

STAKEHOLDER ANNOUNCEMENT

USDA Approves Exemption to Further Modernize Guaranteed Home Loan Program and Meet Industry Standards

Exemption Ensures Rural Homebuyers Remain Eligible for Affordable Mortgage Financing

WASHINGTON, May 9, 2024 – U.S. Department of Agriculture (USDA) Rural Housing Service Administrator Joaquin Altoro announced today that USDA has approved an exemption to meet industry standards while ensuring rural homebuyers remain eligible for affordable financing under the [Single Family Housing Guaranteed Loan Program](#).

The exemption announced today enables USDA to exclude real estate commission fees from the 6% cap on seller, or other interested party, concessions through the [Single Family Housing Guaranteed Loan Program](#).

Seller concessions are funds from a seller to incentivize a buyer to purchase a home. These may include funding toward the buyer's mortgage financing costs or loan closing costs.

Under the exemption, real estate commission fees paid by the seller on behalf of the homebuyer will be exempt from the 6% cap on seller concessions.

This update ensures that regardless of any possible changes to real estate commission requirements, rural homebuyers will continue to be able to affordably access guaranteed home loan financing from USDA.

Background

The Biden-Harris Administration is committed to ensuring that all Americans have an affordable place they can call home and opportunities to build generational wealth through homeownership. USDA's [Single Family Housing Guaranteed Loan Program](#) assists lenders in providing low- and moderate-income households the opportunity to purchase safe and affordable homes in rural areas.

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