Property Eligibility

Single Family Housing Guaranteed Loan Program (SFHGLP)

November 2020
Rural America

What a Beautiful Place to Call Home!
Rural Area Definition

HB-3555-1, Chapter 12.3A

1. Open country that is not part of an urban area.

2. Any town, city, or place which is not part of an urban area, and is rural in character with a population of less than 10,000; OR...

3. Is not contained within an MSA and has a population above 10,000 but below 20,000 and has a serious lack of mortgage credit for lower and moderate-income families.

4. Two or more towns, cities, or places that are contiguous may be considered separately if they are not otherwise associated with each other, and their densely settled areas are not contiguous.
Rural Area Definition

HB-3555-1, Chapter 12.3A

**AGENCY REVIEW**
An area’s rural designation is determined by the Agency and may be changed as a result of periodic review or after the decennial census of population.

**3-YEAR REVIEW**
In areas experiencing rapid growth, and eligible communities within Metropolitan Statistical Areas (MSAs), reviews take place every three years.

**5-YEAR REVIEW**
The Agency conducts reviews every five years to identify areas that no longer qualify as rural.

**PUBLIC NOTIFICATION**
Public notification will be given at least 30 days before the date of the final determination in order to give interested parties an adequate chance to comment.
Lenders are notified of changes in rural area designations via GovDelivery.

Make sure you are signed up to receive GovDelivery notifications!
Enter address to determine if a property is located within an eligible rural area.

Eligibility decisions when an address is entered include:
- Eligible
- Ineligible
- Unable to Determine

This site does not determine if a specific property is eligible, it only determines if the property is located within an eligible rural area.
Areas not clearly delineated, will receive an “Unable to Determine”.

- Lender must confirm with Agency staff that the property is in a rural area and is eligible for a guarantee prior to requesting an appraisal.
Purchase Loans in Areas Changing from Rural to Non-Rural

HB-1-3555, 12.3C

- The application is dated and received by the lender prior to the area designation change;
- The Loan Estimate was issued within three days of the application date;
- The purchase contract is ratified prior to the date of the area designation change; and
- The applicant and property meet all other loan eligibility requirements.
Other Loan Types in Areas Changing from Rural to Non-Rural

HB-1-3555, 12.3C

- Existing commitments remain in effect if issued prior to the designation change;
- Existing USDA loans that meet all requirements remain eligible for refinance transactions;
- REO properties sold from Agency inventory remain eligible for purchase transactions;
- SFHGLP REO property sales and transfers with assumption may be processed; and
- A supplemental loan may be made in conjunction with a transfer and assumption of a guaranteed loan.
Enter complete addresses, including zip code.

Use “Google” or “Bing” to verify address.

Use the Zoom tools on the Eligibility page.
Enter complete addresses, including zip code.

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https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do
Enter the complete address on “Eligibility” application page.

GUS will render a property eligibility determination.

Lenders must review the determination and take further action, if applicable.
LEARNING CHECKS

7 CFR Part 3555 / HB-1-3555
The Property Eligibility website returns a finding of “Unable to Determine.”

This loan application cannot be submitted to USDA.

A. TRUE   B. FALSE
3555.201(a), and HB 12.3 B

B. FALSE

- Verify data entered for accuracy.
- Provide copies of mapping showing the correct property location.
- Contact USDA for assistance.
QUESTION

Property Eligibility

• A rural area has been changed from eligible to ineligible.
• Only loans which have already been issued a Conditional Commitment may be closed in the newly designated area.

A. TRUE       B. FALSE
Property Eligibility

3555.201(a), and HB 12.3 C

B. FALSE

The following remain eligible:

- Applications submitted prior to the effective date of the designation
- USDA REO sales and Transfer & Assumptions
- Supplemental loans in combination with a Transfer and Assumption
A loan is ineligible for a refinance if the subject property is now located in an ineligible rural area.

A. TRUE B. FALSE
A. FALSE

- Refinance loans are eligible after an area has been designated as non-rural.
- Loan requests may be submitted in the GUS with an “Ineligible” property finding.
- USDA will change the determination when the loan is processed.
The property address may be checked online at:

A. SAM
B. GLS
C. USDA LINC
D. Property and Income Eligibility
**3555.201(a), HB 12**

**D. Property and Income Eligibility**

- [https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do](https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do)
QUESTION

Property Eligibility

- GUS renders an ineligible property result for a purchase transaction application.
- The lender has not confirmed whether or not the property is located in an eligible rural area.
- This application can be submitted to USDA.

A. YES  B. NO
A. YES

- GUS will allow the loan to be submitted, however, it is the lender’s responsibility to confirm that the property is located in an eligible rural area when an ineligible determination is rendered.
QUESTION
Property Eligibility

- Eligible rural areas are determined by USDA and reviewed every five years.

A. TRUE     B. FALSE
A. TRUE

• An area’s rural designation is determined by the Agency and may change following a periodic review or decennial census.
Way to Go!

LEARNING CHECK
COMPLETED!
Lender Toolkit
PART 3555—GUARANTEED RURAL HOUSING PROGRAM

Contents

Subpart D—Underwriting the Applicant

§3555.151 Eligibility requirements.
§3555.152 Calculation of income and assets.
§3555.153-3555.199 [Reserved]
§3555.200 OMB control number.

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.

Table of Contents
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
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!

### Contacts & Resources

#### Single Family Housing Guaranteed Loan Program (SFHGLP)

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>File-Specific Questions</td>
<td>Production Team One: <a href="mailto:SFHGL@usda.gov">SFHGL@usda.gov</a></td>
</tr>
<tr>
<td>Information to include in email:</td>
<td></td>
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<tr>
<td>• Identify the state the application is</td>
<td>Alaska (AK), Alabama (AL), Arizona (AZ), Arkansas (AR), California (CA),</td>
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<tr>
<td>located in; if applicable;</td>
<td>Colorado (CO), Connecticut (CT), Delaware (DE), Florida (FL), Georgia</td>
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<tr>
<td>• Provide applicant’s name and USDA</td>
<td>(GA), Hawaii (HI), Idaho (ID), Illinois (IL), Indiana (IN), Iowa (IA),</td>
</tr>
<tr>
<td>borrower ID, if applicable;</td>
<td>Kansas (KS), Kentucky (KY), Louisiana (LA), Maine (ME), Maryland (MD),</td>
</tr>
<tr>
<td>• GUS loan number, if applicable;</td>
<td>Massachusetts (MA), Michigan (MI), Minnesota (MN), Mississippi (MS),</td>
</tr>
<tr>
<td>• Include contact information; and</td>
<td>Missouri (MO), Montana (MT), Nebraska (NE), Nevada (NV), New Hampshire</td>
</tr>
<tr>
<td>• Indicate if you would like a call back</td>
<td>(NH), New Jersey (NJ), New Mexico (NM), New York (NY), North Carolina</td>
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<td>(otherwise you will receive an email reply)</td>
<td>(NC), North Dakota (ND), Ohio (OH), Oklahoma (OK), Oregon (OR), Pennsylvania</td>
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<td>(PA), Rhode Island (RI), South Carolina (SC), South Dakota (SD),</td>
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<td>Tennessee (TN), Texas (TX), Utah (UT), Vermont (VT), Virginia (VA),</td>
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<td>Washington (WA), West Virginia (WV), Wisconsin (WI), Wyoming (WY)</td>
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<tr>
<td>Lender Approval/Recertification</td>
<td><a href="mailto:sfhglid.compliance@usda.gov">sfhglid.compliance@usda.gov</a></td>
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<tr>
<td>Lender Self Report</td>
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<td>Program Training</td>
<td><a href="mailto:sfhglid.lenderpartner@usda.gov">sfhglid.lenderpartner@usda.gov</a></td>
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<td>Program Marketing &amp; Outreach</td>
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<td>General Loan Scenario Questions</td>
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<td>Loan Policy/Regulation/Handbook</td>
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<td>Loan Servicing</td>
<td><a href="mailto:sfhglid.servicing@usda.gov">sfhglid.servicing@usda.gov</a></td>
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<td>Technical Issues: GUS</td>
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<td>Technical Issues: e-Authentication</td>
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<td>Technical Issues: e-Authentication Contact</td>
<td><a href="mailto:sfhglid@usda.gov">sfhglid@usda.gov</a></td>
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<td>Loss Claims</td>
<td><a href="mailto:sfhglid@usda.gov">sfhglid@usda.gov</a></td>
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<td>Monthly &amp; Quarterly Status Reporting</td>
<td><a href="mailto:sfhglid@usda.gov">sfhglid@usda.gov</a></td>
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<td>GUS User Agreements</td>
<td><a href="mailto:sfhglid@usda.gov">sfhglid@usda.gov</a></td>
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#### TOOLS & RESOURCES

- Lender Website—Turn times, contact information, and helpful links: [https://www.usda.gov/sfhglid](https://www.usda.gov/sfhglid)
- USDA EWC—Training modules, user guides, and more useful resources: [https://www.rd.usda.gov/finance-service/loanofficer/educational-training-resource-library](https://www.rd.usda.gov/finance-service/loanofficer/educational-training-resource-library)
- GovDelivery—Receive notifications regarding origination, servicing, and GUS updates: [https://www.govdelivery.com/accounts/USDAWD](https://www.govdelivery.com/accounts/USDAWD)
Monitor posted turn times daily

Don’t forget to sign up for GovDelivery updates

https://www.rd.usda.gov/page/sfh-guaranteed-lender

SFH Guaranteed Lender

COVID-19
An Important notice for servicers with loans insured or guaranteed by the Rural Housing Service CARES Act
Forbearance Fact Sheet for Mortgages and Servicers

Loan Status
We are currently reviewing new loan applications and conditions received on or before 06/19/2020

Subscribe to Notifications
Critical program information such as policy updates, funding status, and automation changes are sent by email through GovDelivery Sign Up to Receive Critical Updates

Overview
On February 16, 2020 we integrated the Guaranteed Loan Program into a single integrated national team! For more information, please reference our Integration Information sheet.

USDA Rural Development’s Guaranteed Loan Program assists approved lenders in providing up to 100% financing for eligible borrowers (households that do not exceed 315% of the Median Household Income) purchasing homes in eligible rural areas. Automated underwriting assistance through GUS (Guaranteed Underwriting System) allows for expanded ratios and flexible credit.

We now have Single-Family Construction-to-Permanent Financial & single-close loan combines the features of a