Welcome to the “Submitting a Complete Loan Application for Conditional Commitment” training module presented by USDA’s Single Family Housing Guaranteed Loan Program.
This training will provide you with the information you need to successfully build a complete loan application and obtain a Conditional Commitment from USDA Rural Development within a few days of submitting a complete loan application.

Our #1 goal is to get homebuyers into the home they have worked so hard to call their own. Together, we can make sure this happens and most importantly, it happens on time.
The objectives of the training include:

• Demonstrating where the training topic is located in the program regulation, 7 CFR Part 3555 and the technical handbook, HB-1-3555

• In addition to the regulation and technical handbook, the agency has developed many other resources and tools to assist you. If you have not yet completed the Single Family Housing Guaranteed Loan Program Overview training module, please take a few moments to review that module to become more familiar with navigating through your resources and tools.

• Every effort has been made to ensure this training and all references are accurate, however, program changes and updates do occur. Please ensure you always reference the most recent USDA publications.
• Step #1 to building a complete application is “Understanding Submission Types”.
• It’s important to know the different types of applications so you know what documents are required to be submitted to Rural Development based on the GUS underwriting recommendation.
• GUS loans that receive an “Accept” underwriting recommendation generally require a minimal submission of documents.
• In some cases, a GUS “Accept” loan may receive a “Full Documentation Review” condition which will be listed under the lender’s “Prior to Conditional Commitment” conditions and additional documentation will be required. Loans selected for a full documentation review are randomly selected for a data integrity review.
• Loan requests that receive a “Refer” or “Refer w/Caution” underwriting recommendation require further review and will require a full document submission.
• Lenders must review their GUS findings report and submit documentation accordingly. Agency staff will not review a loan file that is incomplete and condition for missing loan documents. Files that are severely incomplete will be released back to the lender and create delays.
• Regardless of the GUS underwriting recommendation, you will upload all documents via the GUS application. There is no need to email anything to Rural Development.
• The condition “Full Documentation Review” is listed on the GUS findings under the lender’s “Prior to Conditional Commitment” conditions as shown here.
Applications Not Supported in the GUS

- Manufactured Housing Pilot Loans
- Streamlined-Assist Refinance Loans

There are two types of loans that cannot be processed through the GUS and those are Manufactured Housing Pilot and Streamlined-Assist refinance loans. In these instances, documents must be electronically submitted to Rural Development via email, secure server, etc. Email the appropriate Rural Development Production Team based on which state the property is located in. Always remember to protect Personally Identifiable Information (PII).
• Step #2. Make sure you submit a complete and accurate Form RD 3555-21, “Request for Single Family Housing Loan Guarantee.”
• The #1 reason conditional commitments are delayed is because this form is submitted with incomplete or inaccurate information so let’s spend a little time walking through it.
• Form RD 3555-21 is the only required form that is unique to a guaranteed loan application and it’s very easy to complete. Actually, much of this information will prefill from your GUS application. It can then be printed for the applicant and lender to sign or signed electronically.
• Make sure you are using the most current version of the form that is posted on the USDA forms website.
• The top portion of page 1 of the form is completed with the approved lender information.
• You will also complete the third party originator name and tax ID if applicable.
Next, you will complete the applicant and property information.

If there are additional co-applicants, you must fully document their information on a separate form.

Make sure to document the date that a representative from your institution verified on the GSA list found on the SAM website that the applicant, co-applicant, and other parties to the mortgage transaction have not been suspended or debarred from participating in Rural Development programs.

This verification

Next, complete the property information.

Make sure the property information matches the Appraisal and GUS application! The file will be considered incomplete if all 3 do not match!

If the application is for a refinance loan, make sure you indicate if the original loan was a Guaranteed or Direct loan.

On lines 3a and 3b, enter the annual and adjusted annual income totals. These totals may end up differing from the totals on the income calculation worksheets on pages 3-5 as they may be completed prior to obtaining income verifications and that’s acceptable.
Line 6 breaks down the total loan request. Only include those items being financed and included in the loan amount. For example, if the applicant is not financing any portion of the up-front guarantee fee, do not include any portion of the fee here.

The Total Request must match your loan amount, or line “o”, on your GUS “Transaction Details” page to avoid any confusion regarding the loan amount being requested. The application will be considered incomplete if they do not match.

Make sure the loan amount accounts for any rounding that may occur at closing in your system. The loan cannot close for even one cent higher than the loan amount on the Conditional Commitment without prior approval from Rural Development. Failure to get approval for a higher loan amount prior to close could jeopardize the guarantee. If you think the applicant may need additional loan funds at closing, now is the perfect time to look at increasing the loan amount.
• Pages 2 and 3 of Form RD 3555-21 are extremely important. Make sure you and your applicants read them before signing.

• So what does all the fine print say? By signing this form, the lender is certifying, to the best of their knowledge, they have originated the loan in compliance with all Agency loan requirements.
Next, let’s take a look at the Applicant certification.

The applicant is certifying that they are not presently debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

This section also informs the applicant that their guaranteed loan will be subject to payment of an annual fee for the life of the loan and the fee is calculated based on the average scheduled unpaid principal balance.

By signing the form, applicants certify all statements made by them in the application are true, complete, and correct to the best of their knowledge.
On page 3, the lender will document their annual income calculations for all adult household members.

First, identify all household members and document their age, if they are a full-time student, disabled, if they receive income, and the source of income. Document every person that intends to occupy the home as their primary residence, regardless of age.

Next, document the income calculations for each adult household member. Rural Development does not see income documentation for streamlined GUS “Accept” loans so lenders must show the numerical information used in calculations. Avoid using words such as “year to date”, “average”, etc. only and include the actual numbers.

Add lines 1-5 and put the total in line 6. This will be the total annual household income.

This total must match the total annual income entered on the “Eligibility” GUS application page.

More information regarding annual income can be found in Chapter 9 of the 3555 handbook.
• Adjusted annual income will be documented on page 4.
• Allowable deductions must be verified and documented.
• Line 12 will be the total of all eligible household deductions.
• Subtract the total on line 12 from the annual income total on line 6 (from page 3).
• Enter this total on line 13. This will be the adjusted annual income total. This total must be at or below the moderate income limit for the state and county where the property is located.
• This total must match the “Adjusted Household Income” entered on the “Eligibility” GUS application page. Please note that the GUS will automatically round this number to the nearest $10.00 and that is acceptable.
• More information regarding adjusted annual income can be found in Chapter 9 of the 3555 handbook.
• Monthly repayment income will be documented on page 5.
• Repayment income will include the stable and dependable income of parties to the note only. Cosigners are not allowed.
• Include the monthly income of the applicant and any co-applicants. Remember to document your calculations and show the numerical information used in calculations.
• Enter the total monthly repayment income on line 15.
• The preparer of the form must complete this information and sign the form. An electronic signature is acceptable.
• This total must match the “Monthly Repayment Income” entered on the “Income and Expenses” GUS application page.
• More information regarding repayment income can be found in Chapter 9 of the 3555 handbook.
• Step #3. Make sure you utilize the correct Loan Origination Checklist and that the items are assembled in the order listed on the checklist.
• Doing so will be a huge time saver for Rural Development and will ensure quicker turn times on Conditional Commitments!
For GUS loans that receive an “Accept” underwriting recommendation, you will follow Page 1 of “Attachment 15-A”, “Loan Origination Checklist” when assembling documents for upload to the GUS.

Assemble the following documents in this stacking order:

- The completed and signed Form RD 3555-21, “Request for Single Family Housing Loan Guarantee”
  - Remember to include all pages and make sure your loan and income totals match your GUS entries
- “Standard Flood Determination Form”
- Mortgage Payoff Statement (if it’s a refinance transaction)
- Evidence applicant or co-applicant is a qualified alien if not a US citizen
- Credit report for non-purchasing spouse if property is located in a community property state
- And lastly, the appraisal report. This document must be uploaded separately in the GUS and must include color photographs.

That’s it! Just be sure to double check your GUS findings report and make sure the loan wasn’t randomly selected for a full documentation review.
Follow the checklist on page 2 of “Attachment 15-A”, “Loan Origination Checklist”, for GUS loans that receive a “Refer” or “Refer with Caution” underwriting recommendation and those that receive the “Full Documentation” condition message.

You will also follow this checklist for applications underwritten without the assistance of the GUS and those not supported in the GUS, including manufactured housing pilot loans.

Assemble the following documents in this stacking order:

- Completed and signed Form RD 355S-21, “Request for Single Family Housing Loan Guarantee”
- Underwriting Analysis that has been signed by the underwriter. If a credit or ratio waiver is required, document it here. This form is not required for GUS Accept loans that are randomly selected for a full documentation review.
- Uniform Residential Loan Application
- Complete income documentation for all adult household members
- Asset verification documentation such as verification of deposits, bank statements, gift letters, etc. is always required, even if net family assets are below $50,000.
GUS “Refer” and “Refer with Caution”

GUS “Accept” with “Full Documentation” Message

Underwritten Without the Assistance of the GUS

Applications Not Supported in the GUS
   • Manufactured Housing Pilot Loans

• Credit report and supporting documentation for loans underwritten without the assistance of the GUS (for GUS loans, the agency can retrieve a copy of the credit report from the GUS)
• Credit report for non-purchasing spouse if property is in a community property state
• A VOR is required if the applicant’s credit score is less than 680. A VOR is not required for a GUS Accept loan that is randomly selected for a full documentation review.
• Mortgage Payoff Statement (if it’s a refinance transaction)
• “Standard Flood Determination Form”
• Evidence applicant or co-applicant is a qualified alien if not a US citizen
• And lastly, the appraisal report. Again, remember to upload this document separately in the GUS and include color photographs.
• Make sure the appraised value is correctly entered in the GUS on the “Additional Data” application page! Your application will be considered incomplete if this field is input incorrectly.
• The last checklist on page 3 of “Attachment 15-A, “Loan Origination Checklist”, is for Streamlined-Assist Refinance loans.
• Assemble the following documents in this stacking order:
  • Completed and signed Form RD 3555-21, “Request for Single Family Housing Loan Guarantee”
  • Underwriting Analysis that has been signed by the underwriter
  • Uniform Residential Loan Application
  • Complete income documentation for all adult household members
  • Asset verification documentation
  • Mortgage Payment History for previous 12 month period
  • Mortgage Payoff Statement
  • Appraisal, only if the original loan was a Direct loan and subsidy recapture is due
• As a reminder, streamlined-assist refinance loans are not supported in the GUS and must be manually underwritten and the complete loan application must be emailed to the appropriate production team
Building a Complete Loan Application Package

- Step #4. Upload Your Documents Timely.
Successful Document Submission

Timeliness
- Upload documents prior to “Final” submission

Communication
- Notify Rural Development anytime you upload documents for incomplete files

Completeness
- Efficiency is the key!
- Follow the checklist

- It’s important to remember these items when uploading documents to the GUS.
- It is very important that you upload all required documentation in a timely manner.
- When a lender requests a final submission in the GUS, it triggers a notification to Rural Development that the application is ready for the agency to review. If documents are not uploaded when Rural Development begins reviewing the application, the lender will be notified that the application is incomplete and documents need to be uploaded.
- Lenders may upload missing or corrected documents after final submission to USDA until the agency issues a Conditional Commitment.
- It is the lender’s responsibility to notify the agency once the documents have been uploaded for incomplete applications as the GUS does not notify Rural Development when documents are uploaded after the final submission has been requested.
- Once Rural Development receives notification from the lender that the documents have been uploaded, Rural Development will place the application in its review queue.
- Processing a final submission prior to uploading documents will not speed the process up, as you can see, it will only slow it down so make sure your documents are uploaded prior to final submission.
- All documents, except the appraisal, should be assembled into one electronic file following the checklist’s stacking order, more on this in a few slides.
• The GUS Navigation Toolbar displayed is available to USDA Approved Lenders. Lender Agents do not have the ability to upload documents into the GUS.
• When the loan documents are prepared, select “Upload Documents” from the GUS navigation toolbar.
• The “Upload Documents” page will identify the borrower information.
• This page also notes the acceptable file formats for upload and that files cannot be password protected. File size is limited to 30 megabytes.
• Under “Add and Index Individual Documents into the Image Repository”, the user may select the “Type of Document” from the drop down list provided.
• When the “Type of Document” is selected, the user can select “Browse” in order to locate the files.
• When the files have been selected, the “File Name” will populate with their location.
• If additional document data fields are required, select “Insert More Documents.”
• In the example the appraisal report has been uploaded separately in order to ensure the color photographs will be retained. The other required documents for this loan submission have been stacked according to Loan Origination Checklist and uploaded as one document under the “Underwriting” option.
• When all documents are uploaded select “Submit Documents.”
• A processing message will appear “Please wait while your request to upload documents is processed.”
• When the documents are successfully uploaded the page will list each document under “File Name.”
• The “Upload Status” will also reflect “Successful” for each file added.
• USDA Approved lenders may view uploaded documents by selecting “Display Documents” from the GUS navigation toolbar.
The “Display Documents” page will also list the borrower information.

When a document listed is selected for display it may take several minutes for individually indexed documents to process before they display. GUS reminds users to please be patient.

The following are listed:
- Document Type
- Document Description, and
- Upload date.

When USDA issues a Conditional Commitment or a Loan Note Guarantee, these documents will also display under the “Display Document” selection in GUS. USDA approved lenders will be able to view these documents. Lender agents or third party originators (TPO’s) will not be able to access this option.
• If the agency concurs all program requirements have been met and agrees to guarantee the loan, Form RD 3555-18 w/required conditions will be issued electronically to those identified on the GUS “Credit/Underwriting” application page.

• Only those with an active GUS user role may be listed here. Those without an active GUS user role will not be able to open the link that is emailed when the Conditional Commitment is issued.

• If the agency is unable to take favorable action on the request, a written denial will be issued.
Always verify you have a valid Conditional Commitment from Rural Development prior to closing a loan. Never close a loan without it!

7 CFR 3555 prohibits closing a single family housing guaranteed loan without a conditional commitment. Loans closed prior to issuance of a Conditional Commitment will be rejected by Rural Development and will not be eligible for a Loan Note Guarantee.

Don’t risk it. Monitor the lender webpage for turnaround times and plan accordingly.
• If there have been any changes since the Conditional Commitment was issued that may negatively impact the loan, those changes must be reviewed and approved by Rural Development prior to closing.
• To avoid closing delays, loan processors, loan officers, underwriters, and closers must work together to ensure they allow Rural Development ample time to review changes that require Rural Development approval.
• This slide lists changes that do and do not require Rural Development approval.
• The last step to building a complete application is Step #5, “Utilizing the Resources and Tools”.
• Save yourself valuable time by utilizing the numerous tools and resources Rural Development has developed to assist lenders with originating, processing, and servicing guaranteed loans.
• The 7 CFR Part 3555 is the program regulation. It is the first place users should look for the answers to their questions.

• 3555.107 provides detailed guidance on submitting a complete loan application. You can view the entire regulation online at the site listed here.

• The quickest way to find answers to your questions is to look in the CFR and handbook. Bookmark them and use Cntrl-F to quickly find your answers.
• The 7 CFR Part 3555 regulation cannot cover every topic and every potential scenario, therefore a technical handbook has been published to support the regulation and provide additional clarification.
• Guidance in the handbook is meant to support the regulation not replace it.
• HB-1-3555, Chapter 15 provides more detailed guidance on submitting a complete loan application.
• You can view a copy of the entire handbook online at the site listed here.
This new webpage is designed specifically for our lending partners and will include information such as:

- Current turn times on new loan applications
- How to contact us with questions on a specific topic and
- Links to program resources such as our 3555 Handbook and the USDA LINC website.
- The processing turn-around times are updated daily so monitor the site and use it as a guide when setting customer expectations.
- Please do not call or email our office for a file status update if we have not yet reached the date of when your file was submitted. The more time our staff can dedicate to file reviews, the quicker Conditional Commitments will be issued.
- Also, don’t forget to sign up for our GovDelivery email notifications. Rural Development sends out origination, GUS, and servicing messages to alert lenders of new publications, clarifications, and additional program updates. This is our main communication tool with lenders so don’t forget to sign up.
If you still have a question after reviewing your resources and tools? We’re here to help!
This slide lists the contact information for the Single Family Housing Guaranteed Loan Program staff. Reach out to us for assistance by sending your question to the appropriate guaranteed team email address.

- If you have a question on a specific loan file, email the production team responsible for the state the property is located in.
  - To expedite your request, be sure to include the following information in your email.
- All general inquiries should be sent to the general email inbox.

Don’t forget to sign up for GovDelivery updates.
Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program and America’s rural homebuyers!
This will conclude the training module. Thank you and have a great day!