



# Appraisal and Property Eligibility Training

Presented by: Ed Peace, Finance and Loan Analyst  
Lender and Partner Activities Branch



Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

# Appraisals

Handbook-1-3555, Chapter 12



# Property Value



Establish an estimate of value (defendable and supportable)

Property meets the current minimum property requirements of HUD Handbook 4000.1 for existing properties (or will meet these requirements upon completion of required repairs)



# Appraiser Qualifications



## Lender ensures Appraiser is Qualified:

USPAP Compliant

Independent & Objective

Properly licensed/certified

Deemed qualified by Lender to certify property conforms to, or requires specific repairs to meet the HUD Handbook 4000.1

# Appraisal Report Requirements



Must comply with the reporting requirements of USPAP

Must meet Uniform Appraisal Data Set (UAD) as set forth by Fannie/Freddie

Appraiser to determine the most current and accurate form to be used



# Appraisal Considerations



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Ethics Rules for Appraiser/Client confidentiality

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Market or Sales comparison approach is required\*

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Appraiser determines if cost approach or income approach is needed

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REO appraisals intended for servicing or other purpose other than a purchase or refinance transaction for a guaranteed loan is not eligible. A new appraisal must be obtained

# Appraisal Photographs

- ✓ Front and rear of property
- ✓ Street Scene (with neighboring conditions)
- ✓ Kitchen
- ✓ Main living area
- ✓ Bathrooms
- ✓ Bedrooms
- ✓ Unfinished rooms
- ✓ Other rooms showing overall condition
- ✓ Basement/~~attic/crawl space~~\*
- ✓ Outbuildings
- ✓ Comparable sales / listings or pending sales (if used)
- ✓ Manuf'd Homes: HUD Data Plate/Certification Label
- ✓ Condos: common areas & share amenities



# Appraisal Photographs Updates

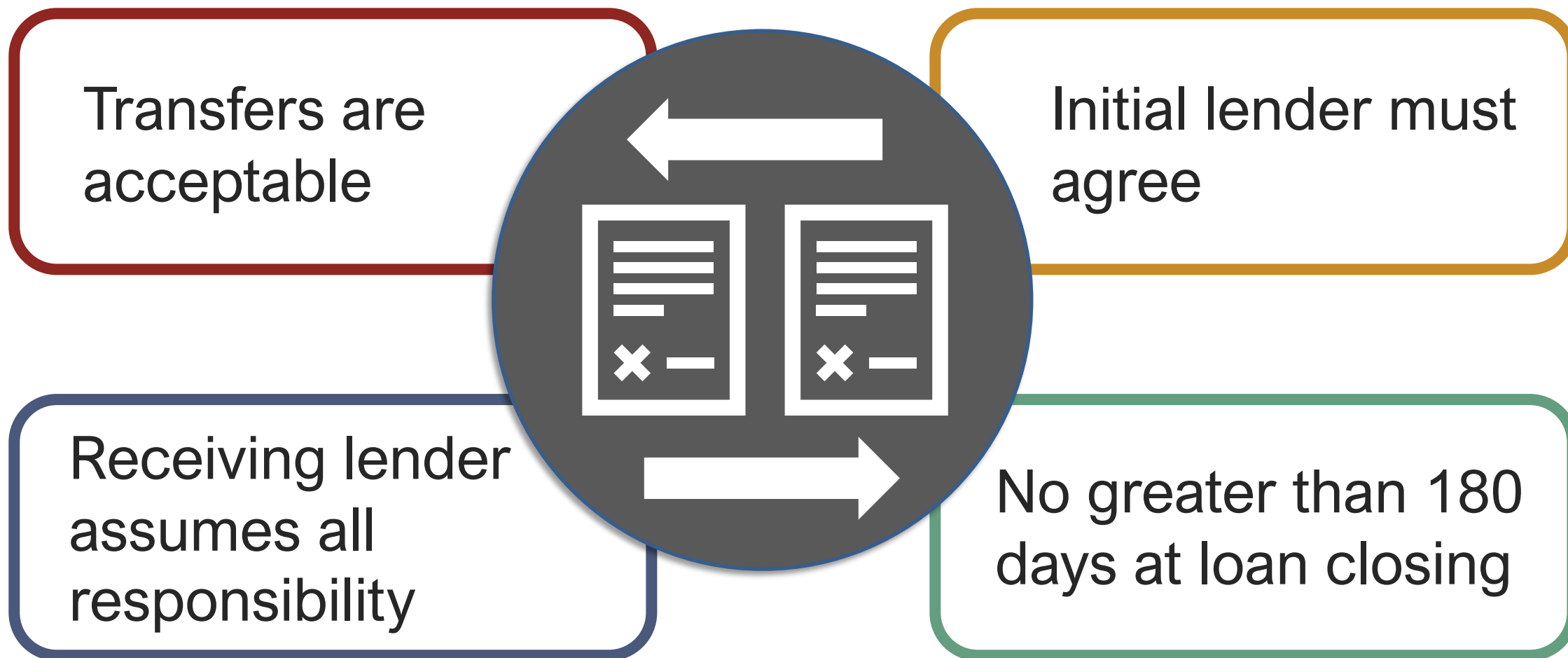


- ✓ Per HUD Mortgagee Letter 2025-18 (6/27/25):  
FHA recently removed the requirement for appraisals to include photos of the attic and crawl space.
- ✓ HB-1-3555, Chpt 12 still lists these photos, however we will be working on revisions to remove those requirements.
- ✓ In the meantime, while our revisions are in process, we will be accepting appraisals without photos of the attic and crawl space to remain consistent with the industry.



# Appraisal Transfers

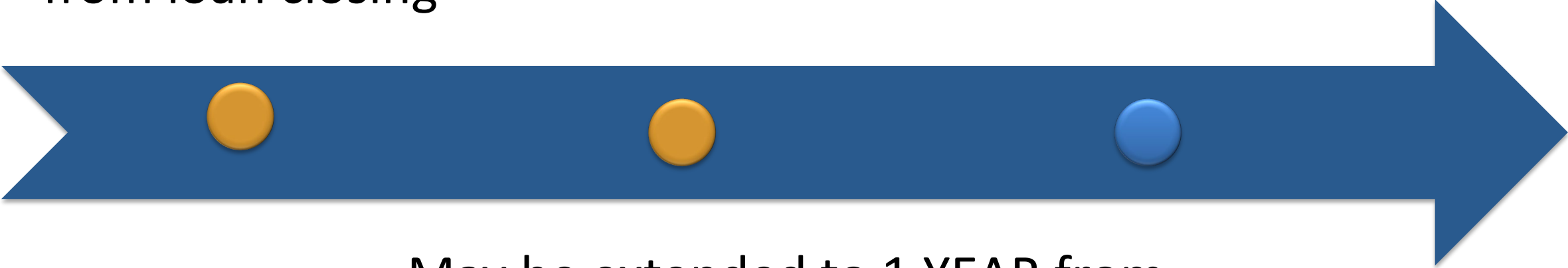
HB-1-3555, Chapter 12.5 B



# Appraisal Updates

Appraisal initially  
valid for 180 days  
from loan closing

Note: Only used to  
determine if the property  
has declined in value since  
original appraisal. Not  
eligible to support a higher  
appraised value of the  
property



May be extended to 1 YEAR from  
date of original report with a one-  
time Appraisal Update Report

# Property Flipping

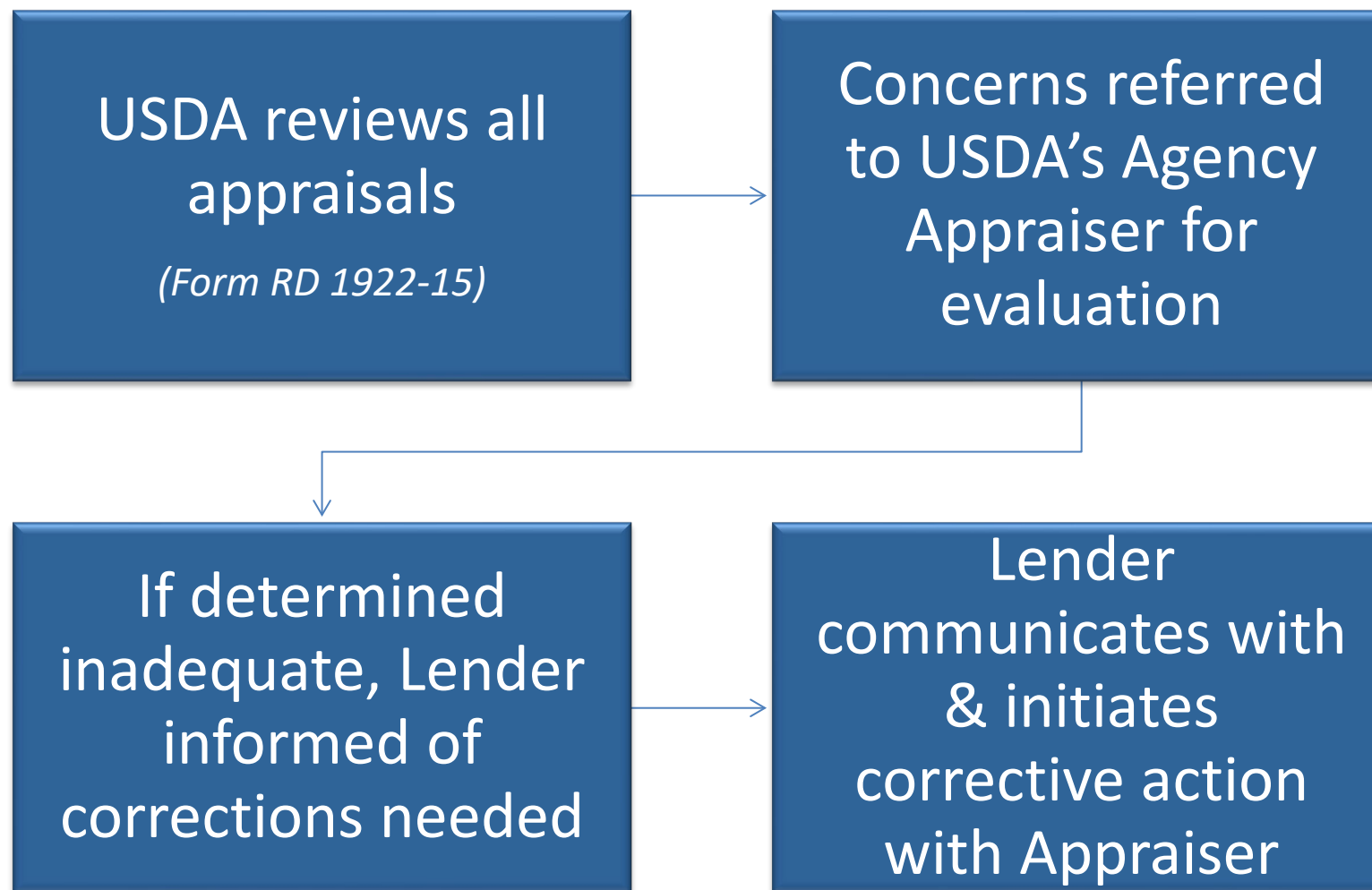


Applicant may purchase a property the seller has “flipped”

Lender must do a thorough review of the appraisal to ensure the property’s value is strongly supported by appraisal

This protects applicants from possible predatory lending

# Appraisal Review





# Other Appraisal Consideration: Remote Areas

May be difficult to obtain comparable sales

Appraiser may utilize other methods of valuation  
in compliance with USPAP

Appraiser will explain the lack of sales comparison  
approach



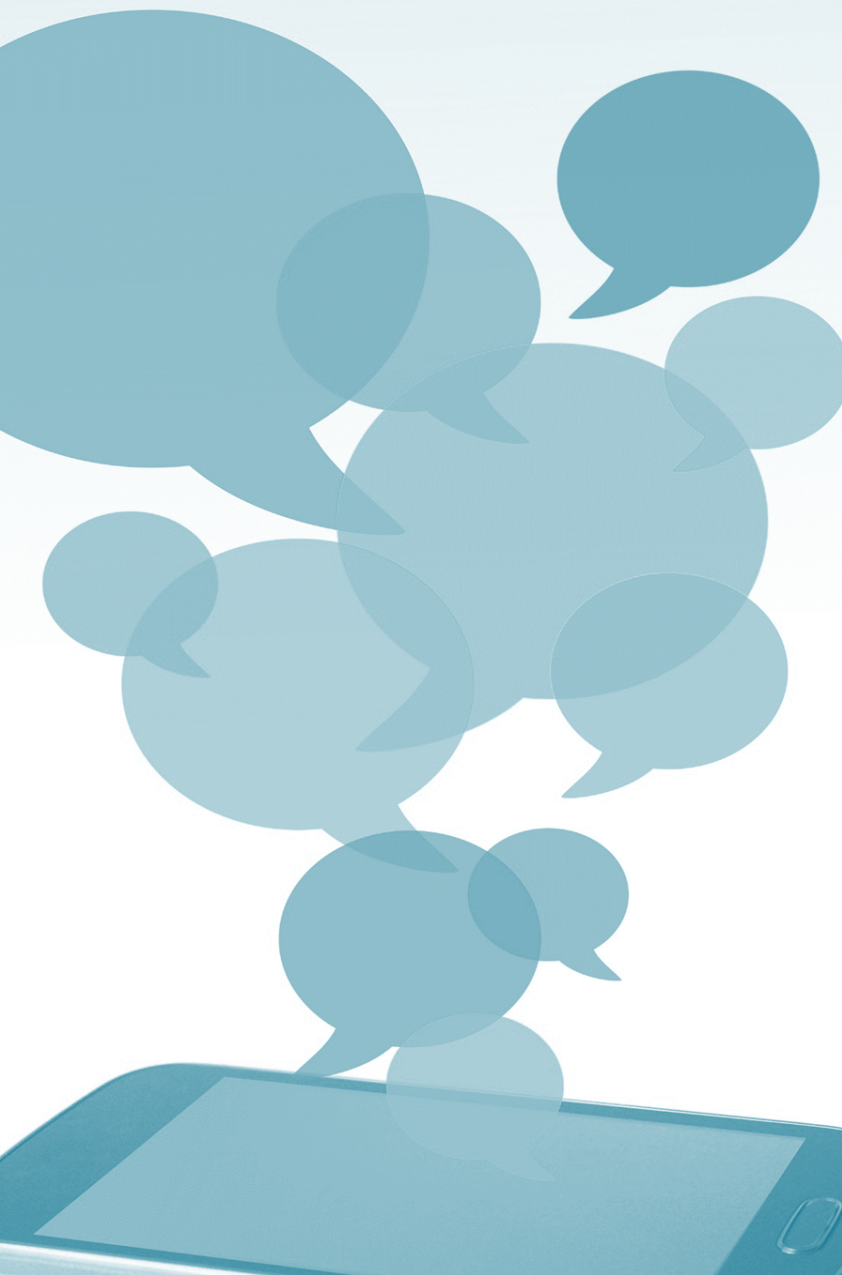
# Other Appraisal Consideration: Remote Pilots



Lenders do not need additional approval to participate

- Property Valuation Pilot
- Tribal Rehabilitation Pilot

Federal Register dated 7/26/23 (expected to be extended)



# TRIVIA TIME



## Can the cost of an appraisal be reimbursed at closing?

1. Yes
2. No
3. I'm not sure



# Trivia Time

## **ANSWER: Yes**

- Unless it was paid for by means of a credit card or other loan. Loan fees paid by the applicant with credit cards or other short-term loans are not reimbursable at closing



# Lenders must ensure the appraiser is on USDA's approved lender list?

- 1 Yes
- 2 No
- 3 I'm not sure

# Trivia Time

## **ANSWER: No**

- Rural Development does not maintain a list of approved appraisers
- It is the responsibility of the lender to select qualified appraisers that are properly licensed or certified, as appropriate, in the state in which the property is located



# **The lender discovers significant concerns with the appraisal. Can a second appraisal can be ordered?**

- 1 Yes
- 2 No
- 3 I'm not sure



# Trivia Time

## **ANSWER: Yes**

- Rural Development does not require that the first appraisal ordered must be utilized for underwriting
- The approved lender may order an alternate appraisal if the initial appraisal report is unacceptable
- If the lender obtains a second appraisal the cost can be financed IF closing cost is deemed reasonable and customary.



# Does USDA require Form 1004MC, Market Conditions Addendum, to be completed?

- 1 Yes
- 2 No
- 3 I'm not sure

# Trivia Time

**ANSWER: False**

— Form 1004MC is not required



# Are "As improved" appraisals acceptable?

- 1 Yes
- 2 No
- 3 I'm not sure



# Trivia Time

## **ANSWER: Yes**

- “As is” or “as improved” appraisals are acceptable
- Fannie Mae Form 1004D/Freddie Mac Form 442, Appraisal Update and/or Completion Report, may be utilized by the lender to report the completion of a repair and/or satisfaction of requirements and conditions noted in the original appraisal report
- Alternate methods of ensuring completion of notated repairs: Inspection report/photos of completed work



# Property Eligibility

**Handbook-1-3555, Chapter 12**





# ***Rural America***

*what a* BEAUTIFUL PLACE *to*  
CALL HOME!



# Eligible Property Facts

## **Properties must be:**

- Predominantly residential in use, character, & appearance
- Located in rural areas as per RD definition
- Free of any health or safety concerns before close and occupancy
- Existing dwellings must meet HUD Handbook 4000.1



# Property Eligibility



Existing Single Family  
Homes

New or Proposed  
Construction

Townhomes

Condominiums  
(limitations apply)

New Manufactured

Existing Manufactured  
– manufacture date  
must be within 20  
years of loan closing

New or existing  
Modular (treated same  
as site-built)

Duplex – 1 unit

# Occupy the Property

HB-1-3555, 8.2C

**Principal residence throughout the term of the loan**

**Must occupy the home within 60 days of loan closing**

- **Active-duty military applicants must occupy as their principal residence\***
- **Student applicants must intend to make the home a permanent residence. Reasonable expectation of securing employment in the area**

**Adequate dwelling The dwelling must be modest, decent, safe and sanitary**

**Modest is defined as a new or existing dwelling that a low- or moderate-income borrower can afford based on their repayment ability. The property must not be primarily designed for income producing activity**



# Online Property and Income Eligibility – USDA Website

## Property and Income Eligibility

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp>

The screenshot shows the USDA Rural Development website's eligibility portal. At the top left is the USDA logo with the text "United States Department of Agriculture" and "Rural Development". Below the logo is a dark blue navigation bar with "Home" and "Tutorials" links. A yellow highlight is on the "Single Family Housing Guaranteed" link in the main menu. Other menu items include "Single Family Housing Direct", "Multi-Family Housing", "Rural Business", "OneRD Guarantee Loan", and "Water and Environ (Part of the OneRc)". A second row of links includes "Water and Environmental Direct", "Community Facilities Guaranteed (Part of the OneRd Guarantee Loan Initiative)", "Property Eligibility" (highlighted in a green box), "Previous Eligibility Areas", "Income Eligibility", "Income Limits", and "Loan Basics". Below the navigation is a green banner for "Rural Housing Services". The main content area is titled "Property Eligibility Disclaimer" and contains a paragraph of text.

**USDA** United States Department of Agriculture  
Rural Development

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business OneRD Guarantee Loan Water and Environ (Part of the OneRc

Water and Environmental Direct Community Facilities Guaranteed (Part of the OneRd Guarantee Loan Initiative)

Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits Loan Basics

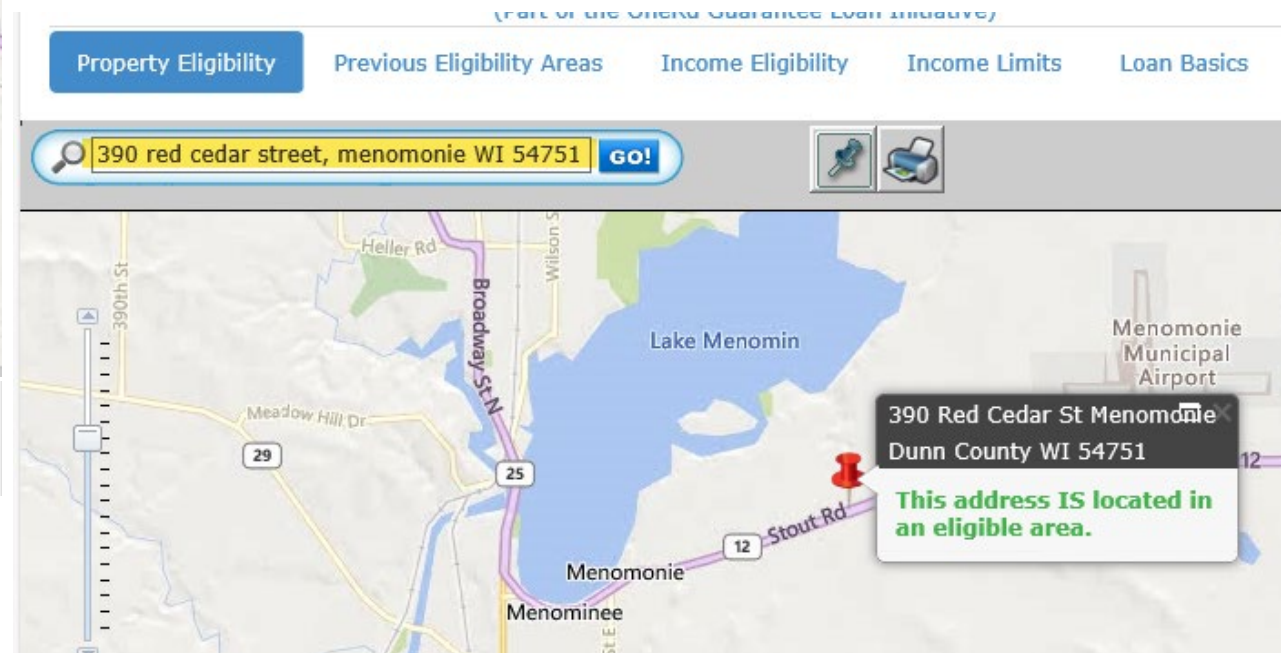
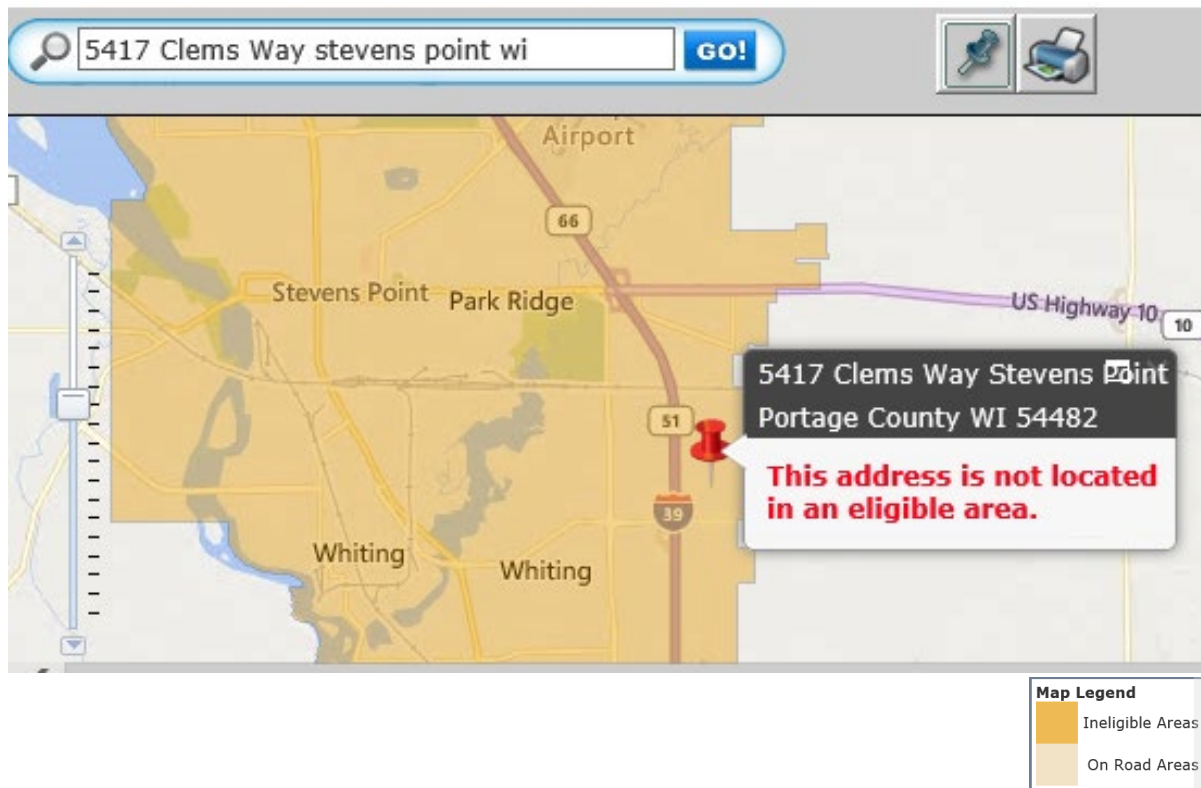
**Rural Housing Services**

**Property Eligibility Disclaimer**

Every effort is made to provide accurate and complete information regarding eligible and ineligible areas on this website, based on Rural Development rural area require however, does not guarantee the accuracy, or completeness of any information, product, process, or determination provided by this system. Final determination of prope Development upon receipt of a complete application. Viewing eligibility maps on this website does not constitute a final determination by Rural Development. To proceec must accept this disclaimer.

# USDA Eligibility Site

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>



# Property and Site Requirements



## Site Size

- No specific limitation to size/acreage of site



## Income Producing Buildings

- Income producing buildings & land are prohibited



## Accessory Dwelling Unit

- A single ADU does not automatically render property ineligible



## Income Producing Land

- Income producing land is prohibited



## Multiple Parcels

- Allowable if contiguous, covered by lien in entirety, and only 1 dwelling

*Residential in use, character, and design. Typical for the area.*



# Acceptable Properties





# Unacceptable Properties



# Additional Site Requirements

**Properties with Solar Panels:** Dwellings with solar panels are not considered an income producing property. See chapter 12, section 12.4 for more information regarding solar panels

**Site Specifications:** The site must be contiguous to, and have direct access from a street, road, or driveway. Streets and roads must be hard surfaced, or all weather surfaced, with public access or permanent recorded easements

**Utilities:** The site must be supported by adequate utilities and water and wastewater disposal systems



**Zoning:** The property must comply with applicable zoning requirements and restrictions. If an existing property does not comply with all current zoning ordinances but it is accepted by the local zoning authority, the appraiser must report the property as legal non-conforming. The appraisal must reflect any adverse effect of the legal nonconforming use on the value and marketability of the property



# Existing Property Requirements - Inspections



**Home Inspection.** Applicants are encouraged to obtain a detailed home inspection of the property independent of the HUD certification



**Property Standards.** Must meet HUD Handbook 4000.1



**Thermal Inspection.** Not required for existing homes



**Pest Inspection.** Not required unless the lender, appraiser, inspector or State law requires the inspection



**New Construction.** Must be designed and constructed in accordance with certified plans and specifications



**Lenders must provide** applicants with Form HUD-92564-CN, “For Your Protection: Get a Home Inspection”, with evidence maintained in the lender’s permanent loan file.



# Private Well & Wastewater

HB-1-3555, Chapter 12.6A



Distance between well and septic must meet either the local/state code or HUD Handbook



The appraiser or lender may require additional inspections



Must be free of observable evidence of failure



Safe water test always required for private wells



See Chapter 12 for additional guidance



# Condominiums



**Applicants remain responsible to obtain individual homeowners insurance and/or flood insurance, as applicable**

- **Units are eligible if approved or accepted by HUD/FHA, VA, Fannie Mae, or Freddie Mac**
  - ✓ **Lenders must retain documentation that supports the project's approval or acceptance**
  - ✓ **Lender will document approval on the Uniform Underwriting Transmittal Summary or on RD Attachment 12-B, "Rural Development Condominium Certification"**

# Existing Manufactured – Eligible Nationwide

HB-1-3555, 13.9

## Unit must...

- Have been manufactured no more than 20 yrs of closing date
- Not previously installed on a different homesite
- Have a floor area of not less than 400 sq. feet.
- Meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555
- Have no alterations or modifications since construction in the factory except for...
- Porches, decks, or other structures which were built to engineered designs or were approved and inspected by local code officials are acceptable

**Units must have BOTH:**

**HUD Date Plate &  
HUD Certification Label \***

**Now submitted through GUS**



# New Manufactured Homes – Eligible Loan Purposes

HB-1-3555, 13.9

- Purchase of site if not already owned by applicant
- Site development work
- Purchase of eligible unit
- Transportation and set-up costs
- HB-1-3555, Chapter 13 provides all requirements for New & Existing Manufactured Homes





# Combination Construction to Permanent Loan



## Highlights

- Lack of affordable housing stock in rural America...new construction gives options
- USDA's Loan Note Guarantee issued immediately after loan closing (before house is built)
- Single-Close Construction loans save applicants money over older "two-time" closed loans because there is only 1 loan closing (& 1 set of loan closing costs)!

# Combination Construction to Permanent Loan

(a/k/a Single-Close-Construction Loan)



## Lower Out-of-Pocket Costs

A Contingency Reserve up to 10% of purchase price may be established from loan funds to allow for cost over-runs, and up to 12-months of loan payments during construction



## !! Loan Note Guarantee at Closing !!

Issued prior to construction and sellable on secondary market – attractive to Lenders!



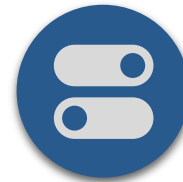
## Reduced Risk

To both lenders and builders



## One Closing

Only one loan closing required, saving borrower from excess closing costs



## Two Products Available

Securitized and Standard Interest Only



## Realtor Commission

**Paid at time of closing** – prior to construction



## Sellable on Secondary Market

Ability to sell immediately after closing on secondary market

# Dwelling Requirements

## New

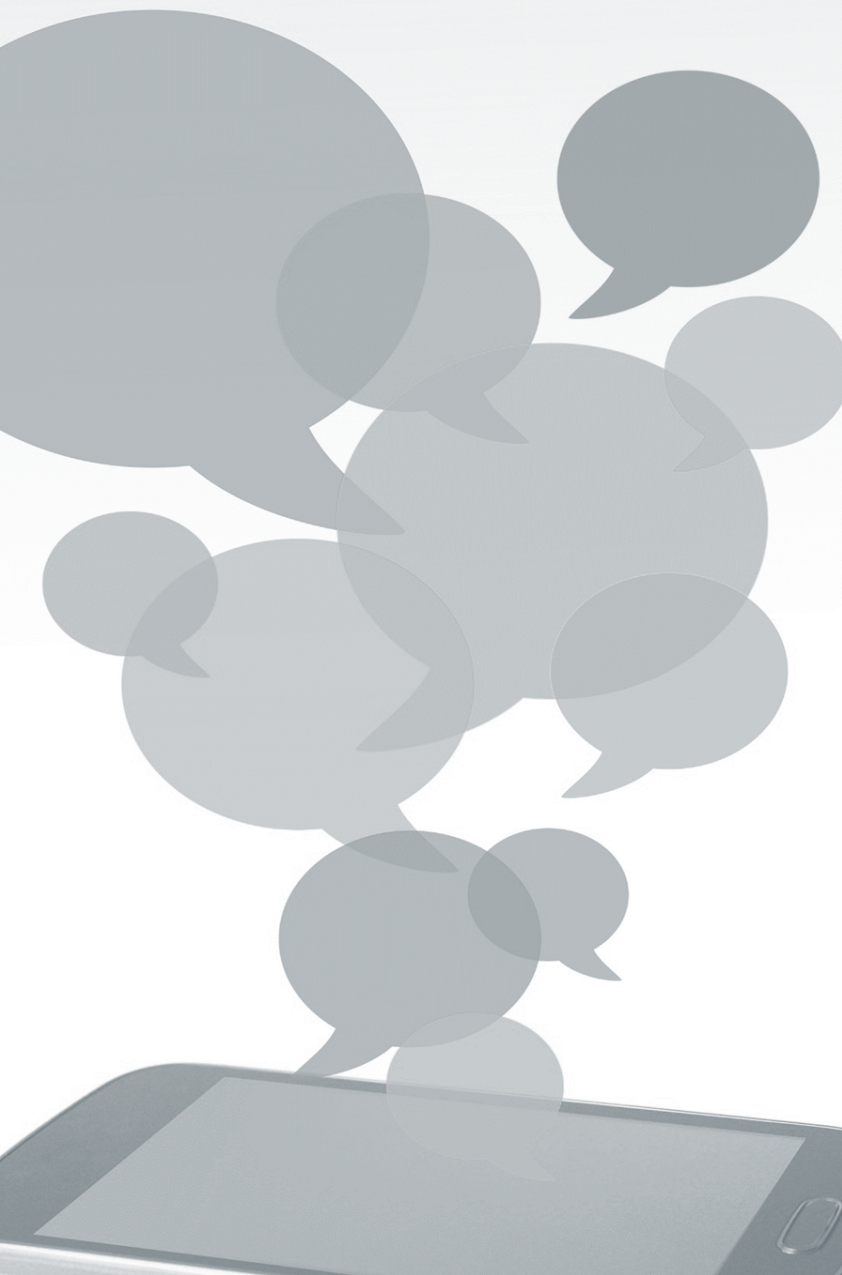
- Must be constructed in accordance with certified plans and specs
- Must meet or exceed IECC in effect at time of construction
- Lender to obtain/retain evidence of construction costs, inspections, certifications & warranties
- All evidence must be acceptable to Rural Development



## Existing

- Must meet HUD 4000.1 requirements
- Must be functionally adequate & structurally sound
- Must be in good repair, or placed in good repair with loan funds
- Must have adequate and safe electrical, heating, plumbing, water and wastewater





# TRIVIA TIME



# Is it possible to use the Guaranteed Loan Program to finance a tiny home (less than 400 square feet)?

- 1 Yes
- 2 No
- 3 I'm not sure

# Trivia Time

**ANSWER: Yes, it is possible.**

- Rural Development guidelines only specify a minimum square footage requirement for manufactured homes
- As long as this is not a manufactured home, the square footage itself wouldn't render the property ineligible
- The property will need to meet the requirements of HUD Handbook 4000.1, as certified to by an appraiser or inspector determined qualified by the lender, and the appraiser will need to be able to find comparable properties to support the value



**The subject property is a manufactured home, which the appraisal states was manufactured in April, 2024. The property has never been occupied. Is this considered an existing or new manufactured home for program purposes?**

- 1 New
- 2 Existing
- 3 I'm not sure

# Trivia Time

## **ANSWER: Existing**

- Manufactured more than 12 months ago
- To be considered a new manufactured home, it must:
  - consist of a new unit in stock (less than 12 months from manufactured date), and
  - has never been installed or occupied at any other site or location



**The subject property includes a secondary lot of 8 acres that is currently rented out and being used to grow crops. Per the current homeowner, they receive \$500 per month in rent. The applicant indicates they will not continue to rent out this land or use it for farming operations. Is this acceptable?**

1 Yes

2 No

3 I'm not sure

# Trivia Time

## **ANSWER: No**

- Chapter 6 of HB-1-3555 states that a qualified property must be predominantly residential in use, character and appearance
- Chapter 12 states that the site must not have income-producing land that will be used principally for income producing purposes. Vacant land or properties used primarily for agricultural, farming or commercial enterprise are ineligible
- Regardless of the applicant's future intent, the 8 acres of land are currently being rented out and farmed. This appears to be an income producing property, thus ineligible for the SFHGLP





**The applicant is purchasing a newly constructed site-built home. The home is located outside the city limits, and the county does not issue building permits or a Certificate of Occupancy. Since the county does not issue these documents, can we proceed without them?**

1 Yes

2 No

3 I'm not sure

# Trivia Time

## ANSWER: Yes

- Option 2 or Option 3 in the middle column here, would suffice when a CO is not available.
- NOTE: If the lender is unable to meet the minimum documentation requirements, the loan would be limited to a 90% loan to value (plus the upfront guarantee fee)

Evidence of Certified Plans and Specs
<b>OPTION 1</b> Copy of the certification from a qualified individual or organization that the reviewed documents comply with applicable development standards; <i>OR</i>
<b>OPTION 2</b> Certificate of Occupancy issued by a local jurisdiction; <i>OR</i>
<b>OPTION 3</b> Building Permit (or equivalent) issued by local jurisdiction.

Evidence of Construction Inspections
<b>OPTION 1</b> Certificate of Occupancy issued by a local jurisdiction showing that it has performed at least 3 construction phase inspections, as identified in Section 12.9(B), and an acceptable 1 year builder warranty; <i>OR</i>
<b>OPTION 2</b> Three construction phase inspections performed at each of the phases identified in Section 12.9(B) and an acceptable 1 year builder warranty; <i>OR</i>
<b>OPTION 3</b> Final inspection and a 10-year insured builder warranty. Builder backed 2/10 warranty fulfills the 10-year warranty requirement.

Evidence of Thermal Standards
<b>OPTION 1</b> A qualified, registered architect or a qualified, registered engineer may certify confirmation with IECC standards; <i>OR</i>
<b>OPTION 2</b> Builder may certify confirmation with the IECC standards; <i>OR</i>
<b>OPTION 3</b> The final inspection or Certificate of Occupancy issued by a local jurisdiction.

**The applicant is purchasing a property that was originally a manufactured home but was put on a foundation and completely bricked around. Is this still considered a manufactured home?**

1 Yes

2 No

3 I'm not sure

# Trivia Time

## **ANSWER: Yes**

- A manufactured home is built in a factory or warehouse in accordance with building codes set forth by HUD
- Regardless what improvements are made to the home, it will always be a manufactured home and will need to be considered as such



**If the appraisal states the subject property will meet HUD Handbook 4000.1 minimum property standards upon completion of required repairs, is this acceptable?**

- 1 Yes
- 2 No
- 3 I'm not sure

# Trivia Time

## **ANSWER: Yes**

- However the lender will need to obtain certification from the appraiser that the repairs were completed, and all requirements or conditions of the original appraisal report have been satisfied



**Is an appraisal with the following statement acceptable: “The subject property appears to meet HUD Handbook 4000.1 minimum property requirements”?**

- 1 Yes
- 2 No
- 3 I'm not sure

# Trivia Time

## **ANSWER: No**

- Chapter 12, Section 12.9 states the property “must be inspected to determine the dwelling meets the current minimum property requirements of the Single Family Housing Policy Handbook (SF Handbook; HUD Handbook 4000.1)”
- Thus, the certification obtained must indicate that the property does or does not meet these guidelines
- Using the term “appears” does not provide a definitive certification





**Does the appraiser need to specifically reference HUD Handbook 4000.1, or can they state “the subject property meets HUD Handbook requirements”?**

- 1 Must specifically state "HUD Handbook 4000.1"
- 2 Just HUD Handbook is sufficient
- 3 I'm not sure

# Trivia Time

**ANSWER:** HUD Handbook 4000.1  
should be specifically referenced



## When the local municipality does not have a building inspector, who can complete the final inspection on a new dwelling?

- 1 It's not required if they don't have a building inspector
- 2 The lender must find a qualified alternate
- 3 I'm not sure

# Trivia Time

**ANSWER:** It is the approved lender's responsibility to find an alternate, qualified inspector when the local jurisdiction does not perform construction inspections



**The subject property has an advertising billboard located on it where the owner of the property receives \$500 per year for allowing the billboard on the property. Is this acceptable?**

1 Yes

2 No

3 Maybe

# Trivia Time

## **ANSWER: Maybe**

- The presence of the billboard would not automatically render the property ineligible
- The billboard would need to be addressed in the appraisal and considered in the marketability and value of the property
- The lender would need to determine if any zoning restrictions would apply, and any rental income anticipated would need to be included in annual income
- All other applicant and property requirements would still apply



# When a title commitment reflects an exception for an oil and gas lease, the property is ineligible for USDA?

- 1 Yes
- 2 No
- 3 I'm not sure

# Trivia Time

## **ANSWER: No**

- For purchase transactions, Rural Development does not prohibit mineral, oil, or gas leases
- The lender must determine the primary reason for the purchase is a residential residence
- Any income earned from these leases must be included in annual income, the lender must confirm the dwelling and site will not be adversely affected, and the property must have adequate homeowners' insurance coverage







# Lender Resources

# USDA GRH Updates

## New Lender Training Schedule

### Training Schedule

Due to the growing response rate to our training opportunities, we have expanded our offerings to include both virtual and in-person options more often throughout the year. All trainings, both virtual and in-person, are free and open to anyone to attend. Registration will typically open 30 days prior to the event. Most virtual events will take place at 2 p.m. Eastern time, but final determinations will be made clear on registration. Please ensure you are signed up for GovDelivery notices as all trainings are announced by email through that system. Please contact the lender and Partner Activities branch with any questions, at [sfhgld.lenderpartner@usda.gov](mailto:sfhgld.lenderpartner@usda.gov)

- July 16, 2025: Appraisal and Property Requirements
- August 13, 2025: Credit Requirements
- September 17, 2025: Hot Topics

## Lender List

About RD >

State Offices

Programs & Services >

Newsroom >

Resources >

Acronyms

Directives >

Disaster Assistance >

Environmental Studies >

Forms >

Publications >

Publications for Cooperatives

Regulations and Guidance >

Rural Data Gateway

LINC Training Library

Lender List

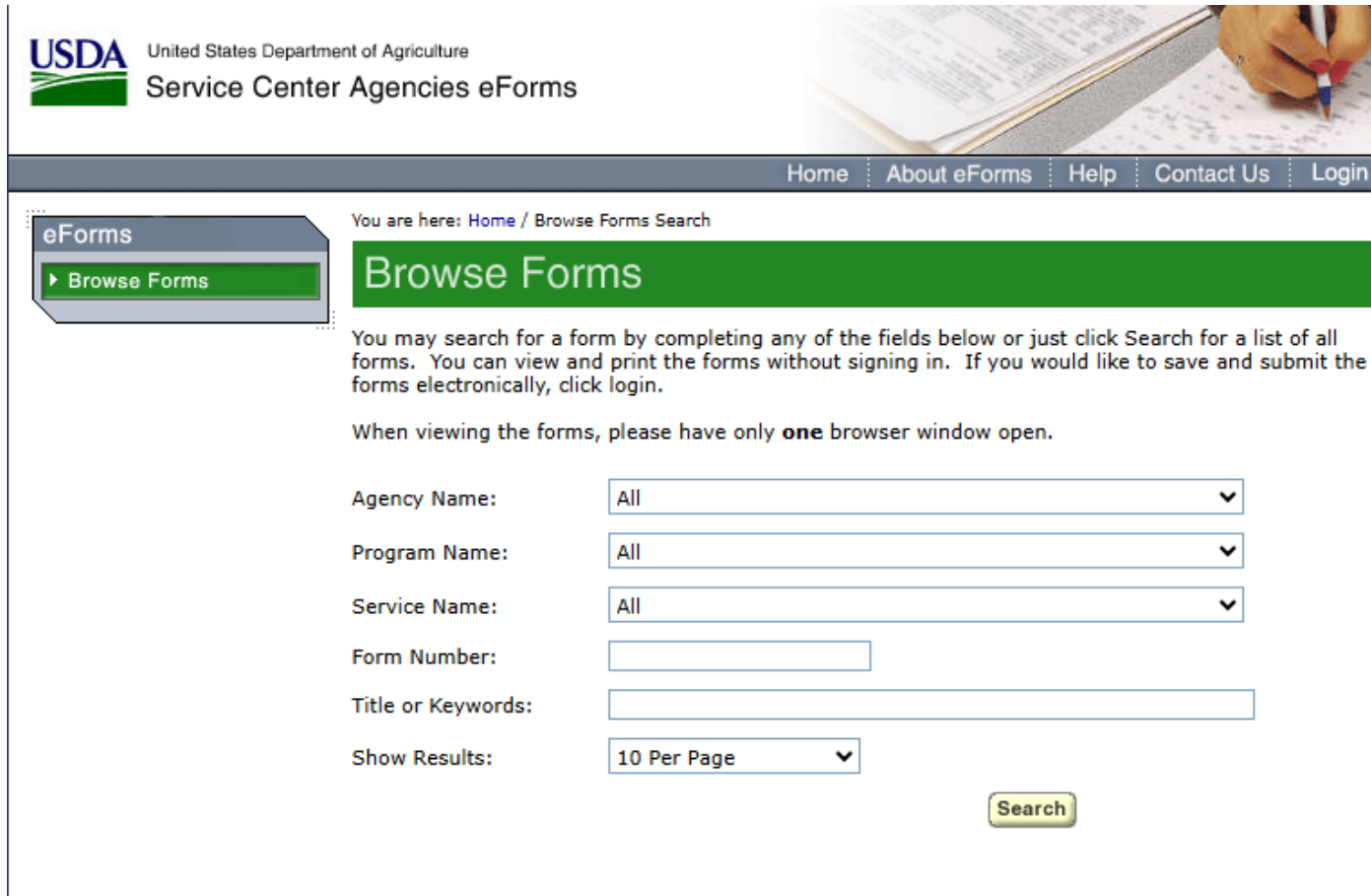
### Lender List

Select State

-- Select --

1st National City Mortgage <a href="https://222.i3lending.com">https://222.i3lending.com</a>	Academy Mortgage Corporation <a href="https://www.academymortgage.com">https://www.academymortgage.com</a>
Ace Mortgage <a href="https://www.acemortgage.com">https://www.acemortgage.com</a>	Acopia, LLC <a href="https://www.acopiahomeloans.com">https://www.acopiahomeloans.com</a>
Advance Mortgage And Investment CO <a href="https://www.amic.co">https://www.amic.co</a>	Alabama Home Mortgage Loans INC <a href="https://www.myalabamahomemortgage.com">https://www.myalabamahomemortgage.com</a>
Alcova Mortgage <a href="https://www.alcova.com">https://www.alcova.com</a>	Allied Mortgage Group, INC. <a href="https://www.alliedmg.com">https://www.alliedmg.com</a>
Allsource Mortgage INC <a href="https://www.allsource4u.com/Home">https://www.allsource4u.com/Home</a>	American Bank of Oklahoma <a href="https://www.americanbankok.com">https://www.americanbankok.com</a>
American Financial Network, INC <a href="http://www.afncorp.com">http://www.afncorp.com</a>	American Financial Resources, INC. <a href="https://www.afrcorp.com">https://www.afrcorp.com</a>
American Home Lending USA LLC <a href="https://www.americanhomelendingusa.com">https://www.americanhomelendingusa.com</a>	American Mortgage Service Company <a href="https://www.americanmortgage.com">https://www.americanmortgage.com</a>
Amerifirst Financial Corporation <a href="https://www.uhm.com">https://www.uhm.com</a>	Amerifirst Financial, INC. <a href="https://amerifirstloan.com">https://amerifirstloan.com</a>

# Reminder: Use the most updated forms



The screenshot displays the USDA Service Center Agencies eForms website. At the top, the USDA logo and text 'United States Department of Agriculture' and 'Service Center Agencies eForms' are visible. A navigation bar includes links for 'Home', 'About eForms', 'Help', 'Contact Us', and 'Login'. A sidebar on the left shows a menu with 'eForms' and a sub-item 'Browse Forms'. The main content area is titled 'Browse Forms' and contains instructions: 'You may search for a form by completing any of the fields below or just click Search for a list of all forms. You can view and print the forms without signing in. If you would like to save and submit the forms electronically, click login.' Below this, a note states: 'When viewing the forms, please have only **one** browser window open.' The search interface includes several input fields: 'Agency Name' (dropdown menu set to 'All'), 'Program Name' (dropdown menu set to 'All'), 'Service Name' (dropdown menu set to 'All'), 'Form Number' (text input), 'Title or Keywords' (text input), and 'Show Results' (dropdown menu set to '10 Per Page'). A yellow 'Search' button is located at the bottom right of the search area.

Forms Site:

<https://forms.sc.egov.usda.gov/eForms/searchAction.do?pageAction=BrowseForms& MenuAction=Yes>

# Loan Status – Turn Time Available Online

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library>

- ✓ Updated turn time information is provided daily
- ✓ Loans are reviewed in the order they are received



**Resources**

- Acronyms
- Directives >
- Disaster Assistance >
- Environmental Studies >
- Forms >
- Publications >
- Regulations and Guidance >
- Rural Data Gateway
- LINC Training Library** v
- Guaranteed Underwriting

**Loan Status**

We are currently reviewing new loan applications and conditions received on or before **6-24-2025**.

**New Information**

[Job Aid - Eligibility for the Single Family Housing Guaranteed Program](#)

**Lender Approval and Recertification**

**Lender Training**

**Loan Origination**

**Loan Processing**

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library>

# USDA LINC Training & Resource Library



<https://www.rd.usda.gov/resources/usda-linc-training-resource-library>

## USDA LINC Training & Resource Library

HOME > RESOURCES

### Resources

Acronyms

Directives >

Disaster Assistance >

Environmental Studies >

Forms >

Publications >

Regulations and Guidance >

Rural Data Gateway

[LINC Training Library](#) v

Guaranteed Underwriting System (GUS)

Lender Approval

Single Family Housing GLP Policy Desk

Lender Training

Loan Closing

English

### **i** Loan Status

We are currently reviewing new loan applications and conditions received on or before **5-28-2025**.

### **✓** New Information

[Job Aid - Eligibility for the Single Family Housing Guaranteed Program](#)

Lender Approval and Recertification

Lender Training

Loan Origination

Loan Processing

Loan Closing

Loan Servicing

Policy Desk

Guaranteed Underwriting System (GUS)

Online training modules include guidance on “Combination Construction to Permanent” loans

Documents and Resources include Handbook updates, forms, and checklists

Have a question on a  
SPECIFIC FILE?

*Contact the Prod teams!*



Need TRAINING?

*Contact the LPA team!*



Have a question on  
POLICY?

*Contact the Program team!*



## Contacts

Topic	Information
	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> File-Specific Questions by phone: 833-314-0168, ext. 2 Phone System Availability: 9:00 am to 3:30 pm ET
File-Specific Questions	Origination and Processing Division 1: <a href="mailto:SFHGLP.OPD1@usda.gov">SFHGLP.OPD1@usda.gov</a> Supporting: AL, AK, AR, AZ, CA, CO, HI, IA, ID, KS, KY, LA, MO, MN, MS, MT, ND, NE, NM, NJ, NY, NV, OK, OR, SD, TX, UT, WA, WP, WI, WY Origination and Processing Division 2: <a href="mailto:SFHGLP.OPD2@usda.gov">SFHGLP.OPD2@usda.gov</a> Supporting: CT, DE, FL, GA, IL, IN, MA, MD, ME, MI, NC, NH, OH, PA, PR, RI, SC, TN, VA, VI, VT, WV
Lender Self-Report	<a href="mailto:SFHGLD.QA@usda.gov">SFHGLD.QA@usda.gov</a>
Program Training Program Marketing and 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> or *833-314-0168, ext. 4
Turn Times	833-314-0168, ext. 1 Phone System Availability: 9:00 am to 3:30 pm ET
Lender Approval/Recertification Loan Servicing	<a href="mailto:sfhgldpservicing@usda.gov">sfhgldpservicing@usda.gov</a>
Technical Issues: GUS	<a href="mailto:RD.HD@USDA.GOV">RD.HD@USDA.GOV</a> or (800) 457-3642 option 2, option 2
Technical Issues: eAuth or Login.gov	<a href="https://www.eauth.usda.gov/eauth/b/usda/faq">https://www.eauth.usda.gov/eauth/b/usda/faq</a> Select Public Customer FAQs
Loss Claims	<a href="mailto:guarantee.svc@usda.gov">guarantee.svc@usda.gov</a>
Monthly and Quarterly Status Reporting GUS User Agreements	<a href="mailto:RD.SO.HSB@usda.gov">RD.SO.HSB@usda.gov</a>
Adding/Removing Security Administrator (SFH Guaranteed Loan Program Automated Systems)	Form Instructions

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library/linc-contact-and-resources>





<https://www.rd.usda.gov/resources/usda-linc-training-resource-library/linc-contact-and-resources>

Reporting GUS User Agreements

[RD.SD.HSD@usda.gov](mailto:RD.SD.HSD@usda.gov)


Adding/Removing Security Administrator  
(SFH Guaranteed Loan Program Automated Systems)

**Form Instructions**

**Resources**

[Regulation and Handbook](#)

[USDA LINC: Training modules, user guides, and more useful resources](#)

[GovDelivery: Receive notifications regarding origination, servicing, and GUS updates](#) 

# FAQs

## FAQ Frequently Asked Questions



### ***Appraisal and Property Requirements***

#### Appraisal (HB-1-3555, Chapter 12)

➤ **Do appraisers need to be on an approved list to complete appraisal reports for Rural Development loans?**

No, Rural Development does not maintain a list of approved appraisers. It is the responsibility of the lender to select qualified appraisers that are properly licensed or certified, as appropriate, in the state in which the property is located.

➤ **The lender has determined there are significant concerns with an appraisal. Can a second appraisal be ordered?**

Rural Development does not require that the first appraisal ordered must be utilized for underwriting. The approved lender may order an alternate appraisal if the initial appraisal report is unacceptable.

➤ **If a lender obtains a second appraisal, can the cost be financed as part of the loan?**

Closing costs that are reasonable and customary can be paid with loan funds.

➤ **Is Form 1004MC required?**

No, Form 1004MC is not required.

➤ **The appraised value is lower than the purchase price. An addendum to the Purchase Agreement was executed to reduce the purchase price. Does the addendum need to be sent to the appraiser to update the report?**

Rural Development does not require the appraisal report to be updated, however, the amendment to the contract must be retained in the lender's permanent loan

## FAQs

<https://www.rd.usda.gov/media/file/download/rd-sfh-faqloanorigination.pdf>

Bookmark It!

Use Ctrl-F to find answers quickly!

# HB-1-3555

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

The screenshot shows the USDA Rural Development website's 'Handbooks' section. The header features a green field image and the word 'Handbooks' in a black box. A navigation menu on the left includes links like 'About RD', 'State Offices', 'Programs & Services', 'Newsroom', 'Resources', 'Acronyms', 'Directives', 'Administrative Notices', 'Electric Sample Documents', 'Form Letters', 'Guide Letters', 'Handbooks', 'Informational Publications', 'Instructions', 'Procedures Notices', 'Unnumbered Letters', 'Environmental Studies', 'Forms', 'Publications', 'Publications for Cooperatives', 'Regulations and Guidance', 'Rural Data Gateway', 'USDA LINC Training & Resource Library', and 'Contact Us'. The main content area is titled 'Below are handbooks information' and lists two handbooks: 'HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook' and 'HB-1-3555 SFH Guaranteed Loan Program Technical Handbook'. The second handbook is highlighted in yellow and has a minus sign icon. Below it, a 'Table of Contents' is displayed with 15 chapters and their respective topics.

Consolidated version (large document may take long 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
Chapter 13	Special Property Types
Chapter 14	Funding Priorities
Chapter 15	Submitting the Application Package

## HB-1-3555

<https://www.rd.usda.gov/resources/directives/handbooks#hb13555>

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Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

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