Certification for SFH Guaranteed Loan. The Lender Certification confirms that the loan was underwritten and closed in accordance with applicable laws and guidance, and meets the terms set forth in this Conditional Commitment. Changes to these terms must have been approved by the Agency in writing before loan closing.

The Lender should submit the request for a Loan Note Guarantee in accordance with 7 CFR 3555.107(i) within 30 days from date of loan closing. Once the Loan Note Guarantee is issued, no change of conditions will be permitted.

For additional conditions and requirements see Attachment to this form.

☒ The attached "Lender Certification" for SFH Guaranteed Loan must be executed by the Lender prior to issuance of a Loan Note Guarantee.

☐ Subject to conditions of the final official "GUS Underwriting Findings Report."

This Conditional Commitment will expire on \_\_\_\_\_ unless extended by the Agency upon request of the lender, or the Lender notifies the Agency that it does not desire to obtain a Loan Note Guarantee.

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Date: \_\_\_\_\_ (Title)

1. The annual fee is calculated each year at \_\_\_\_\_ % of unpaid balance. The annual fee for the first year will be calculated when the loan is closed based upon the loan amount. Thereafter, the annual fee is calculated every 12 months based upon the average scheduled amortized unpaid principal balance. Billing for the annual fee will begin 12 months after the date of loan closing. The amount on this Conditional Commitment is based upon the stated principal loan amount and interest. Changes to stated amounts will change the annual fee amount.

2. The Agency will determine the expiration date of this contract. The initial date will be no exceed 30 days from the date of issuance. The Agency may grant a reasonable extension based on the approved Lender's request. If construction is involved, the expiration date may correspond with projected completion date of the building.

According to the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 5775-0179. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- The lender is required to comply with all conditions stated on Form RD 3555-18/18E "Conditional Commitment for Single Family Housing Loan Guarantee" and any attachments, as applicable.
- The loan must close under the same terms as underwritten and approved for in the Conditional Commitment.



Form RD 3555-18,  
Page 1



Verify the Terms Listed  
are Correct



Note the Expiration Date  
and Plan Accordingly



USDA-RD  
Form RD 3555-18  
(Rev 01-20)

FORM APPROVED  
OMB NO. 0573-0179

**CONDITIONAL COMMITMENT FOR  
SINGLE FAMILY HOUSING LOAN GUARANTEE**

|                               |  |  |              |
|-------------------------------|--|--|--------------|
| TO: Lender's Name and Address |  | Borrower ID:<br>(USDA # and ID, not SSN) |              |
|                               |  | State:                                   | County:      |
|                               |  | State Code:                              | County Code: |
| Borrower:                     |  | Principal Amount of Loan:                |              |
| Borrower SSN:                 |  | \$                                       |              |

From a review of all submitted information, the United States of America, acting through the Rural Development-Rural Housing Service (RHS or Agency), or its successor, will execute Form RD 3555-17/18 "Loan Note Guarantee" in accordance with Agency regulations at 7 CFR part 3555, Agency guidance, and terms set forth in this Conditional Commitment.

- Up-front Loan Note Guarantee fee payable by the Lender to Agency is \$
- Interest rate for the loan is
- Annual fee for the first year of the loan, based upon the above stated principal amount of loan and stated interest rate of this commitment is \$
- Guarantee Systems Technology Fee payable by the lender is \$

A Loan Note Guarantee will be issued when the Lender executes the attached Lender Certification for SFH Guaranteed Loan. The Lender Certification confirms that the loan was underwritten and closed in accordance with applicable laws and guidance, and meets the terms set forth in this Conditional Commitment. Changes to these terms must have been approved by the Agency in writing before loan closing. The Lender should submit the request for a Loan Note Guarantee in accordance with 7 CFR 3555.107(i) within 30 days from date of loan closing. Once the Loan Note Guarantee is issued, no change of conditions will be permitted.

For additional conditions and requirements see Attachment to this form.

- ☒ The attached "Lender Certification" for SFH Guaranteed Loan must be executed by the Lender prior to issuance of a Loan Note Guarantee.
- ☐ Subject to conditions of the final official "GUS Underwriting Findings Report."

This Conditional Commitment will expire on unless extended by the Agency upon request of the lender, or the Lender notifies the Agency that it does not desire to obtain a Loan Note Guarantee.

UNITED STATES OF AMERICA

By:

Date: (Title)

- The annual fee is calculated each year at % of unpaid balance. The annual fee for the first year will be calculated when the loan is closed based upon the loan amount. Thereafter, the annual fee is calculated every 12 months based upon the average scheduled amortized unpaid principal balance. Billing for the annual fee will begin 12 months from the date of loan. The amount on this Conditional Commitment is based upon the stated principal loan amount and interest. Changes to either element will change the annual fee amount.
- The Agency will determine the expiration date of this contract. The initial date will no exceed 90 days from the date of issuance. The Agency may grant a reasonable extension based on the approved Lender's request. If construction is involved, the expiration date may correspond with projected completion date of the dwelling.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0573-0179. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The first page of the Conditional Commitment will contain:

- Lender, borrower and loan details;
- Upfront Loan Note Guarantee Fee, Annual Fee and Guarantee Systems Technology Fees;
- Additional conditions and requirements, and;
- Commitment expiration date with the name and signature of the Agency Representative

Form RD 3555-18,  
Page 2



Lender Certification



Servicing and Holding  
Lender Information



Form RD 3555-18  
Rev (01-20)  
Lender Certification - Page 1 of 2

Borrower: \_\_\_\_\_ Borrower ID: \_\_\_\_\_

**LENDER CERTIFICATION:**

In requesting a Loan Note Guarantee from United States Department of Agriculture, Rural Development-Rural Housing Service (Agency), I certify on behalf of the Lender (identified below), that this loan has been underwritten and closed in accordance with applicable law and guidance, and meets all conditions set forth in the Conditional Commitment except for changes previously approved in writing by the Agency. All documentation and fees have been submitted to the Agency.

At this time, the loan will be:

☐ retained ☐ sold as follows: [Purchasing Lender must be an approved FNMA, FHLMC, FHA, VA or GNMA lender]

**Servicing Lender (The lender that will be servicing the loan(s)):**

Lender Tax ID: \_\_\_\_\_ Agency Assigned Branch Number: \_\_\_\_\_  
Lender Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Holding Lender (The RHS approved Lender who will be holding/owning the mortgage note-i.e. Fannie Mae, Freddie Mac, etc., not Ginnie Mae):**

Lender Tax ID: \_\_\_\_\_ Agency Assigned Branch Number: \_\_\_\_\_  
Lender Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Borrower Information**

Borrower's Social Security Number: \_\_\_\_\_ ☐ This Loan was securitized into a Ginnie Mae Pool  
Borrower's USDA ID Number: \_\_\_\_\_ (Mark an X in the box if loan is securitized into a Ginnie Mae pool)  
Borrower's Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

The second page of the Conditional Commitment will contain:

- 1<sup>st</sup> page of required Lender Certification;
- Instruction as to whether loan will be retained or sold after closing;
- Servicing and Holding Lender information, as applicable, and;
- Borrower's Information

Form RD 3555-18,  
Page 3

Lender Certification

Review Conditions

Form RD 3555-18  
Rev (01-20)  
Lender Certification – Page 2 of 2

Borrower: Borrower ID:

The following are to accompany the Loan Note Guarantee request <sup>3</sup>:

☒ Promissory Note  
☒ Final Closing Disclosure  
☒ Up Front Loan Note Guarantee Fee  
☒ Guarantee Systems Technology Fee  
☒ Guaranteed Loan Closing Report, Form RD 1980-19  
☒ Lender Certification  
☒ Any other conditions as recorded on the Conditional Commitment for Single Family Housing Loan Guarantee, Form RD 3555-18/18E or Attachment 3555-18A.

<sup>3</sup> Lenders using the Agency's Lender Loan Closing (LLC) system are required to submit fees and documentation electronically as outlined in the LLC system documentation.

LENDER'S AUTHORIZED  
REPRESENTATIVE SIGNATURE

TITLE  
LENDER'S REPRESENTATIVE

DATE  
SIGNED

The third page of the Conditional Commitment will contain:

- 2<sup>nd</sup> page of required Lender Certification;
- All forms required to accompany the Loan Note Guarantee request;
- Additional conditions that must be met for the issuance of the Loan Note Guarantee, and;
- Lender's authorized representative's name, title and signature

# LEARNING CHECKS

7 CFR Part 3555 / HB-1-3555



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The best way to learn information is to test your knowledge!

## QUESTION

*Topic*

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

TRUE/FALSE or other answer options will be displayed



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Each question slide will list:

- the topic
- A question or scenario, and
- potential responses.

# ANSWER

*Topic*

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

## **X. Correct Response**

- Additional guidance for clarification may be provided



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The answer slide will list:

- The topic
- The reference to the answer from the regulation and handbook
- The correct response, and
- Any additional clarification that may be helpful.

*Ready?*

LET'S GET  
STARTED!



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Let's get started!

## QUESTION

Conditional Commitment

- A Conditional Commitment is typically valid for \_\_\_\_\_ days.

A. 60   B. 90   C. 180



Read the question on the slide and select a response.



## ANSWER

Conditional Commitment

3555.107(f)(1), HB 16.2

### B. 90

A Conditional Commitment is *typically* valid for 90 days.



### B. 90

- Conditional Commitments are valid for 90 days.
- They may be valid for up to 12 months when issued for new construction loans.
- Approved lenders may request extensions to issued commitments from the Agency for a one time extension of the expiration date.

## QUESTION

Conditional Commitment

- Approved lender signs the Lender Certification of Form RD 3555-18/18E.
- Their signature certifies that all Agency conditions listed have been met.

A. TRUE      B. FALSE



Read the question on the slide and select a response.

## ANSWER

Conditional Commitment

*3555.107(f), HB 16.2*

### A. TRUE

- Lender certification is verified through signature.
- Lenders also certify that all required documentation is retained as applicable.

True.

- The approved lender will verify all conditions have been met when they sign the Lender Certification portion of Form RD 355-18/18E
- The Lender Certification includes the statement that all documentation has been retained in the lender's permanent loan file

## QUESTION

### Conditional Commitment

- The Agency issued a Conditional Commitment based on:
  - Loan Amount \$162,000
  - Interest Rate 3.75%
  - 30 Years
  - Appraised Value \$175,000
- The Borrower would like to increase the loan amount to \$170,000 to pay for repairs needed to the HVAC system.
- The loan may close on the original issued Conditional Commitment.



A. TRUE

B. FALSE

Read the question on the slide and select a response.

## ANSWER

Conditional Commitment

*3555.107(f), HB 15.7 C*

### **B. FALSE**

- Modifications that adversely affect the loan such as an increase in loan amount must be re-submitted to the Agency for a new underwriting review.
- The lender is not authorized to close the loan until a new Form RD 3555-18/18E is reissued.



False.

- Modifications that adversely affect the loan such as an increase in loan amount, interest rate, monthly liabilities, etc. will require a new underwriting review.
- Additionally, any decrease in repayment income, assets of property value would also require a new underwriting review.
- The lender is not authorized to close on the loan until a new Form RD 3555-18/18E is reissued.

## QUESTION

Conditional Commitment

- The lender has three responses to the issuance of Form RD 3555-18/18E.

A. TRUE      B. FALSE



Read the question on the slide and select a response.

## ANSWER

Conditional Commitment

*3555.107(f), HB 15.7*

### A. TRUE

- The lender has three responses to the issuance of Form RD 3555-18/18E, Conditional Commitment:
  - Accepting the Conditions
  - Declining the Conditions
  - Requesting Changes in Conditions



True.

- The lender has three acceptable responses to the issuance of the Conditional Commitment:
  - Accepting the Conditions;
  - Declining the Conditions, and;
  - Requesting Changes in Conditions

*Way to Go!*  
LEARNING CHECK  
COMPLETED!



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Way to go! You have completed the learning checks!



# Lender Toolkit



Rural Development has developed numerous tools and resources to assist lenders with originating, processing, and servicing guaranteed loans.

- This training module has provided you with an overview of the key requirements of Conditional Commitments.
- Complete program requirements and guidance can be found in 7 CFR Part 3555, Subpart C, Section 3555.107(f) and Chapters 15 and 16 of HB-1-3555.
- Be sure to bookmark these references, save yourself valuable time by using Cntrl-F to quickly search and find answers, and always ensure you are referencing the most current publications.
- The “Program Overview Training” module will assist you in learning how to navigate through all the resources and tools Rural Development has created to assist you.

## Have a question on POLICY?

Contact the PAC team!



## Need TRAINING?

Contact the LPA team!



## Have a question on a SPECIFIC FILE?

Contact the OPD!



| TOPIC   | CONTACT   |
|---|---|
| File-Specific Questions<br>Information to include in email:<br><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, 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/Recertification   |   |
| Lender Self-Report  | <a href="mailto:sfhgld.compliance@usda.gov">sfhgld.compliance@usda.gov</a>  |
| Program Training  |   |
| Program Marketing & Outreach  | <a href="mailto:sfhgld.lenderpartner@usda.gov">sfhgld.lenderpartner@usda.gov</a>  |
| General Loan Scenario Questions   |   |
| 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: GUS   | <a href="mailto:BD.HD@USDA.GOV">BD.HD@USDA.GOV</a>  |
| Technical Issues: e-Authentication  | E-Authentication FAQ's: ( <a href="https://www.eauth.usda.gov/eauth/h/usda/fqa">https://www.eauth.usda.gov/eauth/h/usda/fqa</a> )<br>E-Authentication Contact Us: ( <a href="https://www.eauth.usda.gov/eauth/h/usda/contactus">https://www.eauth.usda.gov/eauth/h/usda/contactus</a> )   |
| Loss Claims   | <a href="mailto:guarantee.svc@usda.gov">guarantee.svc@usda.gov</a>  |
| Monthly & Quarterly Status Reporting  |   |
| GUS User Agreements   | <a href="mailto:rd.infaoc.hsb@usda.gov">rd.infaoc.hsb@usda.gov</a>  |
| <b>TOOLS &amp; RESOURCES</b>  |   |
| Regulation and Handbook: <a href="https://www.rd.usda.gov/resources/directives">https://www.rd.usda.gov/resources/directives</a><br>Lender Webpage—Turn times, contact information, and helpful links: <a href="https://www.rd.usda.gov/page/sfh-guaranteed-lender">https://www.rd.usda.gov/page/sfh-guaranteed-lender</a><br>USDA LINC—Training modules, user guides, and more useful resources: <a href="https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library">https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library</a><br>GovDelivery—Receive notifications regarding origination, servicing, and GUS updates: <a href="https://public.govdelivery.com/accounts/USDA/subscribe/new">https://public.govdelivery.com/accounts/USDA/subscribe/new</a> |   |

- Users should first look for answers to their questions in the regulation and handbook, but if you still have a question after reviewing your resources, we're here to help.
- All policy and regulation questions regarding the topic we just covered should be sent to our Policy, Analysis, and Communications Branch and
- If you would like to request additional program training, contact our Lender and Partner Activities Branch.

The Single Family Housing Guaranteed Lender webpage was specifically designed for our lending partners and includes information such as:

- Current turn times on new loan applications
- Contact information, and
- Links to program resources such as our 3555 Handbook and the [USDA LINC](#) website.
- Also, don't forget to sign up for our GovDelivery email notifications. Rural Development sends out origination, GUS, and servicing messages to alert lenders of new publications, clarifications, and additional program updates.

Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program and America's rural homebuyers!



[www.rd.usda.gov](http://www.rd.usda.gov)  
1 (800) 800-670-6553

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This will conclude the training module. Thank you and have a great day!