

Section 538 Guaranteed Rural Rental Housing Program (GRRHP) Response Template

Instructions

Complete and submit the Section 538 GRRHP *Response* Template along with the application and supporting documentation in accordance with the instructions at the bottom of this template. **Please note:** This template is not on a secured website. All applications will be scored using the priority scoring criteria on this form as outlined in the Notice published in the Federal Register on December 20, 2024.

Under item **XVII. Documents Submitted**, check all supporting documents that you are submitting. If a document is not needed due to the type of Guarantee Option, please check the box in the column labeled "N/A".

I. Lender/Applicant Information

Total Score:

a. Lender's Name:

b. Lender's Mailing Address:

Address, Line 1:

Address, Line 2:

City:

State:

Zip:

c. Lender's UEI:

d. Name of Lender's Contact Person:

e. Contact Person's Telephone Number:

f. Contact Person's Email Address:

II. Borrower Information

a. Borrower's Name:

b. Tax Classification: For Profit

Not for Profit

c. Borrower's DUNs/UEI Number:

d. Organization Type:

General or Limited Partnership

Public Agency

For Profit Corporation

Indian Tribe

Non-Profit Corporation

Trust

Limited Liability Corporation

Individual

Other

Specify:

- e. Is this a Faith-based organization? Yes **No**
- f. Borrower's Address:
 Address, Line 1:
 Address, Line 2:
 City: State: Zip:
 County:
 Congressional District:
- g. Name of Borrower's Contact Person:
- h. Contact Person's Telephone Number:
- i. Contact Person's Email Address:
 The following supporting documents are required for submission, unless otherwise noted. Check the documents you are submitting under item XVII
 Documents Submitted:
- j. Equal Opportunity Survey (optional)
- k. Principal or Key Members of Borrower Organization
- l. Borrower Information and Statement of Housing Development Experience

III. Project Information

- a. Project Name:
- b. Project Type:
 Family Senior (all residents 55 years or older) Mixed
- c. Project Address:
 Address, Line 1:
 Address, Line 2:
 City: State: Zip:
 County:
 Congressional District:
- d. Construction Type:
 New Construction Acquisition with Rehabilitation
- e. Supporting documents required:
 Property Description and Proposed Development Schedule

IV. Guarantee Fee Structure Designation

Standard Fee **Reduced Fee** (If reduced fee is selected check all that apply below)

Reduced Fee (Preservation of 515,514/516)
Reduced Fee (Workforce Housing)
Reduced Fee (Energy Efficient/Green)

V. Project Cost and Rent

- a. Total Project Development Cost:
- b. Total Number of Units:
- c. Total Number of 3-5 bedroom units:
- d. Ratio of 3-5 bedroom units to total units:
- e. Cost per Unit (Total Development Cost ÷ Total Units):
- f. Proposed Rent Structure

Unit Type

Monthly Rent

- g. **Median Income for Community** (from the most recent census data published by the United States Department of Housing and Urban Development (HUD)):

VI. Project Site Information

Supporting documents required

- a. Evidence of Site Control
- b. Description of any Environmental Issues

VII. Project Funding

- a. Section 538 Guaranteed Loan Amount:
- b. Section 515 Direct Loan Amount:
- c. Section 515 Funding Type:
 - None
 - Rehab/Revitalize
 - Transfer with Rehab/Revitalize
 - Other
- d. Borrower's Proposed Equity

Source

Amount

Total Equity:

- e. Low Income Housing Tax Credits (LIHTC)

Have tax credits been awarded? Yes No

If not, when do you anticipate an award will be made (announced) (mm/dd/yyyy)?

What is the [estimated] value of the tax credits?

Include one of the following supporting documents:

- If awarded, a copy of the award or evidence of award
- If not awarded, letters of application and commitment, if available

f. Other Sources of Funds

List all Loan funding sources other than tax credits:

Source	Amount	Rate	Term
--------	--------	------	------

Total:

List all Grant funding sources other than tax credits:

Source	Amount
--------	--------

Total:

g. Loan to Total Development Cost (Guaranteed Loan ÷ Total Project Development Cost):

h. Debt Coverage Ratio (Net operating income ÷ by debt service payments):

Note: Debt Coverage Ratio must be at least 1.15 or greater to qualify for this program.

i. Percentage of Guarantee requested:

j. Provide Collateral for Guarantee as a supporting document

k. Type of Guarantee being requested

Permanent Only (Option 1)

Construction and Permanent (Option 2)

Continuous (Option 3)

l. Loan Term (minimum 25-year term; maximum 40-year term including construction period; may amortize up to 40 years; balloon mortgages permitted after the 25th year):

m. Proposed Closing Date (Actual closing date dependent on acceptance and approval of a successfully processed application and once all conditions have been met in the RD issued Conditional Commitment).

n. **Is Commercial Space associated with this property?** Yes No

If Yes, does Gross Floor (GR) area exceeds 10% of residential units/common area?

Yes No N/A

VIII. Other Background Information

a. The project is located in one of the following areas:

In a Colonia

On Tribal Lands

In a place identified in the State's Consolidated Plan

In a high-need community for multi-family housing based on the State's Needs Assessment

None of the above

b. **Is the property located in a Federally Declared Disaster Area?** Yes No

If "Yes," provide the Presidential Declaration as a supporting document.

c. **What is the population of the county, city or town where the project is or will be located?**

Name of County, City or Town:

Population:

IX. Priority 1

Properties located in eligible rural communities with the lowest population. One point will be awarded if the city or town population is under 10,000 people. **Is the city or town population less than 10,000? (1 Point)** Yes No

Points:

X. Priority 2

One point is awarded if the property is located in a persistent poverty county as defined by the USDA Economic Research Service.

Is the property located in a Persistent Poverty County (1 Point)? Yes No

Persistent Poverty County Name:

Points:

XI. Priority 3

Properties that demonstrate partnering and leveraging of third-party funding. One point is awarded if the loan to total development cost ratio is less than 50%.

Is the loan to total development cost ratio less than 50%? (1 Point) Yes No

Points:

XII. Priority 4

Properties with the highest ratio of 3-5 bedroom units to total units. One point is awarded if the ratio of 3-5 bedroom units to total units is 25% or more.

The 3-5 bedroom units to total units is 25% or more. (1 Point)

Yes No ☐

Points

XIII. Priority 5

Properties on tribal land. One point will be awarded if the project is located on Tribal Land. **Is the project located on Tribal Land? (1 Point)**

Yes No

Points:

XIV. Priority 6

Properties with a lower Section 538 guaranteed loan interest rate. One point is awarded if the interest rate is equal to or less than 130% of the long-term annual applicable federal rate ([AFR Table 1](#)) at the time of application submission to the Agency.

This 538 guaranteed loan interest rate is equal to or less than 130% of the long-term annual applicable federal rate? (1 Point)

Yes No

Points:

XV. Priority 7-Reduced Annual Fees

Properties determined eligible for reduced annual Section 538 fees under the Federal Register Notice 87 FR 12077 published on March 3, 2022. One point awarded for each of the criteria met for reduced annual fees: 1) Workforce Housing (Rents Between 80%-115% Area Median Income), or 2) Preservation of Existing Section 515 and Section 514/516 Rural Development Properties or 3) Section 538 New Construction or Substantial Rehabilitation Meeting Green or Energy Efficiency Requirements. Projects will be held to the energy program standards in effect at the time the application was submitted to the Agency.

Workforce Housing (Rents Between 80%-115% Area Median Income (1 Point)
Preservation of Existing Section 515 and Section 514/516 Rural Development Properties (1 Point)
Section 538 New Construction or Substantial Rehabilitation Meeting Green or Energy Efficiency Requirements (1 Point)

Points:

XVI. Priority 8 – Energy Consumption Performance

Energy consumption performance. One point will be awarded if the lender obtains the borrower's agreement to enroll in the United States EPA's ENERGY STAR Portfolio Manager and document and report energy consumption for the property to the Agency. Along with the collection of the borrower's annual reports (outlined in 7 CFR Part 3565.351), to obtain the priority points the lender must collect the Statement of Energy Performance (SEP) report from the borrower and submit it to the Agency for review. This will allow the Agency to track the energy consumption performance of the project. Borrowers may access the EPA's ENERGY STAR Portfolio Manager software at no cost.

Borrower agrees to enroll in the EPA's Energy Star Portfolio Manager? (1 Point)

Yes No

Points:

XVII. Priority 9 – Low Income Housing Tax Credits Qualified Contracts Waiver

Projects that include Low Income Housing Tax Credits financing that have waived or will waive their Qualified Contract Rights. Twelve points will be awarded to projects that include LIHTC financing in which the owner has agreed to waive the Qualified Contract rights. A document certifying that the rights have been waived must be included with the complete application.

Borrower agrees to waive Qualified Contract Rights? (12 Points)

Yes No

Points:

XVIII. Priority 10 - Section 514/515 Maturity

Projects that have Section 514/515 loans that will naturally mature within three years from application submission, will receive one point.

514/515 Loan naturally matures withing three years from submission? (1 Point)

Yes

No

Points:

XIX. Priority 11 - Projects Providing Access to Supportive Services for Tenants

Projects Providing Access to Supportive Services for Tenants. One point will be awarded to projects that employ a Service Coordinator, documented as a project expense in the most recent agency-approved FormRD 3560-7 Multifamily Housing Project Budget/Utility Allowance, or include units designated as permanent supportive units or for homeless households, documented by an agreement with another federal or state funding source. To receive points, the applicant must describe the basis for claiming points (i.e., service coordinator and/or permanent supportive housing/homeless unit set-aside) and provide documentation to include the Form 3560-7 and/or an agreement describing the terms and conditions for the units designated as permanent supportive housing or for homeless households, as applicable.

Does this project employ a service coordinator? (1 Point)

Yes

No

Points:

XX. Documents Submitted

On the next few pages, please check the appropriate box for all documents that you will be submitting to substantiate your responses on this Template. (If a document is not needed due to the type of Guarantee Option, please check the box in the column labeled "N/A".) Points will be assigned for the items that you checked based on a review of the supporting documents.

Step-by-step instructions on how to submit this Template, the completed application and all supporting documentation have been provided at the end of this document.

Reference in Form	Item	Submitted (Please check if the form or document was submitted to the Agency	N/A (Please check the box if this form is not applicable for the Guarantee Option)
II. Borrower Information			
j.	Equal Opportunity Survey (optional)		
k.	Principal or Key Members of Borrower Organization		
l.	Borrower Information and Statement of Housing Development Experience		
III. Project Information			
e.	Property Description and Proposed Development Schedule		
VI. Project Site Information			
a.	Evidence of Site Control		
b.	Description of any Environmental Issues		
VII. Project Funding			
e.	If Tax Credits have been awarded, a copy of the award or evidence of award, OR		
e.	If Tax Credits have not yet been awarded, letters of application and commitment		
j.	Collateral for Guarantee requested		
VIII. Other Background Information			
b.	Presidential Declaration document if property is located in a Federally declared disaster area		
IX. to XX. Priority 1 through 11			
IX.	Priority 1: Population Size		
X.	Priority 2: Persistent Poverty		
XI.	Priority 3: Third Party Leveraging		
XII.	Priority 4: 3-5 bedroom ratio		

Reference in form	Item	Submitted (Please check if the form or document was submitted to the Agency)	N/A (Please check the box if this form is not applicable for the Guarantee Option)
XIII.	Priority 5: Located in Tribal Lands		
XIV.	Priority 6: Projects with a lower Section 538 guaranteed interest rate.		
XV.	Priority 7: Reduced Annual Fees Eligibility		
XVI.	Priority 8: Energy Consumption Performance		
XVII.	Priority 9: LIHTC Qualified Contracts Waiver		
XVIII.	Priority 10: Section 514/515 Maturity		
XIX.	Priority 11: Supportive Services For Tenants		

XXI. Scoring

PLEASE NOTE: The scoring below is based on the responses that you have provided on this template and may not accord with the final score that the Agency assigns upon evaluating the supporting documentation that you submit. Your score may change from what you see here if the supporting documentation is incomplete or missing.

Priority	Description	Points Earned
1.	Population Size: (1 Point)	
2.	Persistent Poverty (1 Point)	
3.	Third Party Leveraging (1 Point)	

Priority	Description	Points Earned
4.	3-5 Bedroom Ratio to Total Units (1 Point)	
5.	Located on Tribal Lands (1 Point)	
6.	Projects with a lower Section 538 Guaranteed Interest Rate (1 Point)	
7.	Reduced Annual Fees (Maximum 3 Points)	
8.	Credentials for Green Property Management (1 Point)	
9.	LIHTC Qualified Contracts Waiver (12 Points)	
10.	Section 514/515 Maturity (1 Point)	
11.	Supportive Services For Tenants (1 Point)	
	Total Score:	

Please Save the Template with the Project Name and State before you send it.

Please read instructions for Section 538 GRRHP Response Template and Application Submission below.

SECTION 538 GRRHP RESPONSE TEMPLATE AND APPLICATION SUBMISSION INSTRUCTIONS

Once the Section 538 GRRHP Response Template and application is complete and ready for submission to the Agency, please take the following steps to submit the supporting documentation:

1. Email 538Application@usda.gov to request the Agency to create a shared folder in CloudVault.
2. The email must contain the following information:
 - a. Subject line: Loan Guarantee Under the Section 538 Guaranteed Rural Rental Housing Program – *Project Name*
 - b. Body of email: Lender Name, Borrower Name, Project Name, Lender Contact Information, Project State, and Guarantee Option (Option 1, Option 2, or Option 3 and Acq_Rehab, New Construction, Rehab 515).
 - c. Request language: “Please create a shared CloudVault folder so that we may submit our application documents.”
3. Once the email request to create a shared CloudVault folder has been received, a shared folder will be created within 2 business days. When the shared CloudVault folder is created, the system will automatically send an email to the applicant’s submission email address with a link to the shared folder.
4. The applicant will upload all required documents for the applicable application. The applicant should also upload a Table of Contents of all of the documents that have been uploaded to the shared CloudVault folder. In an effort to mitigate risk and ensure compensating controls, the applicant **MUST**:
 - a. Upload password protected files to CloudVault. You may upload folders that contain your application documents/files; however, the password must be at the file level – not the folder level. You may also upload a password protected ZIP file that contains your application documents. All application documents must be in separate files. The Agency will not accept one file that contains multiple application documents. If the Agency determines a file is not password protected, the unprotected file will be deleted from the CloudVault folder. The Agency will notify the applicant to resubmit the file with password protection.
5. Once all required documents have been uploaded to the CloudVault shared folder, the applicant must email 538Application@usda.gov.
6. The email must contain the following information
 - a. Subject line: Loan Guarantees Under the Section 538 Guaranteed Rural Rental Housing Program – Project Name
 - b. Body of email: Lender Name, Borrower Name, Project Name, Lender Contact Information, Project State, and Guarantee Option (Option 1, Option 2, or Option 3 and Acq_Rehab, New Construction, Rehab 515).
 - c. Request language: “We have completed our upload to the shared CloudVault folder of all required documents for our application and it is ready for review. The password for all documents is _____.”

Please note: CloudVault is a USDA-approved cloud-based file sharing and synchronization system. CloudVault folders are neither suitable nor intended for file storage due to agency file retention policies, space limitations, and risk mitigation. Therefore, the agency will delete shared CloudVault folders seven calendar days from the CloudVault creation date. If an applicant does not notify the Agency that their application upload is complete before the CloudVault folder’s retention period expires, the Agency will delete the CloudVault folder and the applicant must begin the submission process again.