NEW HIGHLIGHTS OF HANDBOOK REVISIONS:
Chapters 2, 15, 16, Appendix 2

The Mandatory Guaranteed Underwriting System and Lender Loan Closing Final Rule will be effective May 9, 2022. In preparation, the Agency has updated several chapters in Handbook 1-3555 and Appendix 2.

Chapter 2 - Record Retention
- Paragraph 2.3 Agency Record Maintenance B Mortgage Files. Removed bullet referencing Form RD 1980-19, Guaranteed Loan Closing Report, as this form is not required with electronically submitted loan closings.

Chapter 15 - Submitting the Application Package
- Paragraph 15.1. Updated the language from “recommends” to “requires” to implement the Mandatory Guaranteed Underwriting System and Lender Loan Closing Final Rule.
- Paragraph 15.3. Added language to clarify how the various types of manually underwritten loans are submitted to the Agency.
- Attachment 15-A. Updated page 3 of the form to remove the requirement to submit repayment income calculations for Streamlined Assist Refinance submissions.

Chapter 16 - Closing the Loan and Requesting the Guarantee
- Paragraph 16.2 – Signatures. Clarified the lender has 90 days from the issuance of the Conditional Commitment to close the loan for both purchase and refinance transactions. Also clarified that standard industry closing documents are to be utilized and the lender is required to ensure a valid and enforceable first lien is obtained. Removed bullet indicating additional signatures on security instruments are prohibited.
- Paragraph 16.3. Updated verbiage to clarify an electronic closing is the sole option for requesting the Loan Note Guarantee. Removed all references to manual loan closing submissions. Clarified that requests for a Loan Note Guarantee submitted beyond 30 days of loan closing will be considered, however the submission must include a payment history verifying the loan is current, as well as certification that all required escrow accounts are current and neither the lender nor another interested party provided funds to bring and/or keep the mortgage current to obtain the Loan Note Guarantee. Clarified the “Add Loan Closing” screen is in GLS, not the LLC system.
- Paragraph 16.4. Removed guidance on how to process Loan Note Guarantee Fee checks that are submitted manually, as all fees will be submitted electronically going forward. Also removed all references to manual loan closing submissions.
- Paragraph 16.7B. Removed all references to manual loan closing submissions.
- Paragraph 16.7C. Removed table on where to find answers to common closing questions and instead referred reader directly to Attachment 16-B.
- Paragraph 16.12B. Under “Fee Simple Ownership” revised to match the verbiage in 7 CFR 3555.203(a).
- Attachment 16-B. Reformatted and made a table to be consistent with the formatting throughout the Handbook and updated screen shots to reflect current systems. Updated all links, as well as documents/guide names and their location.

Appendix 2 - Forms and Instructions
- Removed Form RD 1980-19, Guaranteed Loan Closing Report, as this form is not required with electronically submitted loan closings.
- Removed forms no longer referenced in the Handbook.