Welcome to Special Properties, presented by USDA’s Single Family Housing Guaranteed Loan Program!
The objectives of the training include:
1. Demonstrating where the training topic is located in the program regulation, 7 CFR Part 3555 and the technical handbook, HB-1-3555.
2. Providing learning checks to help you gain a working knowledge of the topic, and
3. Links to online resources to assist in locating program information.
Every effort has been made to ensure this training and all references are accurate, however, new program revisions and clarifications may occur. Therefore, please ensure you always reference the most recent USDA publications available online.

This training module is not intended to replace the need to reference the regulation, technical handbook, and additional USDA published documents regarding the Guaranteed Loan Program.
Guaranteed Loan Program Regulation
7 CFR Part 3555

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

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 online as Appendix 1 from the Regulations and Guidelines website.
The Regulations and Guidelines website is located from the link shown on the slide.

Under “Rural Development” there are many items available from this home page.

To access the regulation, 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, including all appendix will display for selection.

Appendix 1 is the full regulation, 7 CFR Part 3555.
Special properties which for the purpose of this training include condominiums and planned unit developments are located in Subpart E, Sections 3555.205 and 3555.207.
The regulation Table of Contents provides a quick view of the individual topics included under this Section.
In order for a condominium to be eligible for guaranteed financing it must meet the requirements of HUD, Fannie Mae, Freddie Mac, or VA. It is allowable to follow the guidelines of these entities to perform self-certification of condo units, review warranty information, and determine eligible or ineligible units.
All planned unit developments or PUD’s are eligible when they meet the criteria of HUD, VA, Fannie Mae, or Freddie Mac.
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 has 20 chapters.
The handbook may be accessed from the Regulations and Guidelines website. Special properties guidance is located in Chapter 12.
This screen shot displays the Table of Contents of Chapter 12. This helps the user to locate specific topics more quickly.
A few helpful tips:
1. The underwriter of the loan is the approved lender’s underwriter.
2. USDA is NOT the underwriter of the loan.
3. When researching topics, it is helpful to begin with the Table of Contents for the regulation and the handbook.
4. A great best practice when searching for information is to open the regulation or a handbook chapter, 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.
The best way to learn information is to test your knowledge!
Each question slide will list:
• the topic
• a question or scenario, and
• potential responses.
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.

ANSWER SLIDE

“Topic”

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

X. Correct Response

• Additional guidance for clarification may be provided
Let’s get started!
Special properties

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

A. TRUE       B. FALSE

Read the question on the slide and select a response.
True
Condominiums are eligible for USDA if they are accepted by Fannie Mae, Freddie Mac, HUD, or VA.
Only one entity must approve or accept the condominium unit in order to it to eligible for a guaranteed loan.
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

Read the question on the slide and select a response.
True
Lenders are responsible to retain documentation that was utilized to make the determination that the condominium unit is approved or accepted by one of the eligible entities.
Online eligibility determination software or approval lists are eligible documentation.
Homeowner Association (HOA) fees for condominiums and/or PUD’s are not required to be included in the debt ratio.

A. TRUE    B. FALSE

Read the question on the slide and select a response.
False
The HOA fees must be included in the principal, interest, taxes, and insurance (PITI) calculation. The PITI is then included in the total debt ratio calculation.
Special properties

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

A. TRUE    B. FALSE

Read the question on the slide and select a response.
True
The condominium rider must supplement the mortgage or deed of trust as applicable.
Special properties

A condominium timeshare is eligible for a USDA guaranteed loan.

A. TRUE  B. FALSE

Read the question on the slide and select a response.
False

Timeshares, condominium hotels, and other like projects that are not utilized as single family housing dwelling units are ineligible.
Way to go! You have completed the learning checks!
Don’t forget the Regulations and Guidelines website is a wonderful source of USDA guideline knowledge.
Please sign up for GovDelivery messages. USDA sends out origination (including 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! We appreciate the opportunity to help you serve more rural homebuyers!
This will conclude the training module. Thank you and have a great day!