



Special Properties

Condominiums/Planned Unit Developments

Single Family Housing Guaranteed Loan Program

1



Training Objectives

- Where is the topic located?
 - * 7 CFR Part 3555 and HB-1-3555
- Learning Checks
- Resources

2



USDA United States Department of Agriculture
Rural Development

Things change!

- Every effort has been made to ensure training references are accurate at the time of publication.
- Always reference the most recent USDA publications available online.

3



USDA United States Department of Agriculture
Rural Development

Guaranteed Loan Program Regulation

7 CFR Part 3555

- The regulation is the rule!
- 8 Subparts: A – H
- Appendix 1

4

USDA United States Department of Agriculture Rural Development

7 CFR Part 3555

<http://www.rd.usda.gov/publications/regulations-guidelines>

USDA United States Department of Agriculture Rural Development

Home About RD Programs & Services Browse by State Newsroom Publications Contact Us

Home / Publications / Regulations & Guidelines

Regulations & Guidelines

All Federal regulations can be found at Regulations.gov and customers can search, review and submit comments on Federal documents that are open for comment and published in the Federal Register.

As a service to our customers, we post Rural Development's Instructions, Administrative Notices, and forms. The Instructions are available in three file formats: Adobe Acrobat (PDF), Microsoft Word 6.0 (doc) and Text (txt). To the extent possible, all documents have been made available in either Adobe Acrobat Ver 5.0 and higher, or Text and are 508 compliant. If you should have accessibility issues and need a hard copy, please send an e-mail to comments@wdc.usda.gov.

If you are having problems with this page, need a hard copy of any of the documents due to accessibility issues or would like to be added to the Regulations Update distribution list (available for Rural Development employees only with a valid Rural Development e-mail address), please e-mail comments@wdc.usda.gov.

Rural Development

- Administrative Notices
- Instructions
- Forms
- Spanish Forms, Form Letters and Guide Letters
- **Handbooks**
- Procedures, Notices
- Significant Guidance Documents
- Unnumbered Letters
- Federal Register Publications

USDA United States Department of Agriculture Rural Development

7 CFR Part 3555

USDA United States Department of Agriculture Rural Development

Home About RD Programs & Services Browse by State Newsroom Publications Contact Us

Home / Publications / Regulations & Guidelines / Handbooks

Handbooks

- **HB-4-3555 SFH Guaranteed Loan Program Technical Handbook**
- HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook
- HB-2-3550 Direct Single Family Housing Loans and Grants - Centralized Servicing Center Handbook
- HB-1-3560 MFH Loan Origination Handbook
- HB-2-3560 MFH Asset Management Handbook
- HB-3-3560 MFH Project Servicing Handbook
- HB-1-3565 Guaranteed Rural Rental Housing Program Origination and Servicing Handbook
- Application Information Systems Support Handbook
- HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook

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
- Chapter 13 - Special Property Types
- Chapter 14 - Funding Priorities
- Chapter 15 - Submitting the Application Package
- Chapter 16 - Closing the Loan and Requesting the Guarantee
- Chapter 17 - Regular Servicing-Performing Loans
- Chapter 18 - Servicing Non-Performing Loans - Accounts with Repayment Problems
- Chapter 19 - Custodial and Real Estate Owned Property
- Chapter 20 - Loss Claims - Collecting on the Guarantee

Acronyms

Glossary

- **Appendix 1 - 7 CFR part 3555**
- Appendix 2 - Forms and Instructions
- Appendix 3 - Review and Appeals
- Appendix 4 - Agency and Employee Addresses
- Appendix 5 - Income Limits
- Appendix 6 - Interest Assistance
- Appendix 7 - Calvis Access Instructions
- Appendix 8 - EDI Documentation
- Appendix 9 - Penalties
- Appendix 10 - Unnumbered Letter and State Supplements



USDA United States Department of Agriculture
Rural Development

7 CFR Part 3555

Subpart E: Underwriting the Property

- .201: Site requirements
- .202: Dwelling requirements
- .203: Ownership requirements
- .204: Security requirements
- **.205: Special requirements for condominiums**
- .206: Special requirements for community land trusts
- **.207: Special requirements for Planned Unit Developments (PUD's)**
- .208: Special requirements for manufactured homes
- .209: Rural Energy Plus loans

7



USDA United States Department of Agriculture
Rural Development

7 CFR Part 3555

- 3555.205 Special requirements for condominiums.
- 3555.206 Special requirements for community land trusts.
 - (a) Rural Development review.
 - (b) Foreclosure termination.
 - (c) Organization.
 - (d) Lender documentation.
 - (e) Appraisals.
- 3555.207 Special requirements for Planned Unit Developments.

8



USDA United States Department of Agriculture
Rural Development

7 CFR Part 3555

Sec. 3555.205 Special requirements for condominiums.

Loans may be guaranteed for condominium units in condominium projects that meet all the requirements of this part, as well as the standards for condominium standards established by HUD, Fannie Mae, VA, or Freddie Mac, including those related to self-certification, warranty, underwriting, and ineligible condominium projects.

9



USDA United States Department of Agriculture
Rural Development

7 CFR Part 3555

Sec. 3555.207 Special requirements for Planned Unit Developments (PUDs).

Loans may be guaranteed for PUDs that meet all of the requirements of this part, as well as the criteria for PUDs established by HUD, VA, Fannie Mae, or Freddie Mac.

10



Guaranteed Loan Program Technical Handbook
HB-1-3555

- Provides guidance to support the regulation
- HB is not the rule
- 20 Chapters

11



HB-1-3555

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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**
- Chapter 13 - Special Property Types
- Chapter 14 - Funding Priorities
- Chapter 15 - Submitting the Application Package
- Chapter 16 - Closing the Loan and Requesting the Guarantee
- Chapter 17 - Regular Servicing-Performing Loans
- Chapter 18 - Servicing Non-Performing Loans - Accounts with Repayment Problems
- Chapter 19 - Custodial and Real Estate Owned Property
- Chapter 20 - Loss Claims - Collecting on the Guarantee

Acronyms

Glossary

- Appendix 1 - 7 CFR part 3555
- Appendix 2 - Forms and Instructions
- Appendix 3 - Review and Appeals
- Appendix 4 - Agency and Employee Addresses
- Appendix 5 - Income Limits
- Appendix 6 - Interest Assistance
- Appendix 7 - Calvrs Access Instructions
- Appendix 8 - EDI Documentation
- Appendix 9 - Penalties
- Appendix 10 - Unnumbered Letter and State Supplements

12

USDA United States Department of Agriculture
Rural Development



HB-1-3555: Chapter 12

SECTION 5: CONDOMINIUMS
12.11 CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS
A. Condominiums
B. Planned Unit Developments

13

USDA United States Department of Agriculture
Rural Development



TIPS

- Underwriter = USDA Approved Lender
- USDA = not an underwriter
- Research Rule & HB questions: Table of Contents
- Research Rule & HB questions: Control + F

7 CFR Part 3555

supplemental social security income and Social Security benefits received in a lump sum.

(vii) Any earned income tax credit.

(viii) Adoption assistance in excess of any amount determined pursuant to HUD's definition of annual income at 24 CFR 5.609(c);



14



USDA United States Department of Agriculture
Rural Development

7 CFR PART 3555 / HB-1-3555 LEARNING CHECKS

15



USDA United States Department of Agriculture
Rural Development

Question Slide

“Topic”

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

TRUE/FALSE or other answer options will be displayed

16



USDA United States Department of Agriculture
Rural Development

ANSWER SLIDE

“Topic”
ANSWER: 7 CFR Part 3555 and HB-1-3555 references provided

X. Correct Response

- Additional guidance for clarification may be provided

17



USDA United States Department of Agriculture
Rural Development

**LET'S
GET STARTED.**

18



Special properties

- A condominium is approved by HUD and Fannie Mae
- It is eligible for a guaranteed loan

A. TRUE B. FALSE

19



Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

- Condominiums must be approved/accepted by at least one entity
- Fannie Mae, Freddie Mac, HUD, or VA

20



USDA United States Department of Agriculture
Rural Development

Special properties

- The lender has an acceptance for a condominium through Fannie Mae's Condo Project Manager automated system
- This is acceptable evidence for the loan file to support condominium eligibility

A. TRUE B. FALSE

21



USDA United States Department of Agriculture
Rural Development

Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

- Lenders are responsible to retain all documentation utilized to arrive at eligibility decision

22



Special properties

Homeowner Association (HOA) fees for condominiums and/or PUD's are not required to be included in the debt ratio.

A. TRUE B. FALSE

23



Special properties

ANSWER: 3555.205, HB 12.11 A and 12.11 B

B. FALSE

- HOA fees must be included in the PITI
- The PITI is considered in the total debt ratio

24



USDA United States Department of Agriculture
Rural Development

Special properties

A condominium rider is required as part of the mortgage or deed of trust.

A. TRUE B. FALSE

25



USDA United States Department of Agriculture
Rural Development

Special properties

ANSWER: 3555.205, HB 12.11 A

A. TRUE

- Condominium rider must supplement the mortgage or deed of trust

26



Special properties

A condominium timeshare is eligible for a USDA guaranteed loan.

A. TRUE B. FALSE

27



Special properties

ANSWER: 3555.205, HB 12.11 A 1

B. FALSE

- Timeshares, condominium hotels, and other projects listed in this section are ineligible

28



USDA United States Department of Agriculture
Rural Development



WAY TO GO!

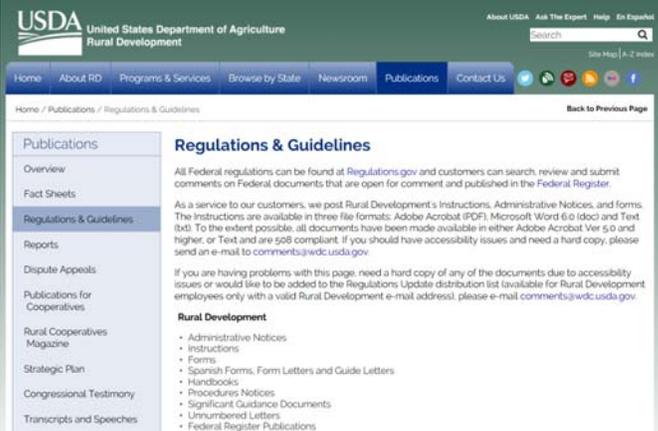
29



USDA United States Department of Agriculture
Rural Development

Regulations

<http://www.rd.usda.gov/publications/regulations-guidelines>



Home / Publications / Regulations & Guidelines

Regulations & Guidelines

All Federal regulations can be found at Regulations.gov and customers can search, review and submit comments on Federal documents that are open for comment and published in the Federal Register.

As a service to our customers, we post Rural Development's Instructions, Administrative Notices, and forms. The Instructions are available in three file formats: Adobe Acrobat (PDF), Microsoft Word 6.0 (doc) and Text (txt). To the extent possible, all documents have been made available in either Adobe Acrobat Ver 5.0 and higher or Text and are 508 compliant. If you should have accessibility issues and need a hard copy, please send an e-mail to comments@wdc.usda.gov.

If you are having problems with this page, need a hard copy of any of the documents due to accessibility issues or would like to be added to the Regulations Update distribution list (available for Rural Development employees only with a valid Rural Development e-mail address), please e-mail comments@wdc.usda.gov.

Rural Development

- Administrative Notices
- Instructions
- Forms
- Spanish Forms, Form Letters and Guide Letters
- Handbooks
- Procedures Notices
- Significant Guidance Documents
- Unnumbered Letters
- Federal Register Publications

30

USDA United States Department of Agriculture
Rural Development



GovDelivery Sign up

https://public.govdelivery.com/accounts/USDARD/subscriber/new?qsp=USDARD_25



Email Updates

To sign up for updates or to access your subscriber preferences, please enter your contact information below.

*Email Address

Submit Cancel

31

USDA United States Department of Agriculture
Rural Development



Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program!



32



USDA United States Department of Agriculture
Rural Development

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.



EQUAL HOUSING OPPORTUNITY

33