



# New Construction

Single Family Housing  
Guaranteed Loan Program  
(SFHGLP)

May 2025





Build  
the  
American Dream  
and  
Your Business  
with  
Little Risk





# Today's Topics

☐ New Construction

☐ Regulation

☐ Handbook

☐ Knowledge Check

☐ Lender Toolkit

A G E N D A





# New Construction Requirements

7 CFR 3555.202(a) and HB-1-3555, Chapter 12.9 B

1

Must be constructed in accordance with certified plans and specifications.

2

Lender must retain evidence of construction costs, inspection reports, certifications and warranties acceptable to Rural Development.

3

Meet or exceed the International Energy Conservation Code (IECC) in effect at time of construction.

## B. New Dwellings [7 CFR 3555.202(a)]

New dwellings must be designed and constructed in accordance with certified plans and specifications. Evidence of all of the items below must be retained in the lender's permanent loan file:

- Certified plans and specifications;
- Required construction inspections; and
- Thermal standards are met.

Certifications may be accepted from individuals or organizations trained and experienced in the compliance, interpretation, or enforcement of the applicable development standards for drawings and specifications. One year builder warranties are deemed acceptable to the Agency when the policy is non-refundable or cancellable, the policy is from an insurance company licensed to do business in the state where the property is located, and the coverage includes (from effective date) at least one year for any defects caused by faulty workmanship or defective materials. The one year builder's warranty must be fully executed and include the date of warranty, owner, warrantor name, location of property, signatures of all parties, and any other applicable information. This section will provide documentation options necessary to meet each of these requirements for both stick built and manufactured homes.

Information regarding financing new manufactured and modular homes may be found in Chapter 13 of this Handbook.

### 1. Documentation Requirements for New Construction Stick Built Homes:

Evidence of Certified Plans and Specs	Evidence of Construction Inspections	Evidence of Thermal Standards
<b>OPTION 1</b> Copy of the certification from a qualified individual or organization that the reviewed documents comply with applicable development standards; <b>OR</b>	<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; <b>OR</b>	<b>OPTION 1</b> A qualified, registered architect or a qualified, registered engineer may certify confirmation with IECC standards; <b>OR</b>
<b>OPTION 2</b> Certificate of Occupancy issued by a local jurisdiction; <b>OR</b>	<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; <b>OR</b>	<b>OPTION 2</b> Builder may certify confirmation with the IECC standards; <b>OR</b>
<b>OPTION 3</b> Building Permit (or equivalent) issued by local jurisdiction.	<b>OPTION 3</b> Final inspection and a 10-year insured builder warranty. Builder backed 2/10 warranty fulfills the 10-year warranty requirement.	<b>OPTION 3</b> The final inspection or Certificate of Occupancy issued by a local jurisdiction.

# Evidence of Construction Inspections

Acceptable evidence of Plans and Specifications include one of the following:

1

Certification form a qualified individual or organization (RD Form 1924-25 is acceptable for this purpose), OR

2

Certificate of Occupancy from local jurisdiction, OR

3

Building Permit from local jurisdiction

USDA Form RD 1924-25 (Rev. 7-99)		U.S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT FARM SERVICE AGENCY		Form Approved OMB No. 0575-0042	
<b>PLAN CERTIFICATION</b>					
(Property Name/Applicants Name and Case Number)					
(Property Address)				(City)	
(Country)				(State)	
<b>BUILDING</b> TYPE: <input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family					
PLANS: <input type="checkbox"/> Original <input type="checkbox"/> Modifications					
I, _____, being a _____ <small>(type or print)</small> <small>(licensed architect, engineer, or authorized building official, etc.)</small>					
in the State of _____, hereby certify that I have reviewed:					
<input type="checkbox"/> the plans and specifications dated _____ prepared by _____ <small>(name of firm or individual)</small> for the above property					
<input type="checkbox"/> the thermal performance plans, specifications and calculations dated _____ prepared by _____ for the above property <small>(name of firm or individual)</small>					
<input type="checkbox"/> the seismic design (plans and specifications) dated _____ prepared by _____ <small>(name of firm or individual)</small> for the above property					
<input type="checkbox"/> modifications listed below, that have been clearly indicated on the drawings and specifications dated _____ prepared by _____ and certified by _____ <small>(name of firm or individual)</small> _____ and related to the above property <small>(name of firm or individual)</small>					
<b>MODIFICATIONS</b>					
<b>OPTIONAL FORM</b>					
<small>According to the Paperwork Reduction Act 1995, an agency may not conduct or sponsor, and a person is not 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 0575-0042. The time required to complete this information collection is estimated to average 10 minutes 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.</small>					

# Evidence of Construction Inspections

7 CFR 3555.202(a) and HB-1-3555, Chapter 12.9 B

Acceptable evidence of Construction Inspections may be documented by one of three options:

- 1) Certificate of Occupancy issued by local jurisdiction, showing it has performed at least 3 construction phase inspections, and 1-year builder's warranty; OR
- 2) 3 construction phase inspections, including final inspection and 1-year builder's warranty; OR
- 3) Final Inspection and 10-year insured builder's warranty.

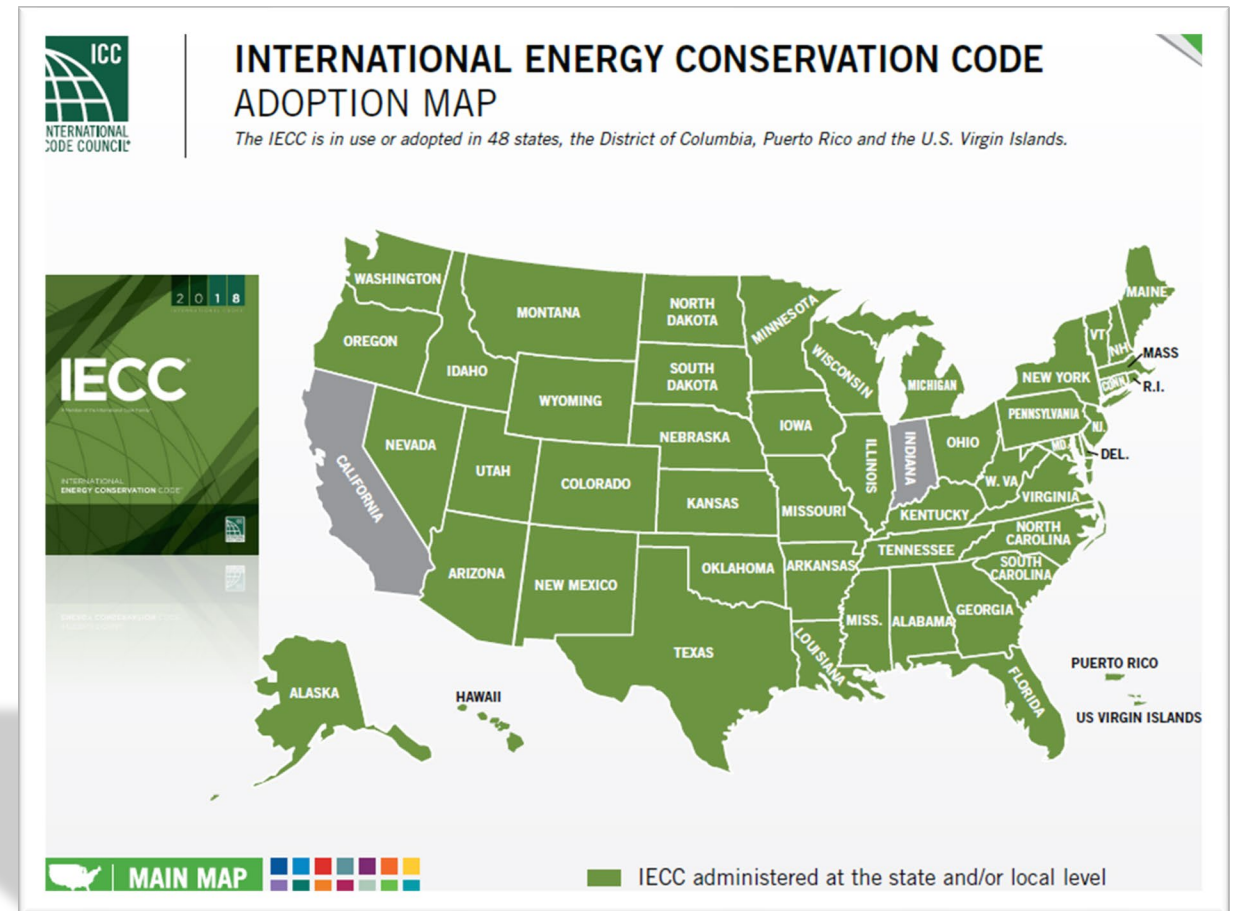


# Evidence of Thermal Standards

7 CFR 3555.202(a) and HB-1-3555, Chapter 12.9 B

Evidence thermal standard meet or exceed International Energy Conservation Code (IECC) at time of construction may include:

- Qualified, registered architect or engineer may certify confirmation with IECC standards, or
- Builder may certify confirmation with IECC standards, or
- Final inspection or CO by local jurisdiction.





## LENDER

Review and retain of all required construction documentation.



## AGENCY

Monitor the lender's compliance with program requirements.



# New Construction – Maximum Loan Amount

7 CFR 3555.103(c)

Transactions that cannot meet the minimum new construction documentation requirements.

- New home purchase transactions that cannot meet the minimum required plan certification, inspections, and warranty document requirements outlined in Handbook 12.9(B) are limited to a 90 percent loan to value (LTV).
- The lender may loan the one-time upfront guarantee fee in addition to the limiting 90 percent LTV.





What Have You Learned?



# Question

The lender obtained the following documentation for a new construction dwelling.

1. 3 construction inspections, including evidence the dwelling has been built to eligible codes and thermal standards.
2. One-year builder's warranty.

This property is eligible for guarantee.

A. True

B. False



# Answer

## **A. True**

Required evidence must meet 3555.202(a) and HB 12.9 B and the lender must retain all documents in their permanent loan file.

*3555.202(a) and HB Chapter 12.9(B)*

# Question

The Certificate of Occupancy for the subject property is dated May 2024. The purchase contract is dated June 2025. This dwelling is considered new construction.

A. True

B. False

# Answer

## **B. False**

The dwelling has been completed for over 12 months; therefore, this home is considered an existing dwelling and must meet HUD Handbook Minimum Property Requirements.

*3555.202(a) and HB Chapter 12.9(A)*



# Question

A final inspection and a 10-year insured builder warranty are acceptable to document evidence of construction inspections.

A. True

B. False

# Answer

## **A. True**

A final construction inspection along with an insured 10-year builder's warranty is sufficient evidence to document the dwelling's construction inspections.

*3555.202(a) and HB Chapter 12.9(B)*

# Question

The following documentation has been obtained in regard to the dwelling's construction.

One construction inspection and

A one-year builder's warranty

This dwelling is ineligible for guarantee.

A. True

B. False



# Answer

## **B. False**

New construction homes without required construction documentation are limited to a loan-to-value of 90%.

*3555.103(c) and HB Chapter 12.9(B)*

# Question

Which of the following may certify plans and specifications for a new dwelling?

- A. Licensed architect
- B. Professional engineer
- C. Local authorized building official
- D. All of the above

# Answer

## **D. All of the Above**

Licensed architects, professional engineers, and local authorized building officials are acceptable plan certifiers.

*3555.202(a) and HB Chapter 12.9(B)*



# Question

The appraiser certifies that the subject property, completed less than 12 months ago and never occupied, meets HUD Minimum Property Requirements (MPR) per HUD Handbook 4000.1.

This certification is acceptable in lieu of inspection requirements as outlined in HB-1-3555, Chapter 12.9 B.

A. True

B. False

# Answer

## **A. False**

Existing dwellings must meet HUD Handbook Minimum Property Requirements (MPR).

New construction dwellings must comply with the requirements outlined in Handbook-1-3555, Chapter 12.9(B), and compliance must be documented.

3555.202(a) and HB Chapter 12.9(B)

# Question

The Agency may request construction documentation that is not required to be submitted under program guidelines in the following situations:

- A. The Agency is performing a review of a newly approved lender.
- B. A loss claim request is being reviewed by the Agency.
- C. The Agency is conducting a periodic lender compliance review.
- D. All of the above.

# Answer

## **D. All of the Above**

The Agency does not require the lender to routinely submit documentation not required under program guidelines but may request documents when appropriate.

*3555.202(a) and HB Chapter 12.9(B)*



# Lender Toolkit





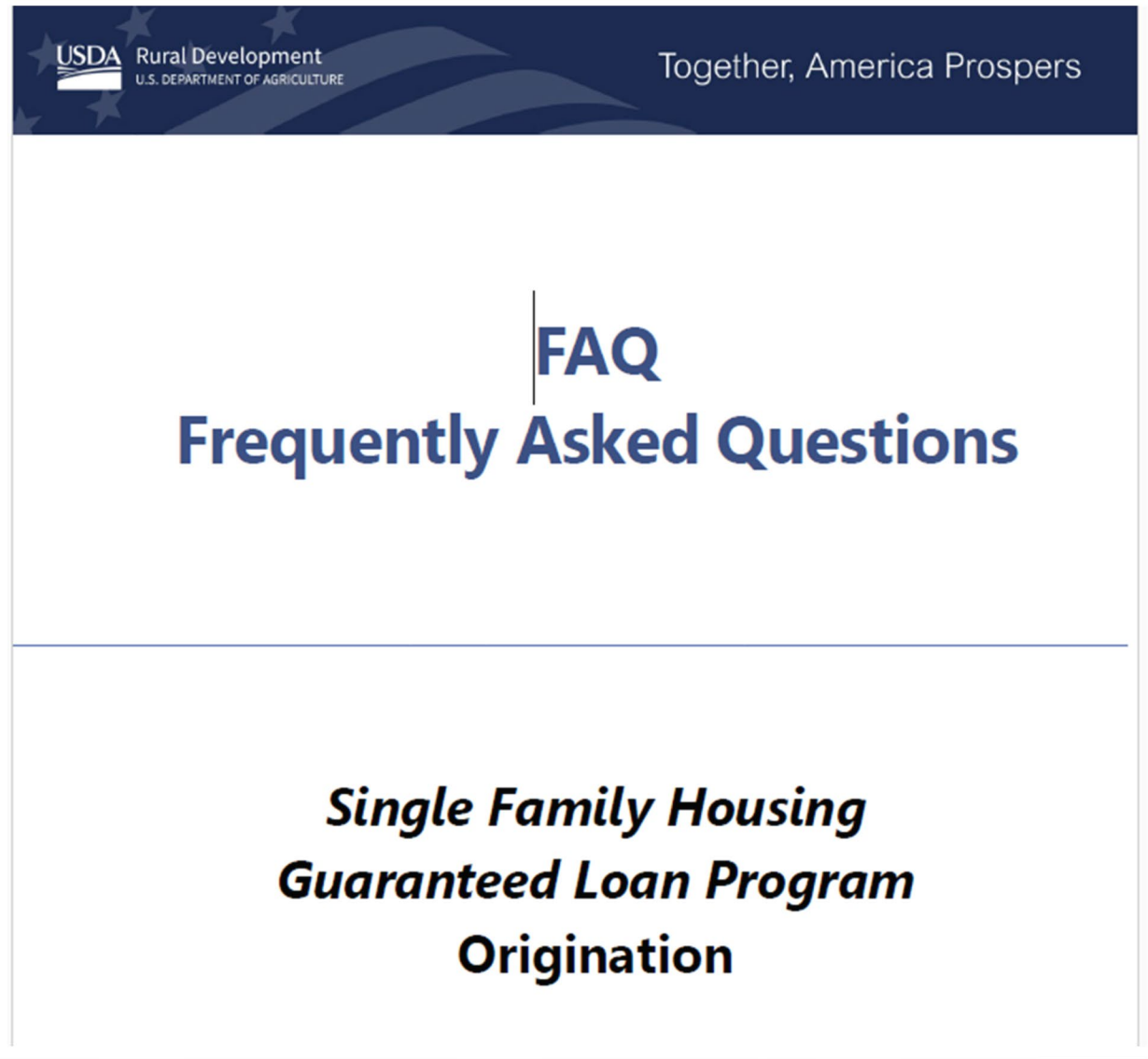
Origination FAQs



Bookmark It!



Use Ctrl-F to find  
answers quickly!





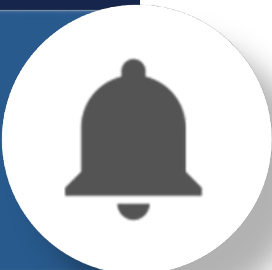
Training &  
Resources



Check back for  
updates



Don't forget to sign up  
for GovDelivery  
updates



# 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
- Guaranteed Underwriting System (GUS)
- Lender Approval
- Single Family Housing GLP Policy Desk
- Lender Training
- Loan Closing
- Loan Origination
- Loan Servicing
- GUS Lender Test Environment (LTE)
- SFHGLP System Access and Security Guide
- Lender Training Schedule
- Loan Processing
- LINC Contact and Resources
- Lender List
- RBCS How-To Apply Video Series for Applicants

English

Loan Status

We are currently reviewing new loan applications and conditions received on or before **5-23-2025**.

New Information

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

Lender Approval and Recertification

Loan Origination

Loan Closing

Policy Desk

Lender Training

Loan Processing

Loan Servicing

Guaranteed Underwriting System (GUS)

### Contact Us

Find contact information and resources to help you with Single Family Housing Guaranteed Loan Program questions.

View Contact Information

### GovDelivery Updates

An archive of previously released email bulletins and program updates are outlined below. Stay connected with the latest information by [subscribing to our emails](#).

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	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, GU, HI, IA, ID, KS, KY, LA, MO, MN, MS, MT, ND, NE, NM, NJ, NY, NV, OK, OR, SD, TX, UT, WA, WI, WV  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

Have a question on  
POLICY?

*Contact the PAC team!*



Need TRAINING?

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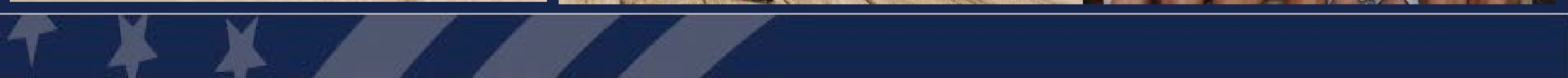
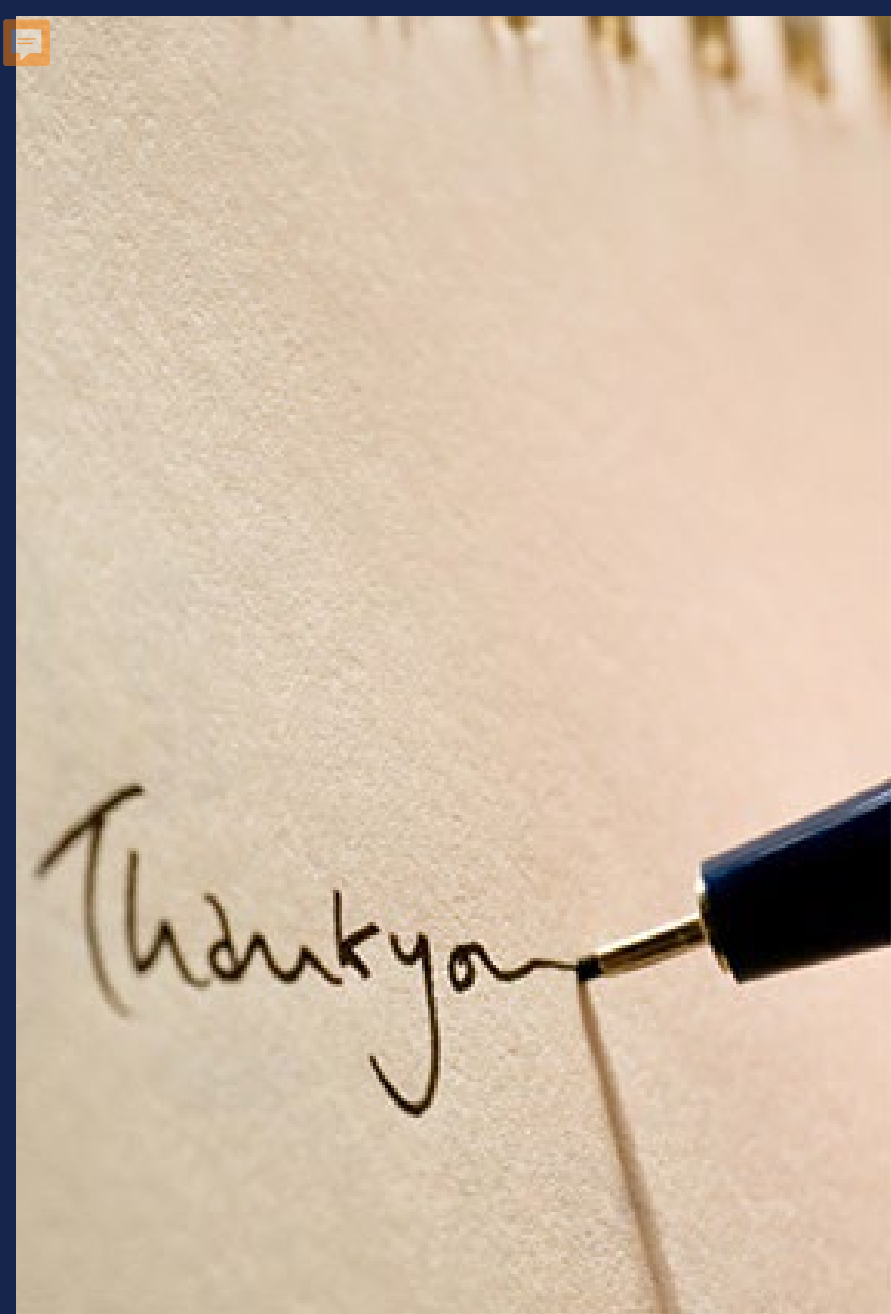
Have a question on a  
SPECIFIC FILE?

*Contact the OPD!*



Topic	Information
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:sfhglpservicing@usda.gov">sfhglpservicing@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)	<b>Form Instructions</b>









[www.rd.usda.gov](http://www.rd.usda.gov)

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