

Refinance Loans

Single Family Housing
Guaranteed Loan Program
(SFHGLP)

May 2025





REFINANCE

Options and Opportunities



Today's Topics

- ☐ Refinance Loans: HB-1-3555, Chapter 6.2(D)(2)
- ☐ Regulation: 7 CFR Part 3555.101(d)
- ☐ Handbook: HB-1-3555; Chapter 6.2(D)
- ☐ Knowledge Check
- ☐ Lender Toolkit

A G E N D A




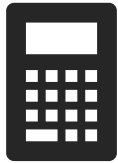


Available Options:

- Non-Streamlined
- Streamlined
- Streamlined-Assist

Not a loss
mitigation option.





Refinance Terms and Conditions

HB-1-3555, Chapter 6.2(D)(2)

		Non-Streamlined	Streamlined	Streamlined-Assist
APPRAISAL		Required	Only when Direct loan borrowers received subsidy	Only when Direct loan borrowers received subsidy
MAXIMUM LOAN AMOUNT		May include: P&I balance, closing costs, and subsidy recapture due <i>(up to new appraised value)</i> <u>plus</u> the upfront guarantee fee	May include: P&I balance and closing costs <u>plus</u> the upfront guarantee fee (subsidy recapture cannot be included)	May include: P&I balance and closing costs <u>plus</u> the upfront guarantee fee (subsidy recapture cannot be included)
ADD OR REMOVE BORROWERS		Add: Yes Remove: Yes (<u>1</u> original borrower must remain)	Add: Yes Remove: Yes (<u>1</u> original borrower must remain)	Add: Yes Remove: Only if deceased
CREDIT		Loan paid as agreed <u>180 days</u> prior to loan application. Must meet Chapter 10 Requirements.	Loan paid as agreed <u>180 days</u> prior to loan application. Must meet Chapter 10 requirements.	Loan paid as agreed <u>180 days</u> prior to loan application

Refinance Terms and Conditions

HB-1-3555, Chapter 6.2(D)(2)

		Non-Streamlined	Streamlined	Streamlined-Assist
RATIO WAIVERS		GUS Accept: no waivers GUS Refer: waiver required <i>(if outside guidelines)</i>	GUS Accept: no waivers GUS Refer: waiver required <i>(if outside guidelines)</i>	No ratio calculation required
GUS UTILIZATION		Yes	Yes	No <i>(manual submission required)</i>
SEASONING REQUIREMENT		Existing loan must have closed <u>180 days</u> prior to the Agency's receipt of a Conditional Commitment request	Existing loan must have closed <u>180 days</u> prior to the Agency's receipt of a Conditional Commitment request	Existing loan must have closed <u>180 days</u> prior to the Agency's receipt of a Conditional Commitment request
TANGIBLE BENEFIT		No	No	Yes <i>(New Principal, Interest, & Monthly annual fee must be at least <u>\$50 less</u> than current amount)</i>

Refinance Terms and Conditions

HB-1-3555, Chapter 6.2(D)(2)



Loan Terms must be fixed for 30 years



Interest Rate of new loan must be fixed and not exceed the interest rate of the loan refinanced



Loan security must include the same property as the original loan and owned and occupied by the applicants as their principal residence



Properties in areas since determined by the Agency to be non-rural (ineligible) remain eligible for a refinance



Property inspections as outlined in HB-1-3555, Chapter 12 are not required (such as well/septic inspections or water tests)



Secondary financing such as leveraged loans, down payment assistance loans, or home equity lines of credit cannot be included in a new guarantee refinance loan

Refinance Terms and Conditions

HB-1-3555, Chapter 6.2(D)(2)



Cash out is not permitted except for reimbursement of eligible closing costs paid from the borrower's personal funds for the refinance transaction



Unpaid fees, past-due interest, and late fees/penalties due the servicer cannot be included in the new loan amount



The lender may establish charges and fees for the refinance loan, provided they are the same as those charged to other applicants for similar transactions



The entire upfront fee may be financed into the new refinance loan



An annual fee will be charged by the Agency for refinance transactions



Lenders should submit the complete application package in accordance with HB-1-3555, Ch 15 and submit closing documents when requesting the LNG in accordance with HB-1-3555, Ch 16



What Have You Learned?



Question

A borrower wishes to refinance their existing guaranteed loan where they will receive a lower interest rate than they are currently obligated to. The borrower would like to also apply for an additional \$5,000 to pay off existing student debt.

This is an allowable SFHGLP eligible refinance.

- A. True
- B. False

Answer

B. False

Borrowers are not eligible to receive “cash-out” from the refinance transaction.

Ref 3555.101(d)(3)(i), HB 6.2 D

Question

For refinances that involve either Construction Financing or Site without a Dwelling, the construction period is limited to:

- A. 6 months
- B. 12 months
- C. 18 months

Answer

B. 12 months

The construction period is limited to no greater than 12-months. The 12-month period must have occurred directly prior to permanent financing.

Ref 3555.101(d), HB 6.2 D (1)

Question

GUS may not be utilized on which of the following refinance options:

- A. Non-Streamlined
- B. Streamlined
- C. Streamlined-Assist

Answer

C. Streamlined-Assist

GUS is unavailable for this refinance option and all loans submitted under Streamlined-Assist must be manually underwritten.

Ref HB 6.2 D (2) (c)

Question

A maximum monthly housing expense ratio of 34% and total debt ratio of 41% must be met for all three refinancing options.

- A. True
- B. False

Answer

B. False

Housing expense and total debt ratio requirements must be met for only the Non-Streamline and Streamlined refinance.

Ref 3555.101(d)(3)(C), HB 6.2 D (2)(a) & (b)

Question

An existing Direct borrower would like to include subsidy payoff in the new loan. Which refinance option could be used for this purpose?

- A. Non-Streamlined
- B. Streamlined
- C. Streamlined-Assist

Answer

A. Non-Streamlined

Non-Streamlined is the only refinance option that allows the subsidy recapture to be included in the new loan, and then only if the appraised value supports the new loan amount needed to do so.

Ref HB 6.2 D (2)(a)



Lender Toolkit





<https://www.rd.usda.gov/sites/default/files/rd-sfh-faqloanorigination.pdf>

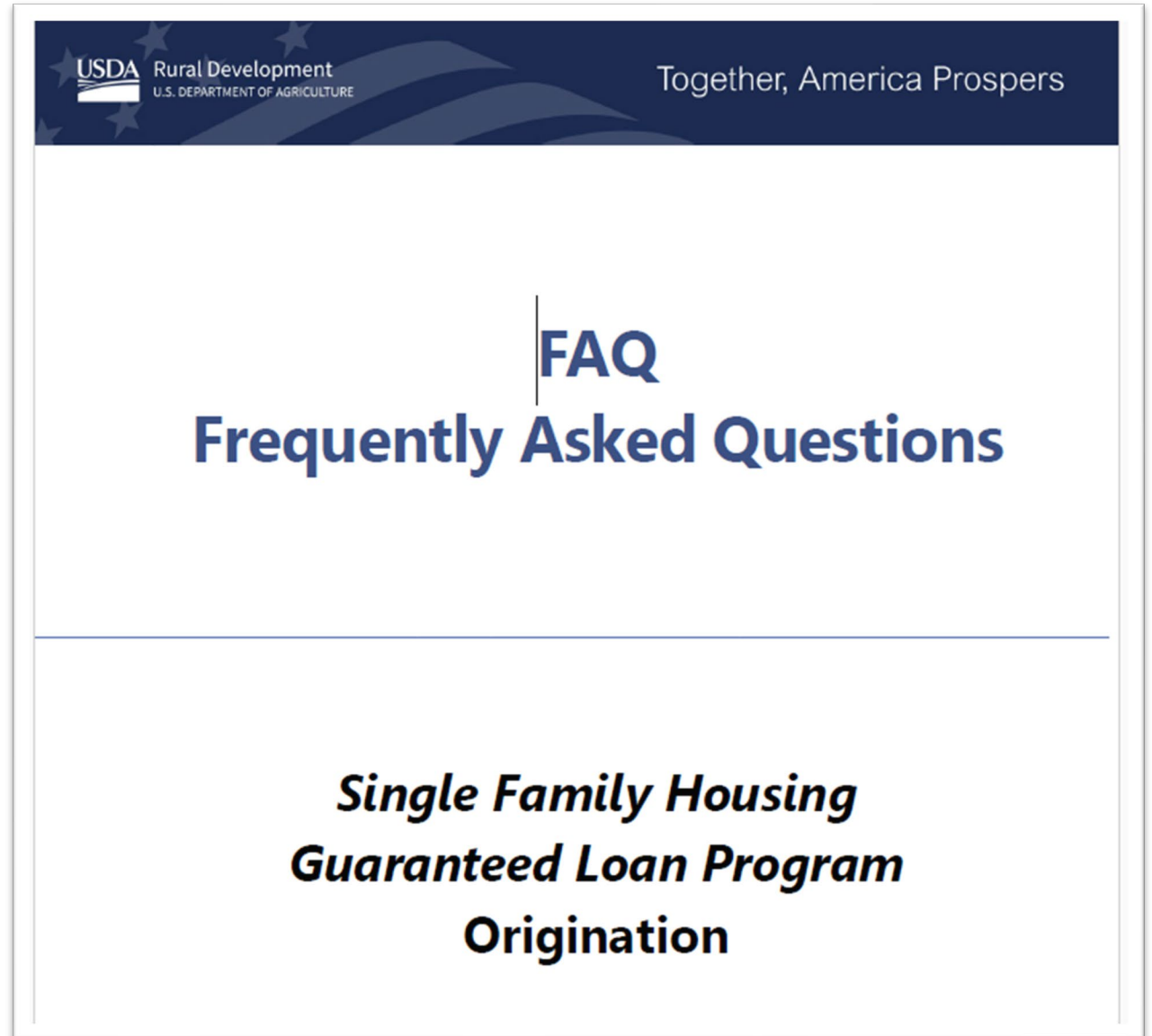
Origination FAQs



Bookmark It!



Use Ctrl-F to find
answers quickly!





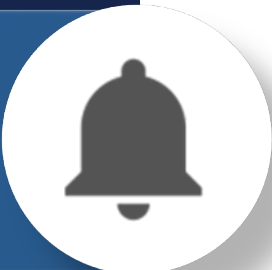
Training & Resources



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">• Identify the state the application is located; if applicable;• Provide applicant's name and USDA borrower ID, if applicable;• GUS loan number, if applicable• Include contact information; and• Indicate if you would like a call back (otherwise you will receive an email reply) 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: SFHGLP.OPD1@usda.gov 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, WP, WI, WV Origination and Processing Division 2: SFHGLP.OPD2@usda.gov 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?**

Contact the LPA team!

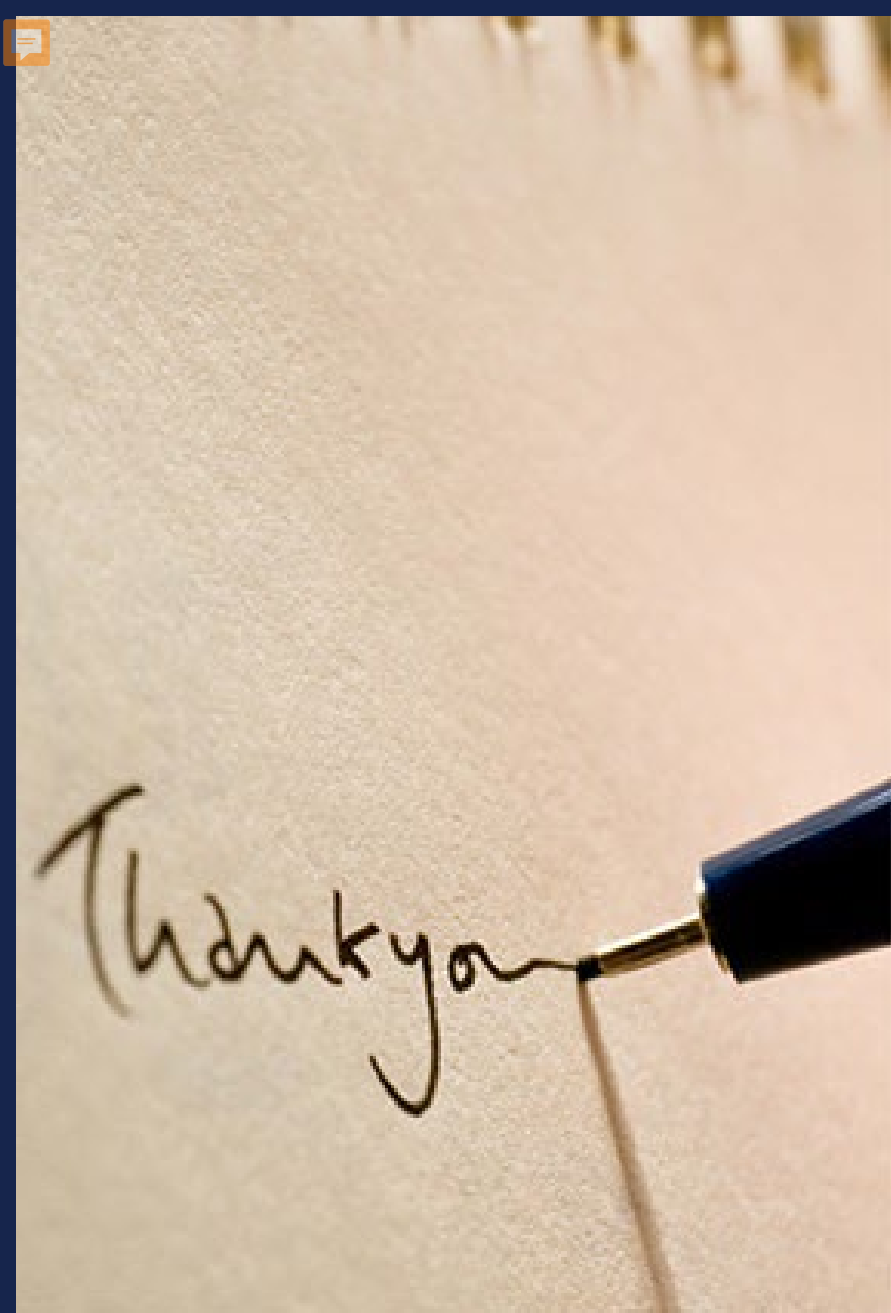


Have a question on a
SPECIFIC FILE?

Contact the OPD!



Topic	Information
Lender Self-Report	SFHGLD.QA@usda.gov
Program Training Program Marketing and Outreach	sfhgld.lenderpartner@usda.gov
General Loan Scenario Questions Loan Policy/Regulation/Handbook	sfhgld.program@usda.gov 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	sfhglpservicing@usda.gov
Technical Issues: GUS	RD.HD@USDA.GOV or (800) 457-3642 option 2, option 2
Technical Issues: eAuth or Login.gov	https://www.eauth.usda.gov/eauth/b/usda/faq Select Public Customer FAQs
Loss Claims	guarantee.svc@usda.gov
Monthly and Quarterly Status Reporting GUS User Agreements	RD.SO.HSB@usda.gov
Adding/Removing Security Administrator (SFH Guaranteed Loan Program Automated Systems)	Form Instructions





www.rd.usda.gov

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