



USDA Single Family Housing Guaranteed Loan Program

Presented by: Ed Peace, Finance and Loan Analyst

January 15, 2025

Lender and Partner Activities Branch

Ed.Peace@usda.gov

Today's USDA Speaker



Ed Peace

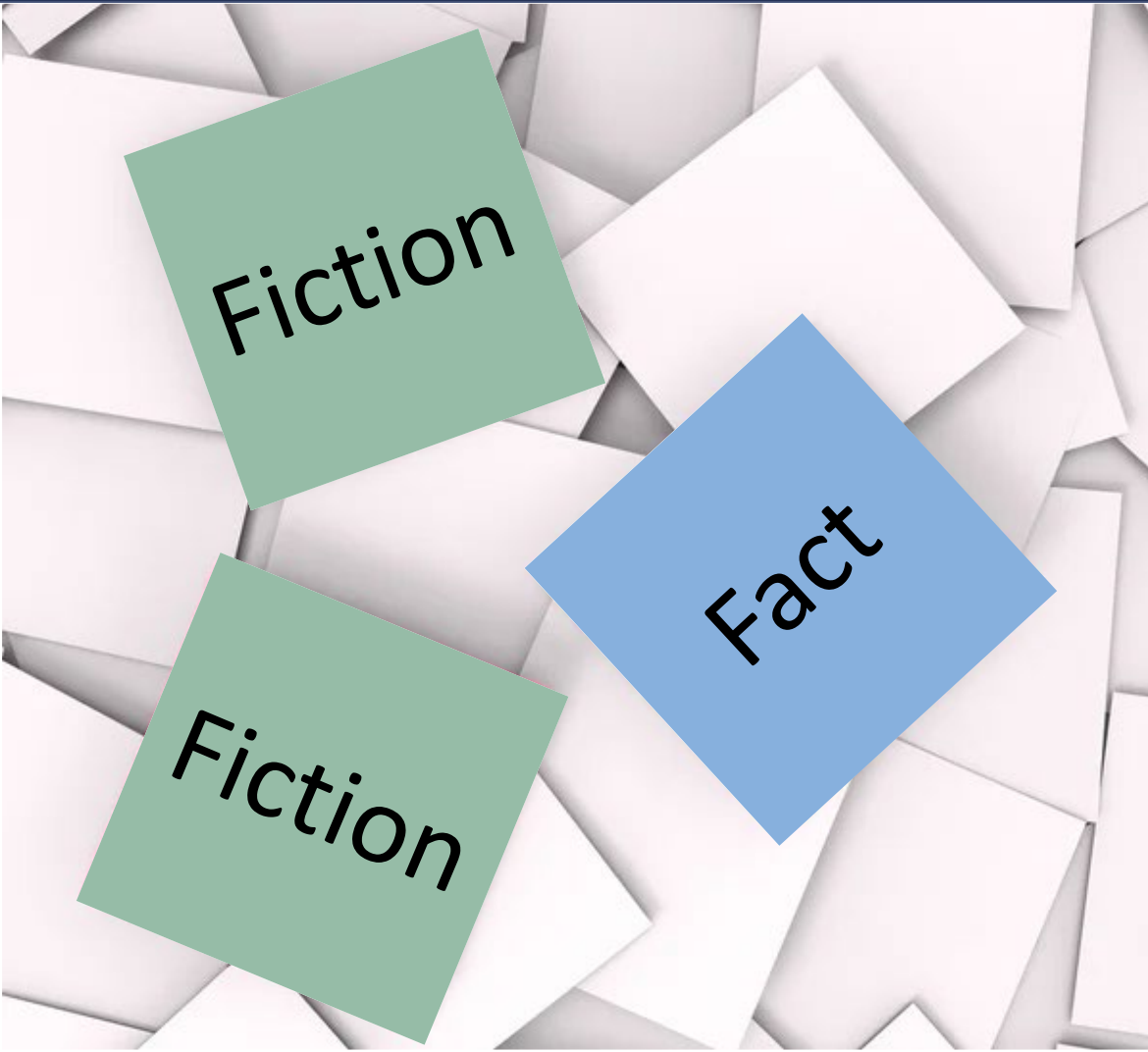
- **Finance and Loan Analyst - USDA Rural Development**
- **Been w/USDA RD since 1989**
- **Been in Single Family Housing Guaranteed Loan Program (SFHGLP) since its inception in 1991**
- **Prior positions w/USDA RD: Local Offices: Office Manager, Underwriter, Appraiser, Servicer;
GA State Office: Guaranteed Loan Coordinator and Single Family Housing Program Director**
- **Current role: member of the National Office's Lender and Partner Activities Branch, working directly with lending partners throughout the U.S. to provide support for & training on the SFHGLP**



Income and Assets

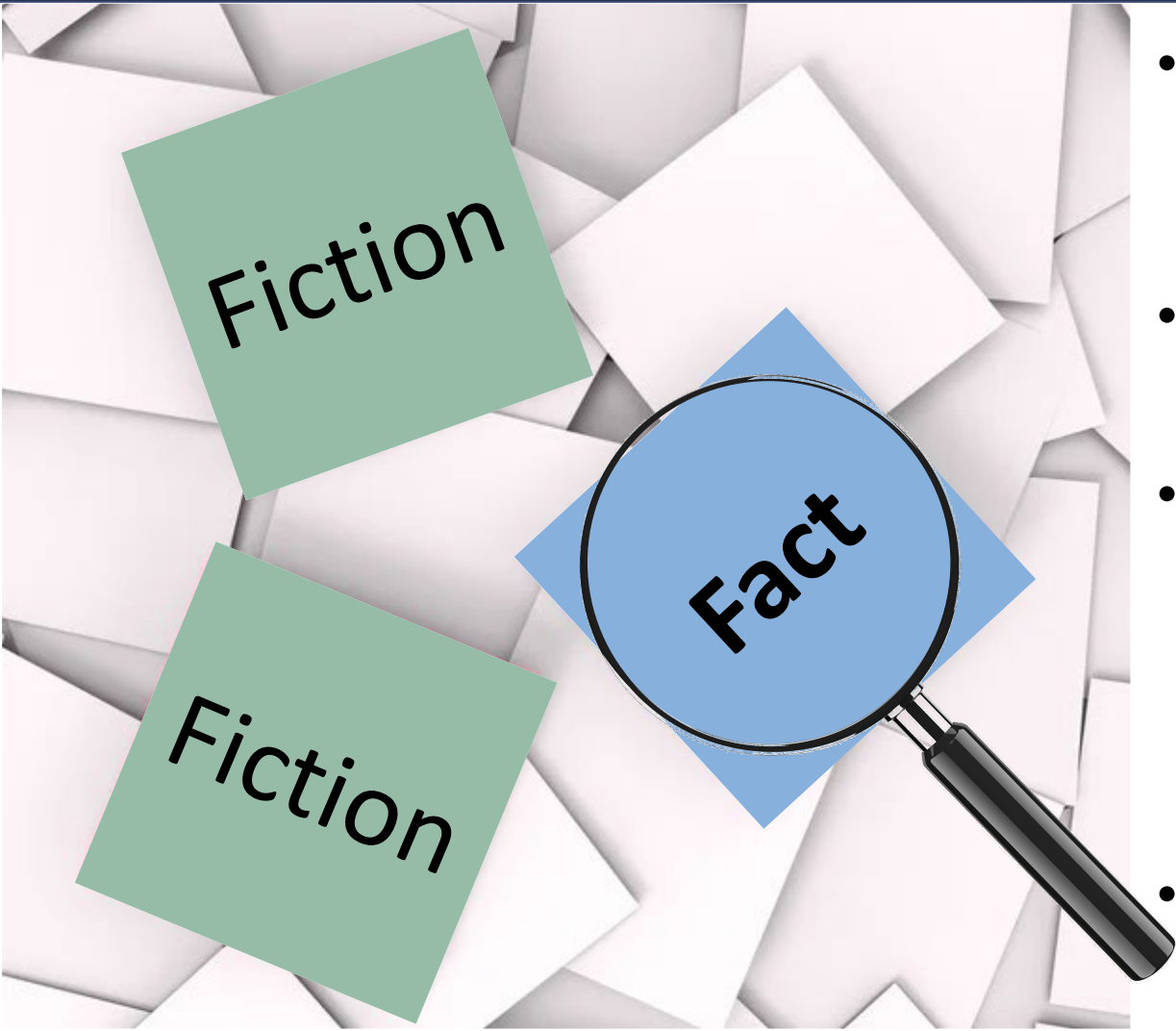
Presented by
Ed Peace, LPA

FACT OR FICTION



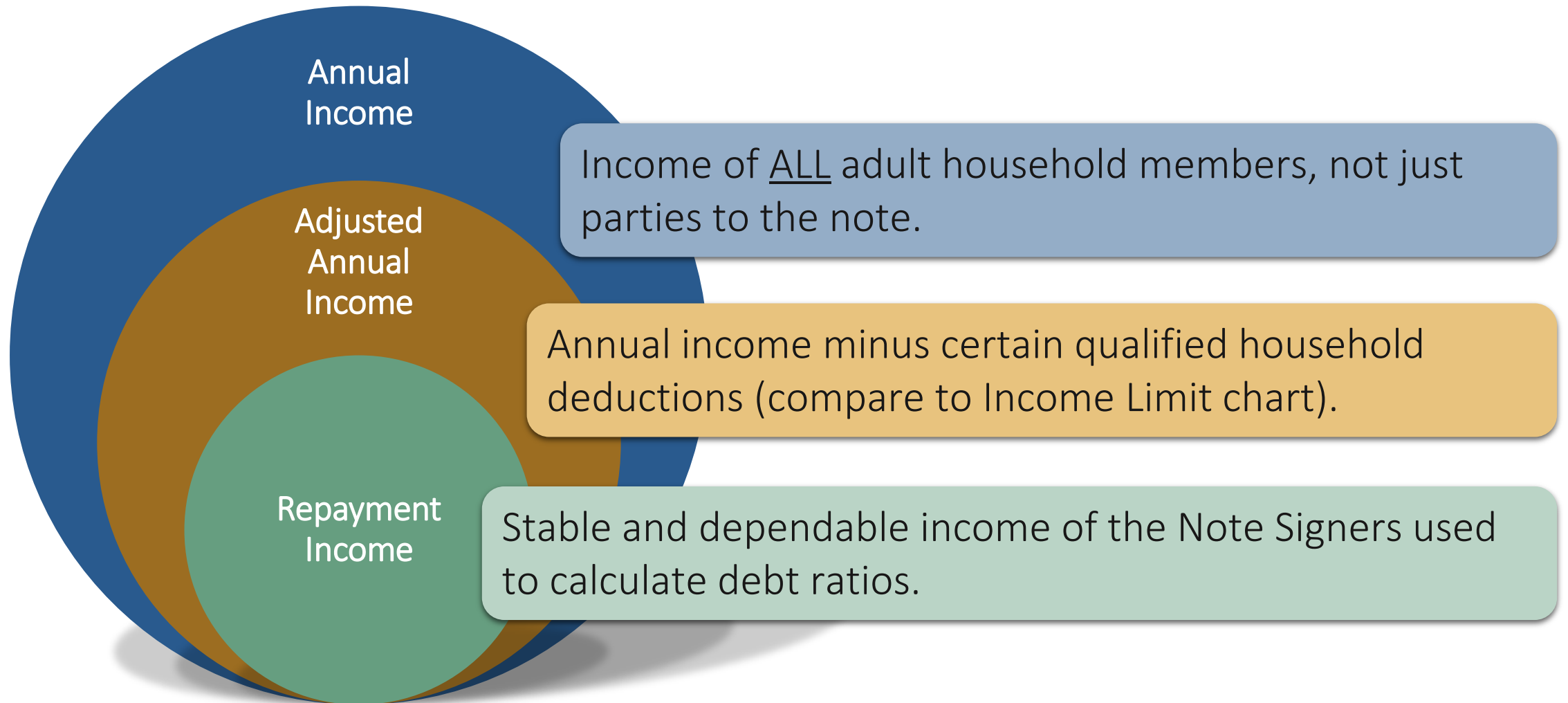
The income calculation pages were removed from Form RD 3555-21, but lenders are still required to document annual, adjusted annual, and repayment income calculations?

FACT OR FICTION



- Lenders are still required to document income calculations in their permanent loan file.
- Lenders may use Attachment 9-B, Form 1008, or an equivalent.
- Submission to USDA of the lender's calculations is only required on manual submissions, and GUS Refer, Refer with Caution, and Accept with Full Documentation recommendations
- (basically, everything BUT GUS Accepts non-full-doc)

Types of Income



Income Limits: USDA Eligibility Site

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

USDA United States Department of Agriculture
Rural Development

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing Rural Business OneRD Loan Guaranteed Water and Environmental Guaranteed Water and Environmental Direct Community Facilities C

Property Eligibility Previous Eligibility Areas **Income Eligibility** **Income Limits** Loan Basics

Single Family Housing Income Eligibility

Property Location

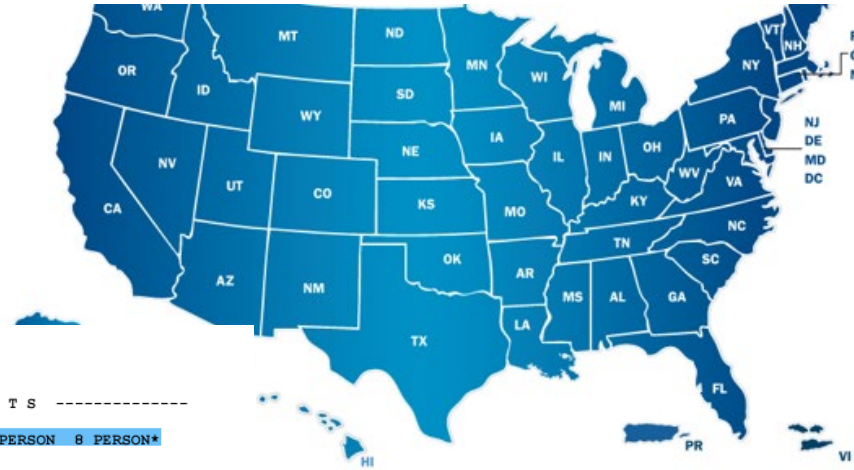
State: Michigan County: Please pick a county below ▼

USDA.gov | Farm Service Agency | Natural Resources Conservation Service | Rural Development | FOIA | Accessibility Statement | Privacy Policy | Non-Discrimination Statement | Information Quality | FirstGov | White House

Income Limit
charts are
usually updated
annually in July.

Income Limits: USDA Eligibility Site

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



HB - 1 - 3555, Appendix 5

STATE:ALABAMA

GUARANTEED HOUSING PROGRAM INCOME LIMITS

----- FY 2024 ADJUSTED INCOME LIMITS -----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON*
Anniston-Oxford-Jacksonville, AL MSA								
VERY LOW INCOME	36800	36800	36800	36800	48600	48600	48600	48600
LOW INCOME	58900	58900	58900	58900	77750	77750	77750	77750
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Auburn-Opelika, AL MSA								
VERY LOW INCOME	46100	46100	46100	46100	60900	60900	60900	60900
LOW INCOME	73750	73750	73750	73750	97350	97350	97350	97350
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Birmingham-Hoover, AL MSA								
Birmingham-Hoover, AL HUD Metro FMR Area								
VERY LOW INCOME	47200	47200	47200	47200	62350	62350	62350	62350
LOW INCOME	75500	75500	75500	75500	99700	99700	99700	99700
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Chilton County, AL HUD Metro FMR Area								
VERY LOW INCOME	36750	36750	36750	36750	48550	48550	48550	48550
LOW INCOME	58800	58800	58800	58800	77650	77650	77650	77650
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Columbus, GA-AL MSA								
Columbus, GA-AL HUD Metro FMR Area								
VERY LOW INCOME	35750	35750	35750	35750	47200	47200	47200	47200
LOW INCOME	57200	57200	57200	57200	75550	75550	75550	75550
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Daphne-Fairhope-Foley, AL MSA								
VERY LOW INCOME	45250	45250	45250	45250	59750	59750	59750	59750
LOW INCOME	72400	72400	72400	72400	95600	95600	95600	95600
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Decatur, AL MSA								
VERY LOW INCOME	41050	41050	41050	41050	54200	54200	54200	54200
LOW INCOME	65700	65700	65700	65700	86750	86750	86750	86750
MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Dothan, AL MSA								

GUARANTEED HOUSING PROGRAM INCOME LIMITS

STATE:ALABAMA

----- FY 2024 A D J U S T E D I N C O M E L I M I T S -----

P R O G R A M		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON*
Anniston-Oxford-Jacksonville, AL MSA									
	VERY LOW INCOME	36800	36800	36800	36800	48600	48600	48600	48600
	LOW INCOME	58900	58900	58900	58900	77750	77750	77750	77750
Moderate Limit	MOD.INC-GUAR.LOAN	112450	112450	112450	112450	148450	148450	148450	148450
Auburn-Opelika, AL MSA									
	VERY LOW INCOME	46100	46100	46100	46100	60900	60900	60900	60900
	LOW INCOME	73750	73750	73750	73750	97350	97350	97350	97350
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Chilton County, AL HUD Metro FMR Area									
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Dothan, AL MSA									

Income Limits: USDA Eligibility Site

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



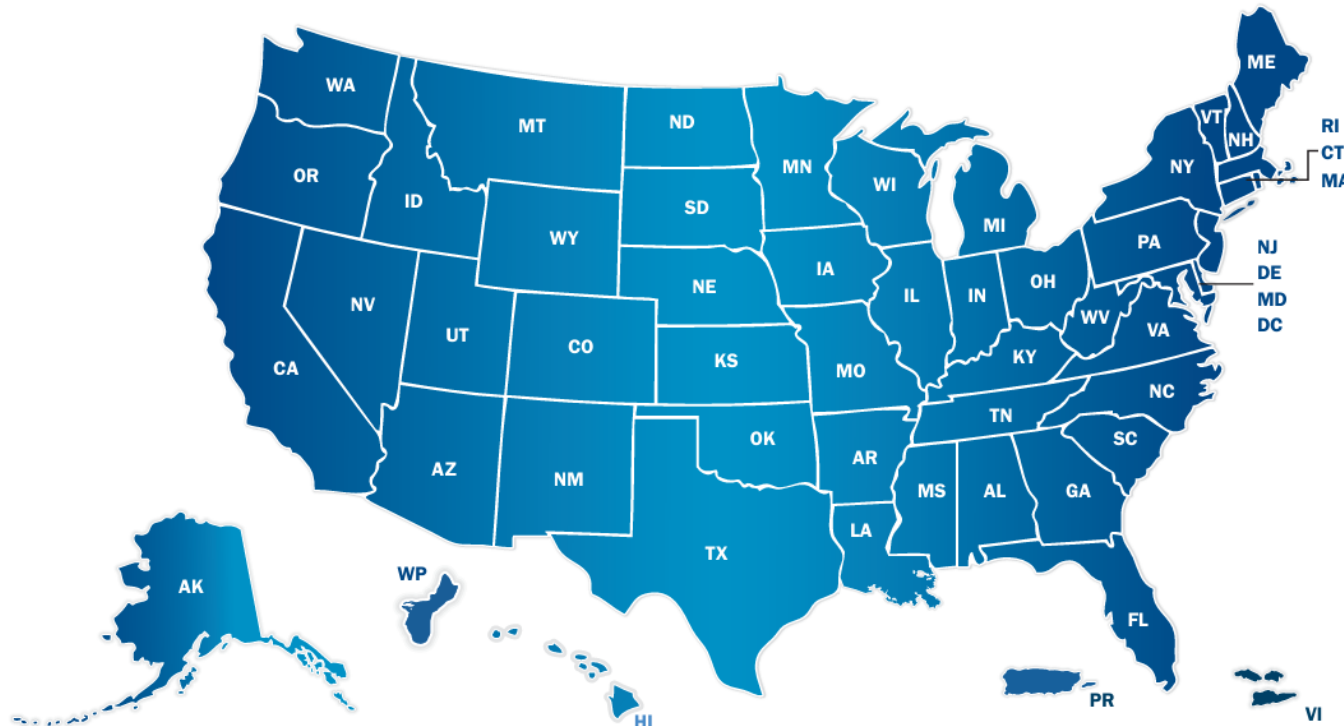
If the desired county is not listed alphabetically, it's because it's part of an MSA - you would need to look at the Income Limit for that MSA. A list of counties in each MSA is found here.

United States Department of Agriculture

Select a state to see the income limits for the counties in that state.

[Click Here for MSA Definitions](#)

Rural Development Single Family Housing Guaranteed Loan Program





Income Calculator: USDA Eligibility Site

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

Single Family Housing Income Eligibility

Property Location

State: Georgia

County: Ware County

Metropolitan Area: Ware County, GA

Household Members Information

Number of People in Household :
(Include all persons living in the household except foster adults and foster children.)

?

Number of Residents Under 18 Years Old, Disabled or Full Time Students :
(Do not include the applicant, spouse, or co-applicant.)

?

Is Loan Applicant or Co-Applicant age 62 or older? :

No

 ?

Are there any Disabled Persons Living in the Household? :

No

 ?

Prev

Next

Reset

Income Calculator: USDA Eligibility Site

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

Property Location

State: Georgia County: Ware County Metropolitan Area: Ware County, GA ?

Expenses and Deductions

Annual Child Care Expenses :

5000 ?

Annual Medical Expenses :

? ?

(Enter amount of medical expenses, that when combined with eligible disability expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)

Gross Monthly Income

	Applicant	Other Household Member
Base Employment Income	4000	3000 ?
Overtime Income	0	0 ?
Bonus Income	0	0 ?
Commission Income	0	0 ?
Self-Employment Income	0	0 ?
Dividend/Interest Income	0	0 ?

Income Calculator: USDA Eligibility Site

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

Single Family Housing Income Eligibility

Property Location

State: Georgia

County: Ware County

Metropolitan Area:

Ware County, GA

Single Family Housing Program ~ Income Eligibility Determination Summary

Applicant **meets the income limits** for the Section 502 Guaranteed Rural Housing Loan Program based on income entered and Program Income Guidelines in effect as of 01-13-2025. (Applicant must show repayment ability, have a reasonable credit history for the loan requested, and must meet other program requirements.)

[Click Here](#) for further details on the Guaranteed Loan Program.

[Click here](#) to complete a self-assessment for the Direct Loan Program.

Contact an [Approved Program Lender](#) to apply or ask more detailed questions.

Please keep in mind the Direct Loan Program self-assessment tool considers general household composition, monthly income, monthly debts, property location, estimated property taxes, and estimated hazard insurance; therefore, results may vary from this determination.

Summary of Adjusted Annual Household Income

Annual Household Income :

Total Deductions :

Household Adjusted Annual Income :

Unofficial results based on Un-verified information

\$84,000.00

\$6,360.00

\$77,640.00

Section 502 **Guaranteed** Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and County :

\$112,450.00

Section 502 **Direct** Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and County :

\$56,400.00

Adjusted Household Income Exceeds Maximum Income by :

\$21,240.00

Note the fine print that says Applicants must show repayment ability, have reasonable credit history & meet other program requirements



Annual Income



Annual Income – Include:

Income is calculated for the ensuing 12 months which should be supported by income verifications, documentation, and household composition.

IRS transcripts are required for all adult household members (except full-time students). Lender must obtain and review prior to closing to ensure accurate Household Income is used.

Income of all adult household members, including benefits received on behalf of minors.

Use the gross amount of base wages and salaries, OT pay, commissions, fee, tips, bonuses, housing allowances, and other compensations for personal services of all adult household members.



Annual Income – Include:

The first \$480 of earned income from adult full-time students who are not the applicant, co-applicant, or spouse of an applicant. (Once the \$480 deduction, to be discussed later, is applied this will be \$0.00.)

Income of an applicant's spouse, unless the spouse has been living apart from the applicant for at least 3 months (for reasons other than military or work assignment), or court proceedings for divorce or legal separation have been commenced.

Currently unemployed adult member that is seeking new employment must have their previous earnings included in annual income. The previous earnings are not required to be included when there is documented evidence to support they are *not seeking to be reemployed*.

\$0 for a business loss (never use negative figures).



Annual Income from Assets – Include:

Include income from cumulative household non-retirement assets of \$50,000 or greater.
If this is exceeded, the INCOME from those assets must be calculated & included in Annual Income.

Assets with actual earnings will use the stated rate of interest.

Assets that do not earn interest will use a current passbook savings rate.

Deduct any funds utilized for down payment, closing costs, pre-pays, etc. in the home purchase transaction PRIOR to calculating asset income.

(Ex: \$60,000 - \$15,000 cc's = \$45,000 – less than \$50,000 limit – no further calculation needed)



Annual Income – Exclude:

Lump Sum or Sporadic Payments

Section 8 Housing Vouchers

Student Loans

SNAP Benefits

Unreimbursed Employee Expenses

Annual Income – Example

Adults	Minors
Bob (<i>Applicant</i>) (full-time employment; \$60,000/yr salary)	Jenny (part-time employment) \$0
Sue (<i>Co-Applicant</i>) (part-time employment; \$18,000/yr)	Lily
Grandpa Happy (SSB of \$2,000/mo - \$24,000/yr)	Ben
Grandma Happy (SSB of \$1,200/mo - \$14,400/yr)	Sophie
Sam age 19 & working (full-time college student) Only first \$480	Twins Lucy & Lucas

The Happy Family's Annual Income





Annual Income

- This is a HH Income of **\$116,880**/yr. This is our ANNUAL INCOME.
- What if the published Income Limit for their area is **\$112,450** we saw earlier?
- Do you tell them they do not qualify?
- No – we haven't applied any DEDUCTIONS to Income yet!
- Let's take a look to see what that looks like....

GUS

“Eligibility”

Eligibility

Borrower Information

Eligibility

> Property Information

> Household Member Information

✓ Monthly Gross Income For All Household Members

Enter the current monthly gross income of all adult household members required to determine annual household income eligibility

Primary Borrower (P)

Base ⓘ
\$3,000.00

Commission ⓘ
\$0.00

Overtime ⓘ
\$0.00

Military Entitlements ⓘ
\$0.00

Bonus ⓘ
\$0.00

Other ⓘ
\$0.00

All Other Monthly Income Received by Adult Members of the Household ⓘ
\$0.00

Check Income Eligibility

Total Household Income
\$36,000.00

Allowable Adjustments
\$0.00

Adjusted Household Income
\$36,000.00

ELIGIBLE



Adjusted Annual Income

Do I have to apply all deductions to every loan application?



No.

If clearly under the Income Limits without deductions, deductions do not have to be claimed.

But, if lender claims deductions (child care, medical expenses, etc.), then document it and calculate adjusted income accordingly.

A lender can decide not to claim a deduction if they do not want to verify it, but if you claim it, must be verified and HH income calculated.

In all cases, Adjusted Household Income must be calculated by the lender (which in some cases may be same as annual income).

Adjusted Annual Income

Eligible Deductions



\$480 per eligible dependent (at time of application)



Verified childcare expenses for children 12 & under



Disability expenses that exceed 3% of annual income



\$400 elderly deduction (applicant or co-applicant is 62 or older) – only 1 \$400 deduction per household



Unreimbursed medical expenses for elderly or disabled households that exceed 3% of annual income



Allowable Deductions for Children/Child Care

Another Loan Scenario

- Working couple with an annual income of \$118,000 w/3 children under 18
- Each child (under 18) gets \$480 deduction from annual income
- Anticipated Child Care (Daycare) expenses are \$6,000/yr (\$500/mo)
- Child care = Care for children age 12 and under
- Deduct 100% of Child Care cost (expected in the next 12 months) that allows a family member to work, seek employment, or attend school
- Not eligible: Applicants who have not placed their child into care or have no evidence of payments –and- expenses that exceed the earnings of the family member enabled to work

DEDUCTIONS TO INCOME - Example

HB-1-3555, Chpt 9

If Income Limit is **\$112,450**

Gross Annual Income **\$118,000** (Annual Income)

3 children x \$480 - \$ 1,440

Subtotal \$116,560

Childcare Expenses

\$500/month x 12 - \$ 6,000

Adjusted Income = \$110,560 (Under the Limit!)





Allowable Deductions for Disability Expenses

(Eligible expense if care is for a Disabled Household Member)

Loan Scenario

- Payments to a care attendant to stay with a disabled 16-year-old child allow the child's mother to go to work every day.
 - These payments are an eligible disability assistance expense.
 - The disability assistance expenses cannot exceed the employment income of the family member enabled to work.
 - NOTE: Attendant care includes, but is not limited to, expenses for home medical care, nursing services, housekeeping and errand services, interpreters for hearing-impaired, and readers for persons with visual disabilities.

Allowable Deductions for Disability Expenses

Deduction for eligible expenses that exceed 3% of the annual income.

Applicant/Borrower earned income:	\$88,000
Co-applicant/Co-borrower income:	+\$ <u>30,000</u>
Total annual income:	\$118,000
Care expenses for disabled household member	\$10,000
Calculation:	\$10,000
<i>(3% of annual income) (118,000 x 3%)</i>	- <u>\$3,540</u>
Allowable disability assistance expenses	\$6,460



Allowable Deductions for Medical Expenses

Loan Scenario

- Elderly or Disabled household with an annual income of \$65,000
- Anticipated medical expenses of \$4,000 that are not covered by insurance or another source
 - Some anticipated expenses such as Medicare or other health insurance premiums and ongoing prescriptions are eligible costs & can be documented easily.
 - Others need to be estimated. Use historical information about medical bills to estimate future expenses. However, the estimates should be realistic.
 - For example, if the household has a significant medical bill, the Loan Originator would count only that portion of the bill that is likely to be paid during the coming year.

Allowable Deductions for Medical Expenses-

(Elderly and Disabled families only)

Deduction for eligible expenses that exceed 3% of the annual income.

Applicant/Borrower income:	\$45,000
Co-applicant/Co-borrower income:	+\$ <u>20,000</u>
Total annual income:	\$65,000

Total anticipated medical expenses:	\$4,000
--	----------------

Calculation:	\$4,000
<i>(3% of annual income) (65,000 x 3%)</i>	<i>-\$<u>1,950</u></i>
Allowable medical expenses	\$2,050



Repayment Income



Repayment Income – Helpful Tips

Include stable and dependable income of parties to the note only lasting at least 3 years.

Co-signers are not allowed.

Use caution when wages have significantly increased or decreased (20% or greater).

USDA does not underwrite loans! **Lender = Underwriter** & **USDA = Compliance**

There must be evidence to support the historical receipt of earnings.

Lenders are responsible for analyzing gaps in income.



Repayment Income – Excluded Types

Any student financial aid received by household members for tuition, fees, books, equipment, materials, and transportation

Amounts received that are specifically for, or in reimbursement of the cost of medical expenses for any family member

Temporary, nonrecurring, or sporadic income (including gifts)

Lump sum additions to family assets such as inheritances, capital gains, insurance payments and personal or property settlements

Payments for the care of foster children or adults

Supplemental Nutrition Assistance Program payments

Repayment Income – Required History



6 Months: Child Support, Separate Maintenance/Alimony



1 Year History: Base Wages, Expense Allowances, Bonus, Commission, Employee Fringe Benefits, Military, Overtime, Part-time, Tips



2 Year History: Capital Gains, Dividends, Interest, Rental Income, Schedule K-1, Seasonal, Self-Employment, Unemployment



Ineligible: Boarder Income, Non-Occupant Borrower, Less than 3 years remaining



(See HB-1-3555, Attachment 9-A for more inclusive list)

Repayment Income – Special Considerations

- Income that has been verified as tax exempt may be grossed up by 25% for Repayment Income ONLY
- Do not gross up for Annual Household Income
- No other adjustments are authorized
- Say it again: Do not gross up for

Tax Exempt Income:



- Any loss incurred from a business that is closed may be removed from consideration when a letter is provided with documentation of the following:
 1. When the business closed
 2. Why the business closed
 3. How the business closed
 4. Evidence to support the closure

**Self-Employed
Business**



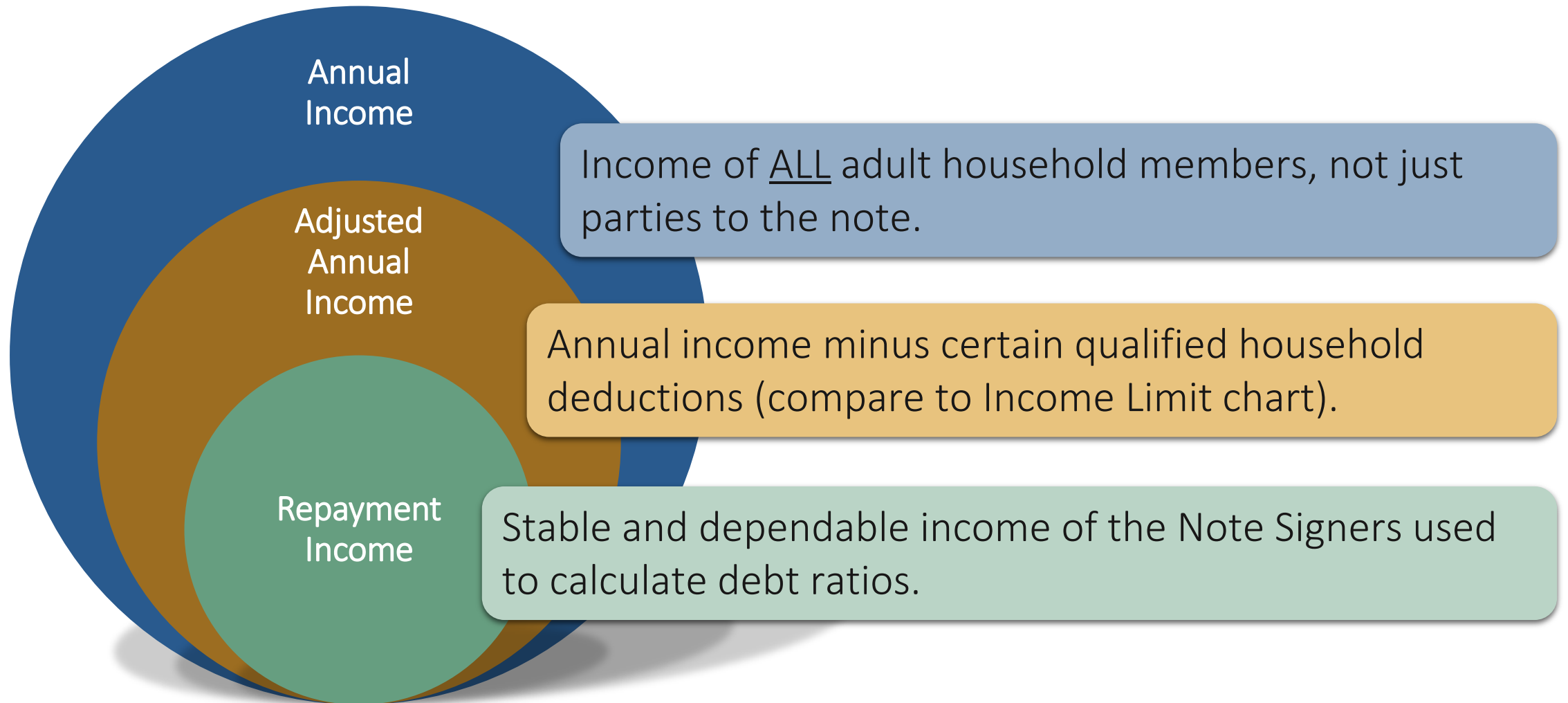
Repayment Income – Example

Adults	Minors
Bob (<i>Applicant</i>) (full-time employment; \$20,000 joint checking/savings) \$60,000/yr salary	Jenny (part-time employment)
Sue (<i>Co-Applicant</i>) (part-time employment; \$20,000 joint checking/savings) \$18,000/yr	Lily
Grandpa Happy (SSI and 401k; \$70,000 joint checking & savings)	Ben
Grandma Happy (SSI and 401k; \$70,000 joint checking & savings)	Sophie
Sam (full-time college student)	Twins Lucy & Lucas

The Happy Family's Repayment Income



Remember? Types of Income



Review Attachment 9-A

<https://www.rd.usda.gov/files/3555-1chapter09.pdf>

Refer to applicable column.

GUS does not determine stable and dependable income. The underwriter does.

Incorrect data entries will render the underwriting recommendation as invalid.




Retain all documentation in the permanent loan file.

Income and Documentation Matrix		
Income guidance: 7 CFR 3555, Sections 3555.152(a) and (b)		
This matrix cannot cover every income/asset type, employment scenario, etc. USDA requires approved lenders to use sound judgment to make an accurate and dependable analysis of income per 7 CFR 3555.152. Exclusions may apply under 7 CFR 3555.152(b)(5) and Attachment 9-D.		
Considerations for Income Calculations		
<ul style="list-style-type: none">Annual and adjusted annual income calculations must include all eligible income sources from all adult household members, not just parties to the loan note.Annual income is calculated for the ensuing 12 months, based on income verifications, documentation, and household composition.Include only the first \$480 of earned income from adult full-time students who are not the applicants, or a spouse of an applicants in annual and adjusted annual income.Income from assets that meet the criteria of Section 9.4 must be included in annual and adjusted annual income.Repayment income calculations include the income sources of the applicants who will be parties to the note that meet the minimum required history identified in this matrix <u>and</u> have been determined to be stable and dependable income by the approved lender.Income used in repayment income calculations must be confirmed to continue a minimum of three years into the mortgage.If the income is tax exempt, it may be grossed up 25 percent for repayment income."Documentation Source Options" lists eligible documentation. Every item listed is not required unless otherwise stated. Lenders must obtain and maintain documentation in the loan file supporting the lender's income calculations.		
Income Type	Annual Income	Repayment Income
Adoption Assistance or Subsidy	If the income will be received in the ensuing 12 months, include the first \$480 of adoption income or subsidy assistance for each grantee.	Required History: None, the income must be received at the time of submission to the Agency. Lenders must document: <ul style="list-style-type: none">The applicants are currently receiving the income; andThe amount of the income received each month. Benefits that do not include expiration dates on the documentation will be presumed to continue.
Documentation Source Options: <ul style="list-style-type: none">Benefit/Award letter to document the amount and duration of payments.Online payment schedule from the Agency, bank statements, etc.Federal income tax returns or IRS tax transcripts with all schedules.		

Income Verification Requirements

Income Verification Requirements




Alternative Documentation

-  1 recent paystub with YTD figure
-  Written VOE (may be electronically generated)
-  Verbal VOE (must be obtained within 10 business days of closing)

EMPLOYED INCOME
(base, overtime, bonus,
commissions, etc.)

Verify for all adult
household members
except full-time
students.

Full Documentation

-  Paystubs covering the most recent four weeks of earnings
-  W-2's for the most recent two tax years
-  Verbal VOE (must be obtained within 10 business days of closing)

Income Verification Requirements



SELF-EMPLOYED INCOME



2-years of signed individual and business tax returns with all schedules plus a recent profit and loss statement (not required to be audited)

OR

IRS transcripts with all schedules plus a recent profit and loss statement (not required to be audited)



Trend analysis for the applicant's business (Recommend use of Fannie Mae Form 1084, "Cash Flow Analysis" and Fannie Mae Form 1088, "Comparative Income Analysis")



Confirmation the business is operational within 30 days of loan closing



IRS Transcripts

Transcripts are required for all required household members.

Full time students age 18 and up that are not the applicant, co-applicant, or spouse of an applicant are not required to sign the 4506-T/4506-C or have transcripts provided.

Transcripts provide a quality control measure to ensure all income and asset earnings reported to the IRS have been disclosed to the lender. (Remember Income Limits are the Law)

Lenders must obtain and review the transcripts prior to loan closing and retain them in their permanent loan file.

Previously unknown/undisclosed income or asset sources that are identified by the transcripts will require additional review by the lender and may render a loan file ineligible.



Income worksheet was removed from the 3555-21 but calculations are still required

Lender must document and retain income calculations for all adult household members

Do not submit to USDA for GUS “Accept” loans

Attachment 9-B, Underwriting Transmittal Summary, or Similar Form

Applicant: _____ Co Applicant: _____

WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME


Lender Instructions: Determine eligible household income for the Single-Family Housing Guaranteed Loan Program (SFHGLP) by documenting all sources/types of income for all household members. Qualify the loan by documenting all sources/types of income that is stable and dependable, utilized to repay the loan.


Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receive Income Y/N?	Source of Income

ANNUAL INCOME CALCULATION (Consider anticipated income for the next 12 months for all adult household members as described in 7 CFR 3555.152(b) and HB-1-3555, Chapter 9. Website for instructions: <https://www.rd.usda.gov/resources/directives>)

1. Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.	
2. Co-Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.) Calculate and record how the calculation of each income source/type was determined in the space below.	
3. Additional Income to Primary Income (Automobile Allowance, Mortgage Differential, Military, Secondary Employment, Seasonal Employment, Unemployment, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.	
4. Additional Adult Household Member (s) who are not a party to the note (Primary Employment from Wages, Salary, Self-Employed, Additional Income to Primary Employment, Other Income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.	
5. Income from Assets (Income from household assets as described in HB-1-3555, Chapter 9). Calculate and record how the calculation of each income source/type was determined in the space below.	
6. Annual Household Income (Total 1 through 5)	

Show Me the Math!

 Base pay: Annual Income based on Hrly Rate at 40hr/wk + YTD OT Avg

 Annual Income: $\$32.50 \times 40 \text{ hrs} = \$1,300$
 $\times 52 = \$67,600$
YTD OT $7,500 / 5.4 \text{ mos} = \$1,388.89 \times 12 =$
 $\$16,666.68 + \text{hrly } \$67,600 = \$84,266.68$

Applicant: _____ Co Applicant: _____

WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME

Lender Instructions: Determine eligible household income for the Single-Family Housing Guaranteed Loan Program (SFHGLP) by documenting all sources/types of income for all household members. Qualify the loan by documenting all sources/types of income that is stable and dependable, utilized to repay the loan.

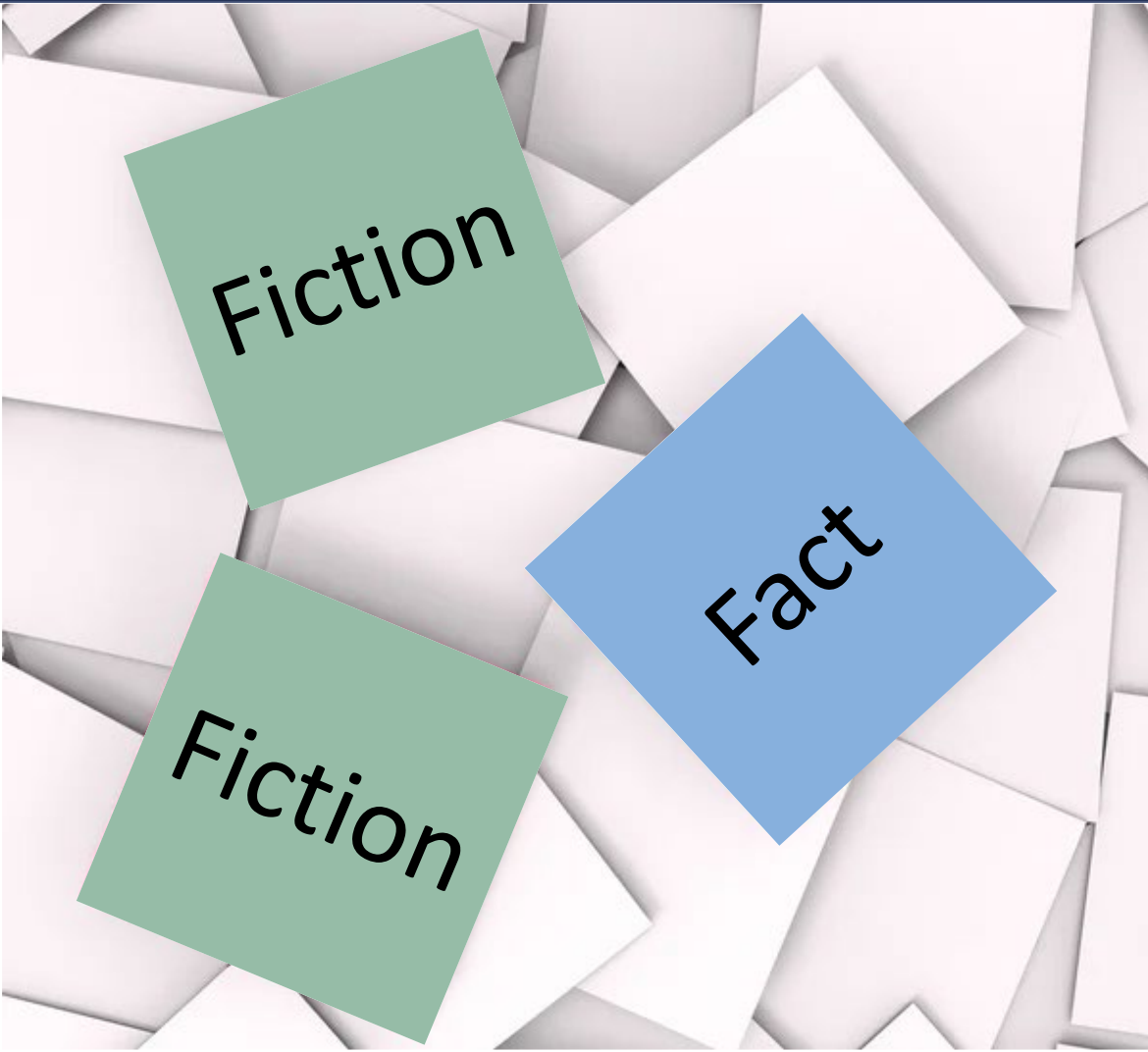
Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receive Income Y/N?	Source of Income

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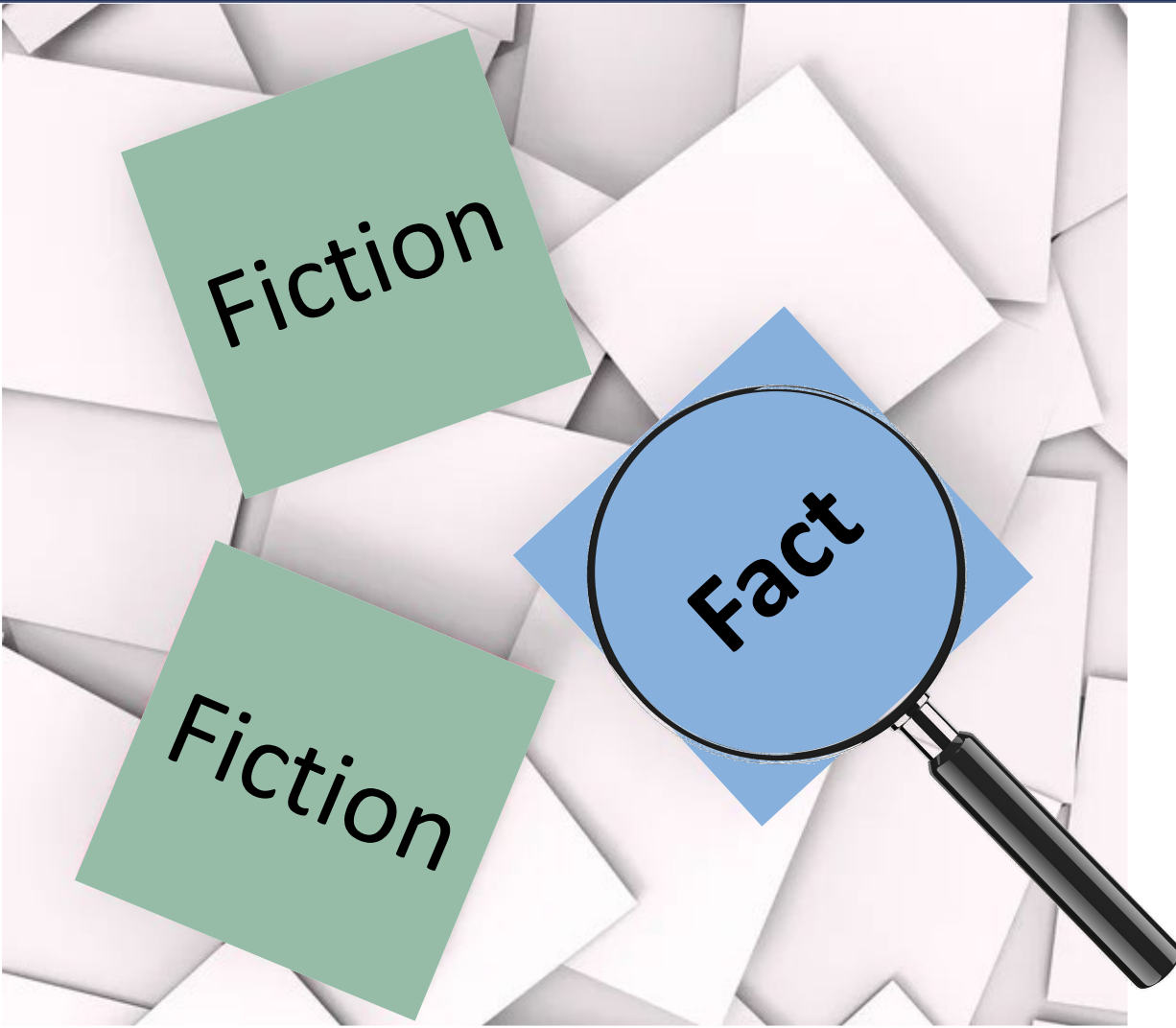
Assets

FACT OR FICTION



If an applicant does not need funds to close, assets must still be verified?

FACT OR FICTION



- Assets must be verified whether they are required for funds to close or not.
- Assets may affect income eligibility (Chapter 9) and applicant eligibility (Chapter 8).



Assets...Things to keep in mind.

As discussed earlier, income from eligible assets may be required to be included in annual income.

Assets are considered a compensating factor which do impact underwriting recommendations in GUS.

Lenders will determine if assets are to be included in the underwriting analysis.

Asset Verification

You may not have to enter them...but you have to verify them!

Assets and Liabilities

Assets - Bank Accounts, Retirement, and Other Accounts You Have (0)

Add Asset 1

Other Assets You Have (0)

Account Owner/Borrower Name (0) 2

Choose One

Remove

Account Type (0) 3

Choose One

Financial Institution (0)

Account Number (0)

Cash or Market Value (0)

\$0.00

Add Additional Asset

Total Cash or Market Value for All Borrowers

\$0.00

Other Assets You Have (0)

Liabilities - Credit Cards, Other Debts, and Leases that You Owe (0)

Other Liabilities and Expenses (0)

CAIVRS Information

Not required on “Assets & Liabilities” page, but may be required on “Eligibility” page.

HB-1-3555
Attachment 9-B
Page 1 of 3

Applicant: _____ Co-Applicant: _____

WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME

Lender Instructions: Determine eligible household income for the Single-Family Housing Guaranteed Loan Program (SFHGLP) by documenting all sources/types of income for all household members. Qualify the loan by documenting all sources/type of income that is stable and dependable utilized to repay the loan.

Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receive Income Y/N?	Source of Income

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1. Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.

2. Spouse/Partner (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.

3. Other Household Member (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.

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5. Income from Assets (Income from household assets as described in HB-1-3555, Chapter 9). Calculate and record how the calculation of each income source/type was determined in the space below.

6. Annual Household Income (Total 1 through 5)

Always required to verify. Calculation required if cumulative household total exceeds \$50,000.

Do Not Inflate Assets



Accuracy matters!

- Invalid GUS underwriting recommendations
- Invalid compensating factors
- Inaccurate annual income calculation
- Potential fraud

Calculating Income from Assets - Example



Checking account (non-interest bearing): \$17,000

Savings account (.25% interest): \$24,000

Certificate of Deposit (3% interest): \$15,000

Total Assets: \$56,000 less \$5,000 from checking used to purchase the home

Remaining Assets = \$51,000

Calculating Interest on Assets - Example



Checking: $\$17,000 - \$5,000 = \$12,000 \times .25\% = \30

Savings: $\$25,000 \times .25\% = \62.50

CD: $\$15,000 \times 3\% = \450

Asset Calculation: $30 + 62.50 + 450 = \$542.50$

Include \$542.50 in annual income calculation

Assets...Which do I use?

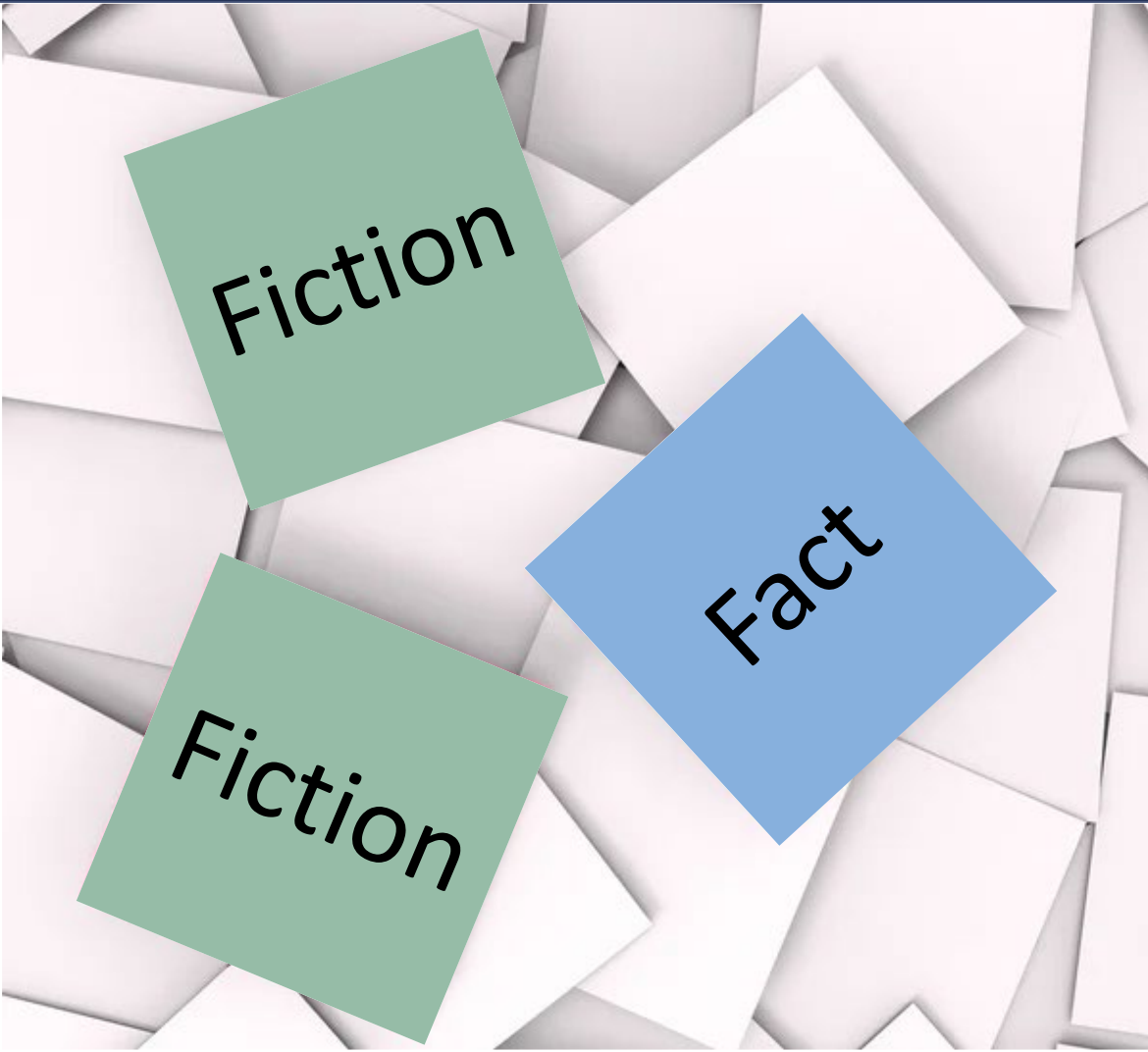


December Ending Balance: \$4,354.53

January Current Balance: \$4,534.32

Use this amount

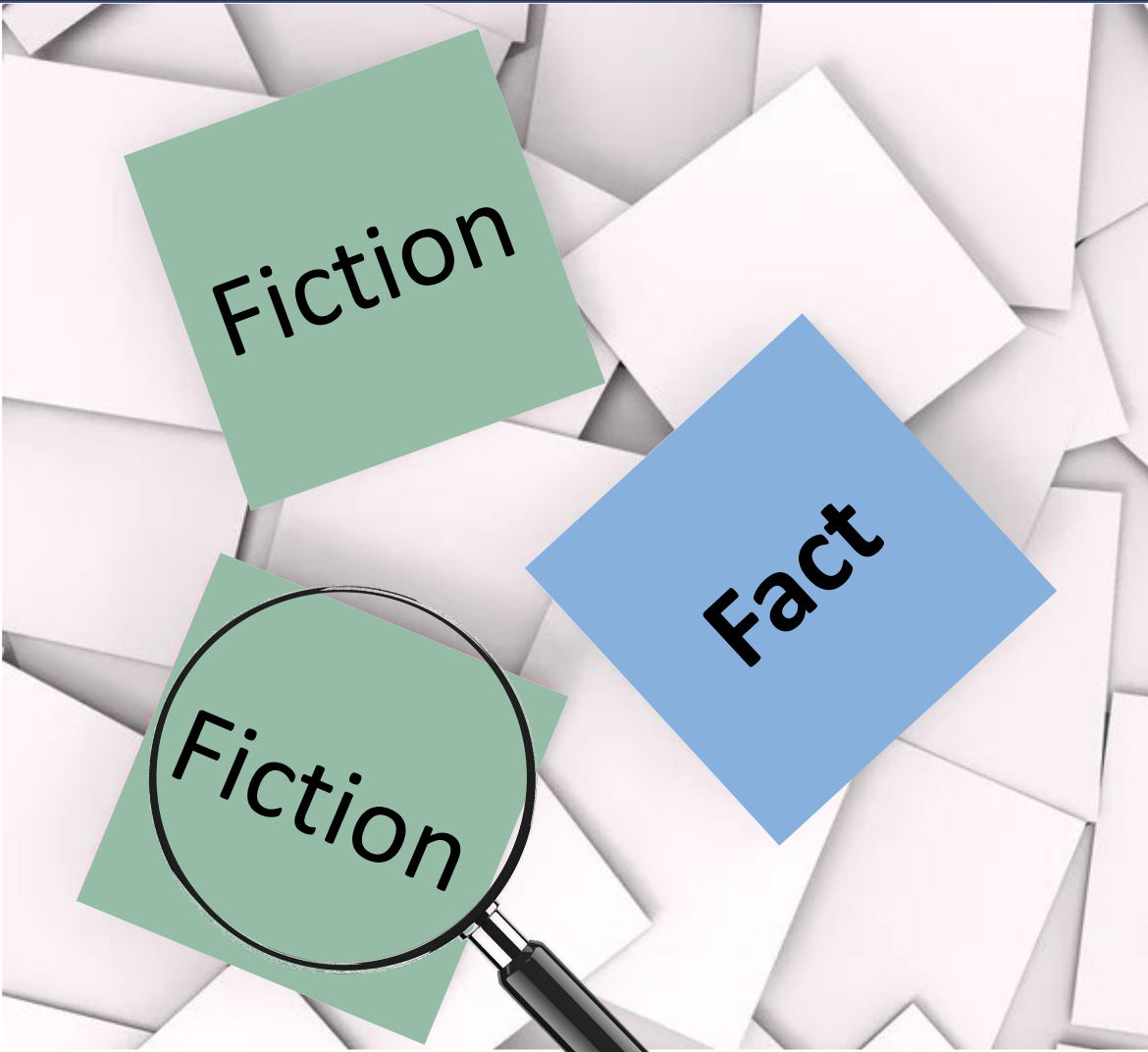
Summary Question: FACT OR FICTION



The applicant has been separated from their spouse for 2 months with no Separation or Divorce proceedings started.

I can exclude the spouse's income on the Application?

FACT OR FICTION



- Include income of Applicant's spouse unless:
 - They have been living apart for at least 3 months (other than military/work reasons), or
 - If court proceedings for Divorce or Legal Separation have commenced.



Lender Resources

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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Handbooks

RESOURCES

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[HB-1-3550](#) Direct Singl

[HB-2-3550](#) Direct Singl

[HB-1-3555](#) SFH Guaranteed Loan Program Technical Handbook

[PUBLICATIONS FOR](#)

[COOPERATIVES](#)

[Family Housing Loans and Grants Servi](#)

HB-1-3555 SFH GUARANTEED LOAN PROGRAM TECHNICAL HANDBOOK

A consolidated version of the handbook is available. [HB-1-3555](#) is a large document and may take sometime to load.

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[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

[Chapter 16](#) - Closing the Loan and Requesting the Guarantee

[Chapter 17](#) - Regular Servicing-Performing Loans

[Chapter 18](#) - Servicing Non-Performing Loans - Accounts with Repayment Problems

[Chapter 19](#) - Custodial and Real Estate Owned Property

[Chapter 20](#) - Loss Claims - Collecting on the Guarantee

Acronyms

Glossary

[Appendix 1](#) - 7 CFR part 3555

[Appendix 2](#) - Forms and Instructions

[Appendix 3](#) - Review and Appeals

[Appendix 4](#) - Agency and Employee Addresses

[Appendix 5](#) - Income Limits

[Appendix 6](#) - Interest Assistance

[Appendix 7](#) - Caivrs Access Instructions

[Appendix 8](#) - EDI Documentation

[Appendix 9](#) - Penalties

[Appendix 10](#) - Unnumbered Letter and State Supplements

<https://www.rd.usda.gov/publications/regulations-guidelines/handbooks>

Online Training Modules

LINC Training and Resources

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

- Lender Training modules are available online for a variety of program topics
- The monthly Lender Training Schedule is posted here as well.

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

HOME ABOUT USDA ASK USDA HELP

ABOUT RD STATE OFFICES PROGRAMS & SERVICES NEWSROOM **RESOURCES** CONTACT US

USDA LINC Training & Resource Library

HOME RESOURCES

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

Loan Status
We are currently reviewing new loan applications and conditions received on or before 1-10-25.

Lender Approval and Recertification **Lender Training**

Loan Origination **Loan Processing**

Loan Closing **Loan Servicing**

Policy Desk **Guaranteed Underwriting System (GUS)**

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

Have a question on a SPECIFIC FILE?

Contact the Prod teams!



File-Specific Questions

File-Specific Questions by phone: 833-314-0168, ext. 2 Phone System Availability:
9:00 am to 3:30 pm ET

Production Team One: SFHGLPONE@usda.gov AK, AL, AZ, CA, CO, GU, HI, IA, ID,
KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WP, WY Production Team Two:
SFHGLPTWO@usda.gov AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK
Production Team Three: SFHGLPTHREE@usda.gov
CT, DE, GA, IL, MA, MD, ME, MI, NC, NH, RI, SC, VT, WV

Production Team Four: SFHGLPFOUR@usda.gov
FL, IN, OH, PA, PR, TN, VA, VI

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](#)

Need TRAINING?

Contact the LPA team!



Have a question on POLICY?

Contact the Program team!



Live Calls:

CALL USDA
(833)
314-0168

	Option:
Turn Time Updates:	1
Specific File Questions:	2
Lender Recertifications/Approvals:	3
Policy & Scenario Questions:	4
GUS Technical Questions:	5

USDA Guaranteed Home Loans

Scan:

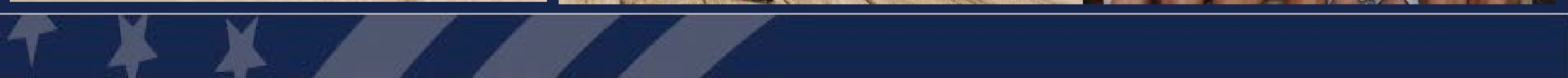
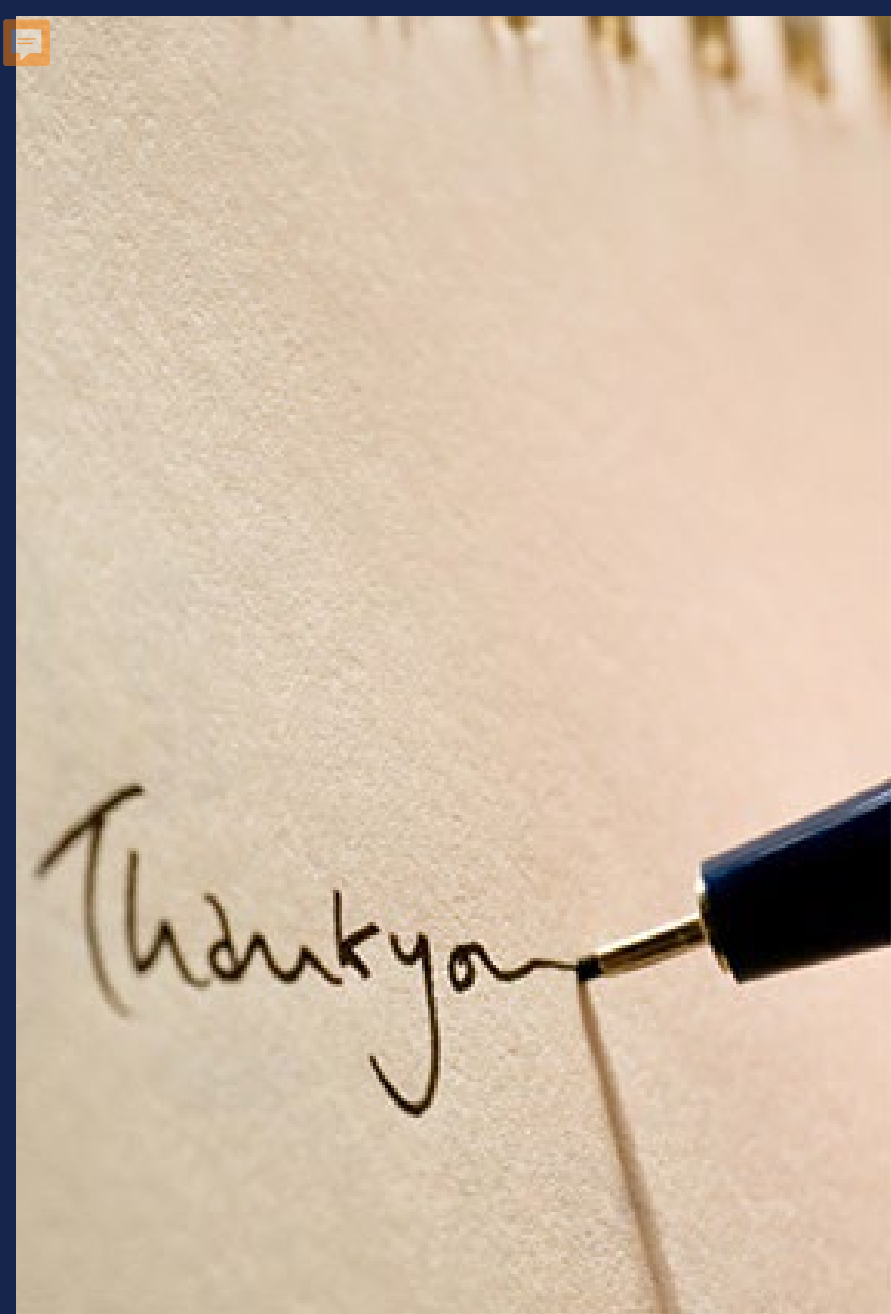


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Or visit —>

<https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-guaranteed-loan-program>





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