



Single Family Housing Origination Updates

From the National Office in Washington DC

Single Family Housing Guaranteed Loan Program

March 12, 2015

Proposed Rule for SFH Guaranteed Loan Program

The attached proposed rule designed to implement four improvements to 7 CFR 3555 was published in the Federal Register on Thursday, March 5, 2015. We will be entertaining comments from the public until May 4, 2015 on the following:

1. “Qualified Mortgage” definition:
Under the Dodd-Frank Act, the Consumer Financial Protection Bureau (CFPB) published a “qualified mortgage” rule which became effective January 10, 2014. The rule, also known as the “ability to repay rule,” limits points and fees which lenders can charge loan applicants. USDA proposes adopting the CFPB definition of a qualified mortgage.
2. Principal Reduction:
USDA proposes adding a principal reduction feature as a last resort to its existing foreclosure prevention techniques for loans guaranteed from January 1, 2001 through January 1, 2010.
3. Indemnification:
This proposal extends the indemnification period from two to five years during which the Agency can seek indemnification from originating lenders whose non-compliance with program guidelines and regulations causes the Agency to pay a loss claim.
4. Super streamlined refinance:
USDA proposes making the streamlined refinance pilot a permanent feature of the guaranteed loan program and extend its benefits to all states as well as remove the pilot requirement that borrowers reduce their current interest rate by one-percent. Borrowers can refinance their existing guaranteed loans without the need for an appraisal or a credit report as long as they have paid their mortgage on time for the past twelve months.

You may submit comments on this proposed rule by any one of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments electronically.
- Mail: Submit written comments via the U.S. Postal Service to the Branch Chief, Regulations and Paperwork Management Branch, U.S. Department of Agriculture, STOP 0742, 1400 Independence Ave. SW., Washington, DC 20250-0742.
- Hand Delivery/Courier: Submit written comments via Federal Express mail, or other courier service requiring a street address to the Branch Chief, Regulations and Paperwork

Management Branch, U.S. Department of Agriculture, 300 7th Street SW., 7th Floor,
Washington, DC 20024.

All written comments will be available for public inspection during regular work hours at the
300 7th Street SW., 7th Floor address listed above.

FOR FURTHER INFORMATION CONTACT:

Lilian Lipton, Loan Specialist, Single Family Housing Guaranteed Loan Division

Email: lilian.lipton@wdc.usda.gov or Phone: (202) 260-8012

Help Resources

USDA ITS Service Desk Support Center

For e-Authentication assistance

Email: eAuthHelpDesk@ftc.usda.gov

Phone: 800-457-3642, option 1 (USDA e-Authentication Issues)

Rural Development Help Desk

For GUS system, outage or functionality assistance

Email: RD.HD@STL.USDA.GOV

Phone: 800-457-3642, option 2 (USDA Applications); then option 2 (Rural Development)

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