



Appraisal and Property Eligibility Training

Presented by: Alyssa Rung, Finance and Loan Analyst, Lender and Partner Activities Branch



Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Appraisals

Handbook-1-3555, Chapter 12



Property Value



Establish an estimate of value (defendable and supportable)

Property meets the current minimum property requirements (of HUD Handbook 4000.1 for existing properties).

Appraiser Qualifications



Lender ensures Appraiser is Qualified:

USPAP Compliant

Independent & Objective

Properly licensed/certified

Appraisal Report Requirements



Must comply with the reporting requirements of USPAP

Must meet Uniform Appraisal Data Set (UAD) as set forth by Fannie/Freddie

Appraiser determines form used *(Uniform Residential Appraisal Report , Manufactured Home Appraisal Report , or Individual Condominium Unit Appraisal Report)*



Appraisal Considerations



Ethics Rules for Appraiser/Client confidentiality

Market or Sales comparison approach is required

Appraiser determines if cost approach or income approach is needed

REO or servicing appraisals are ineligible for loan origination purposes. A new appraisal will need to be obtained.

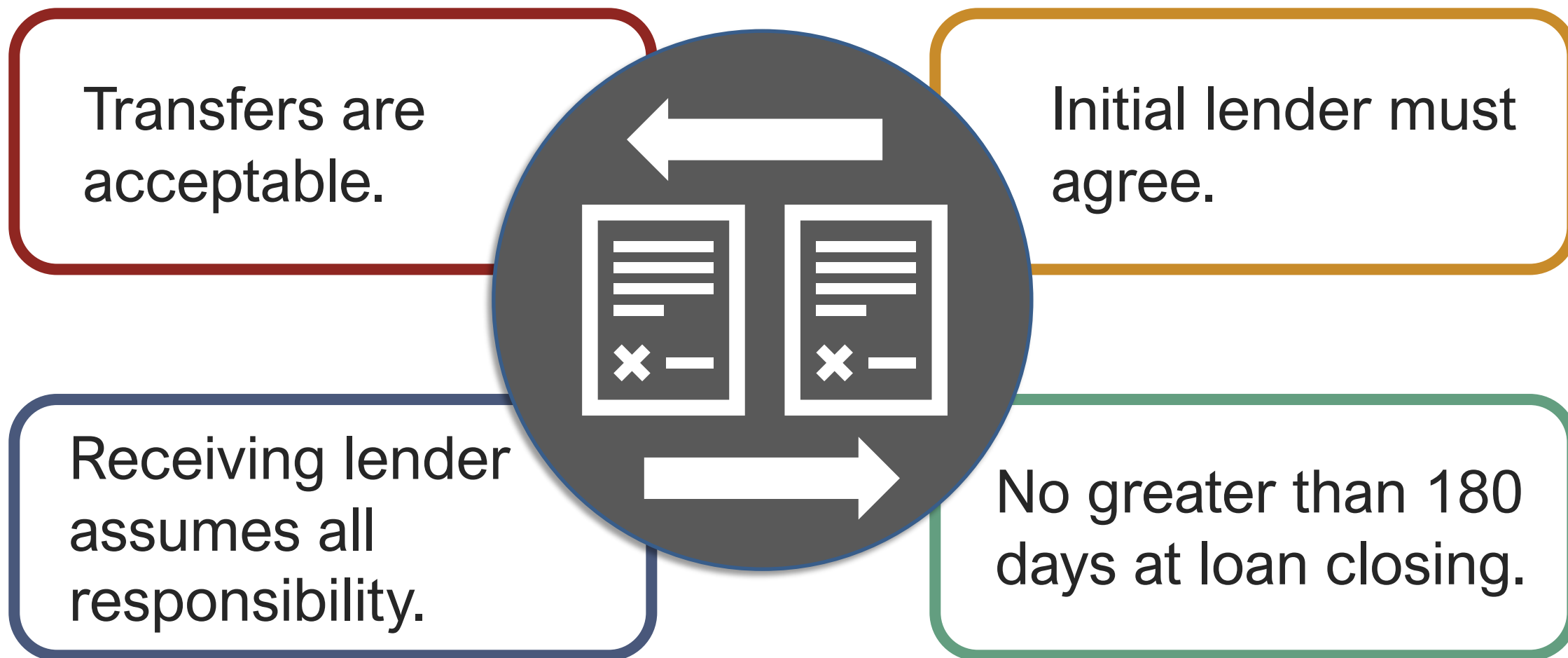
Appraisal Photographs

- ✓ Front and rear of property
- ✓ Street Scene
- ✓ Kitchen
- ✓ Main living area
- ✓ Bathrooms
- ✓ Bedrooms
- ✓ Other rooms showing overall condition
- ✓ Basement/attic/crawl space
- ✓ Comparable sales



Appraisal Transfers

HB-1-3555, Chapter 12.5 B





Appraisal Updates

Appraisal initially valid for 180 days from loan closing.

Note: Only used to determine if the property has declined in value since original appraisal. Not eligible to support a higher appraised value of the property.



Lenders may extend to 1
YEAR with a one-time
Appraisal Update Report.

Property Flipping

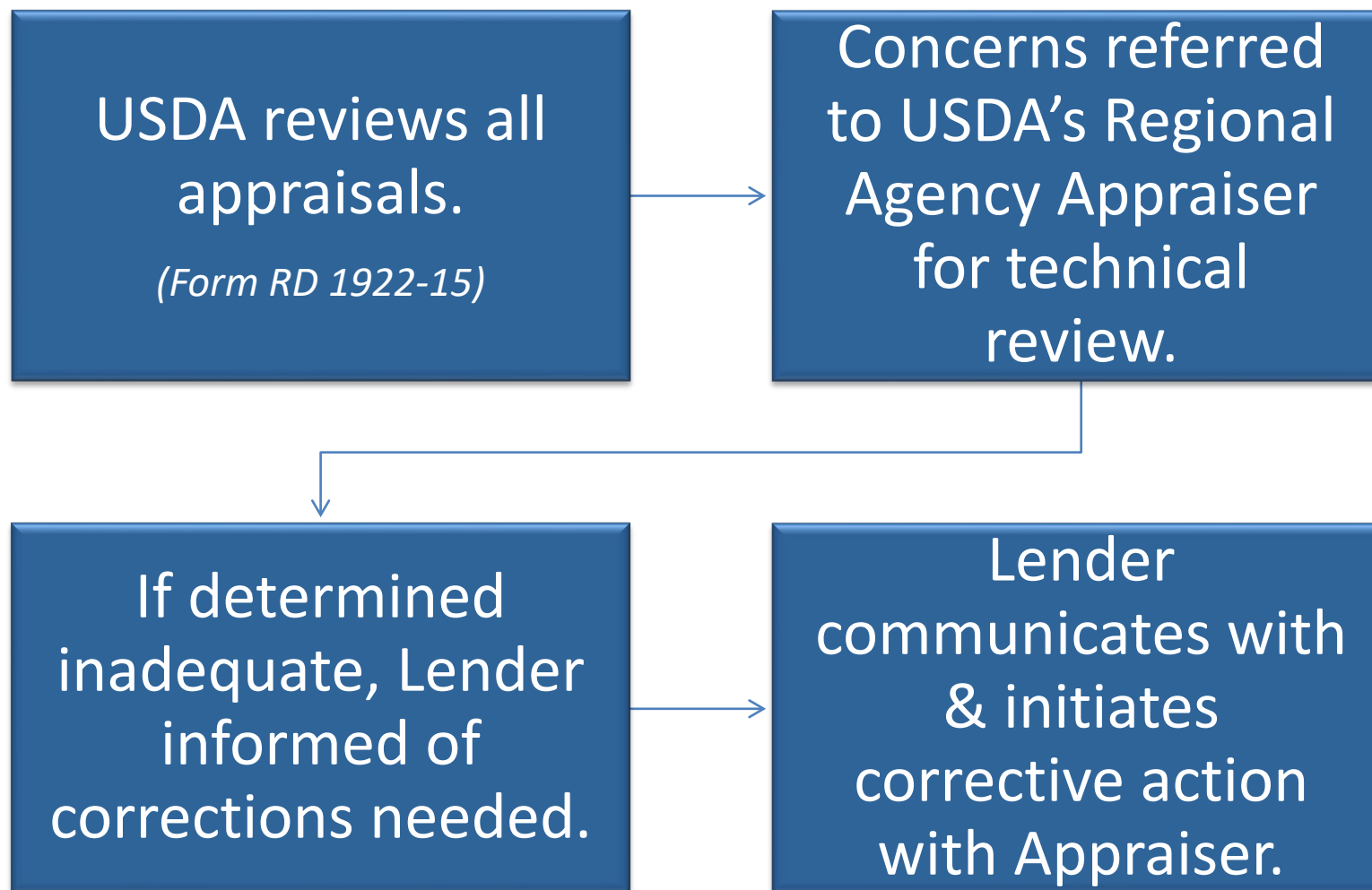


Applicant may purchase a property the seller has “flipped”

Lender must do a thorough review of the appraisal to ensure the property’s value is strongly supported by appraisal

This protects applicants from possible predatory lending

Appraisal Review



Appraisal Consideration: Remote Areas/Tribal Lands



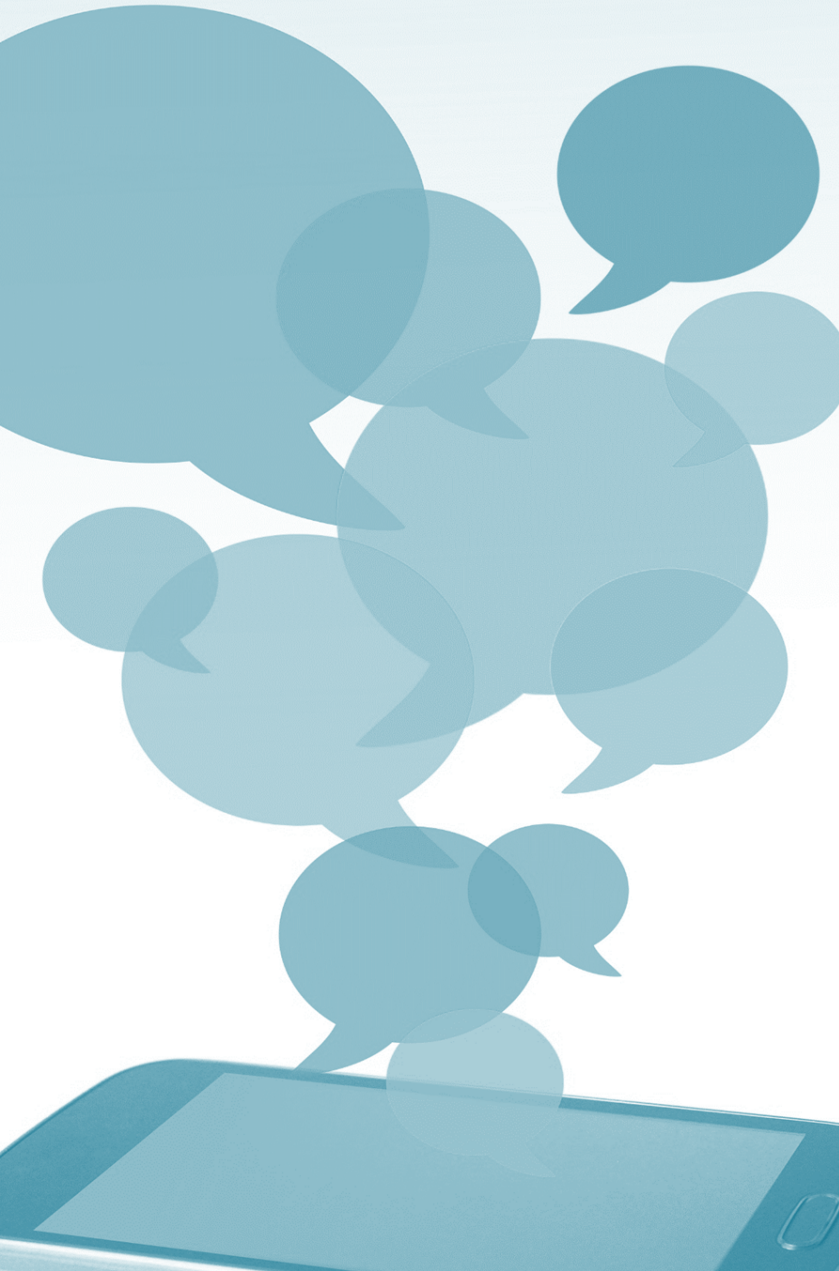
May be difficult to obtain comparable sales

Appraiser may utilize other methods of valuation in compliance with USPAP

Appraiser will explain the lack of sales comparison approach



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TRIVIA TIME



**Get your
phone**




**Scan the code
or enter the ID
117-751-859**



**Have
fun!**

Can the cost of an appraisal be reimbursed at closing if it was paid for with a credit card?

- 1. Yes
-  2. No
- 3. I'm not sure

Trivia Time

ANSWER: No

- Loan fees paid by the applicant with credit cards or other short-term loans are not reimbursable at closing.



Lenders must ensure the appraiser is on USDA's approved lender list?

1 Yes



2 No

3 I'm not sure

Trivia Time

ANSWER: No

- Rural Development does not maintain a list of approved appraisers.
- It is the responsibility of the lender to select qualified appraisers that are properly licensed or certified, as appropriate, in the state in which the property is located.



The lender discovers significant concerns with the appraisal. A second appraisal can be ordered?



1 Yes

2 No

3 I'm not sure

Trivia Time

ANSWER: Yes

- Rural Development does not require that the first appraisal ordered must be utilized for underwriting.
- The approved lender may order an alternate appraisal if the initial appraisal report is unacceptable.



Form 1004MC is required?

1 True



2 False

3 I'm not sure

Trivia Time

ANSWER: False

– Form 1004MC is not required.



"As improved" appraisals are acceptable?



1 Yes

2 No

3 I'm not sure

Trivia Time

ANSWER: Yes

- “As is” or “as improved” appraisals are acceptable.
- Fannie Mae Form 1004D/Freddie Mac Form 442, Appraisal Update and/or Completion Report, may be utilized by the lender to report the completion of a repair and/or satisfaction of requirements and conditions noted in the original appraisal report.



Property Eligibility

Handbook-1-3555, Chapter 12





Rural America

what a BEAUTIFUL PLACE *to*
CALL HOME!



Eligible Property Facts

What type of properties can be financed?

- Existing Single-Family Homes
- Condominiums
- New Manufactured
- Townhomes
- New Construction
- Modular

Property must be:

- Predominantly residential in use, character, & appearance
- Located in rural areas as per RD definition
- Free of any health or safety concerns before close and occupancy
- Existing dwellings must meet U.S. Housing and Urban Development standards



Property Eligibility



Existing Single Family
Homes

New Construction

Townhomes

Condominiums
(limitations apply)

New Manufactured

Existing
Manufactured after
2006 in some states
under a pilot program

New or existing
Modular (treated
same as site-built)

Duplex – 1 unit

Occupy the Property

Principal residence throughout the term of the loan

Must occupy the home within 60 days of loan closing

- **Active-duty military applicants must occupy as their principal residence**
- **Student applicants must intend to make the home a permanent residence. Reasonable expectation of securing employment in the area**

Adequate dwelling The dwelling must be modest, decent safe and sanitary.


Modest is defined as a new or existing dwelling that a low- or moderate-income borrower can afford based on their repayment ability. The property must not be primarily designed for income producing activity.



Online Property and Income Eligibility -USDA Website

Property and Income Eligibility

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

**United States Department of Agriculture**
Rural Development

ELIGIBILITY

HomeTutorials


Single Family Housing GuaranteedSingle Family Housing DirectMulti-Family HousingRural BusinessWater and Environmental

Property EligibilityPrevious Eligibility AreasIncome EligibilityIncome LimitsLoan Basics

Rural Housing Services

Property Eligibility Disclaimer

Every effort is made to provide accurate and complete information regarding eligible and ineligible areas on this website, based on Rural Development rural area requirements. Rural Development, however, does not guarantee the accuracy, or completeness of any information, product, process, or determination provided by this system. Final determination of property eligibility must be made by Rural Development upon receipt of a complete application. Viewing eligibility maps on this website does not constitute a final determination by Rural Development. To proceed with viewing the eligibility map, you must accept this disclaimer.

**United States Department of Agriculture**
Rural Development

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Property EligibilityPrevious Eligibility AreasIncome EligibilityIncome LimitsLoan Basics

Rural Housing Services

Property Eligibility Disclaimer

Every effort is made to provide accurate and complete information regarding eligible and ineligible areas on this website, based on Rural Development rural area requirements. Rural Development, however, does not guarantee the accuracy, or completeness of any information, product, process, or determination provided by this system. Final determination of property eligibility must be made by Rural Development upon receipt of a complete application. Viewing eligibility maps on this website does not constitute a final determination by Rural Development. To proceed with viewing the eligibility map, you must accept this disclaimer.

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

Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits

5417 Clems Way Stevens Point WI 54482 **GO!**

5417 Clems Way Stevens Point WI 54482
This address is not located in an eligible area.

USDA United States Department of Agriculture
Rural Development

Home Tutorials

Single Family Housing Guaranteed Single Family Housing Direct Multi-Family Housing

Property Eligibility Previous Eligibility Areas Income Eligibility Income Limits

390 Red Cedar Street Menomonie WI 54751 **GO!**

390 Red Cedar St Menomonie WI 54751
This address IS located in an eligible area.

Property and Site Requirements



Site Size

- No specific limitation to size/acreage of site



Income Producing Buildings

- Income producing buildings are prohibited



Accessory Dwelling Unit

- Does not automatically render property ineligible



Income Producing Land

- Income producing land is prohibited



Multiple Parcels

- Allowable if contiguous, covered by lien in entirety, and only 1 dwelling

Residential in use, character, and design. Typical for the area.

Acceptable Properties



Unacceptable Properties



Additional Site Requirements

Properties with Solar Panels: Dwellings with solar panels are not considered an income producing property. *See chapter 12, section 12.4 for more information regarding solar panels.*

Site Specifications: The site must be contiguous to, and have direct access from a street, road, or driveway. Streets and roads must be hard surfaced, or all weather surfaced, with public access or permanent recorded easements.






Utilities: The site must be supported by adequate utilities and water and wastewater disposal systems.



Zoning: The property must comply with applicable zoning requirements and restrictions. If an existing property does not comply with all current zoning ordinances but it is accepted by the local zoning authority, the appraiser must report the property as legal non-conforming. The appraisal must reflect any adverse effect of the legal nonconforming use on the value and marketability of the property.



Property Requirements - Inspections

-  **Home Inspection.** Applicants are encouraged to obtain a detailed home inspection of the property independent of the HUD certification.
-  **Property Standards.** Must meet HUD Handbook 4000.1 MPR and MPS.
-  **Thermal Inspection.** Not required for existing homes.
-  **Pest Inspection.** Not required unless the lender, appraiser, inspector or State law requires the inspection.
-  **New Construction.** Must be designed and constructed in accordance with certified plans and specifications.

Private Well & Wastewater

HB-1-3555, Chapter 12.6A



Distance between well and septic must meet either the local/state code or HUD Handbook.



The appraiser or lender may require additional inspections.



Must be free of observable evidence of failure.



Safe water test always required for private wells.



See Chapter 12 for additional guidance.



Condominiums



Applicants remain responsible to obtain individual homeowners insurance and/or flood insurance, as applicable

- **Units are eligible if approved or accepted by HUD/FHA, VA, Fannie Mae, or Freddie Mac**
 - ✓ **Lenders must retain documentation that supports the project's approval or acceptance**
 - ✓ **Lender will document approval on the Uniform Underwriting Transmittal Summary or on RD "Attachment 12-B, Condo Certification"**

Manufactured Housing Pilot has been renewed

[Link for Pilot in the Federal Register](#)

Unit must...

- Have been constructed on or after January 1, 2006.
- Not have been previously installed on a different homesite.
- Have no alterations or modifications since construction in the factory except for...
- Have a floor area of not less than 400 sq. feet.
- Meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555.
- Porches, decks, or other structures which were built to engineered designs or were approved and inspected by local code officials are acceptable.

States included in the pilot are: CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY.

[Manual File Submission Job Aid](#)

New Manufactured Homes

- **Site development work**
- **Purchase of eligible unit**
 - **Unit must be NEW (less than 12 months old and never occupied)**
 - **Pilot Program: Must have been constructed on or after January 1, 2006**
- **Transportation and set-up costs**
- **Purchase of site if not already owned by applicant**



Combination Construction to Permanent Loan



Highlights

- Lack of affordable housing stock in rural America...new construction gives options!
- USDA's Loan Note Guarantee issued immediately after loan closing (before house is built)!
- Single-Close Construction loans save Applicants money over older "two-time" closed loans because there is only 1 loan closing (& 1 set of loan closing costs)!

Combination Construction to Permanent Loan

(a/k/a Single-Close-Construction Loan)



Lower Out-of-Pocket Costs

A Contingency Reserve up to 10% of purchase price may be established from loan funds to allow for cost over-runs, and up to 12-months of loan payments during construction



!! Loan Note Guarantee at Closing !!

Issued prior to construction and sellable on secondary market – attractive to Lenders!



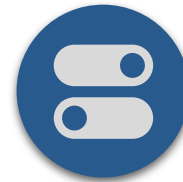
Reduced Risk

To both lenders and builders



One Closing

Only one loan closing required, saving borrower from excess closing costs



Two Products Available

Securitized and Standard Interest Only



Realtor Commission

Paid at time of closing – prior to construction



Sellable on Secondary Market

Ability to sell immediately after closing on secondary market

Dwelling Requirements

New

- Must be constructed in accordance with certified plans and specs
- Must meet or exceed IECC in effect at time of construction
- Lender to obtain/retain evidence of construction costs, inspections, certifications & warranties
- All must be acceptable to Rural Development

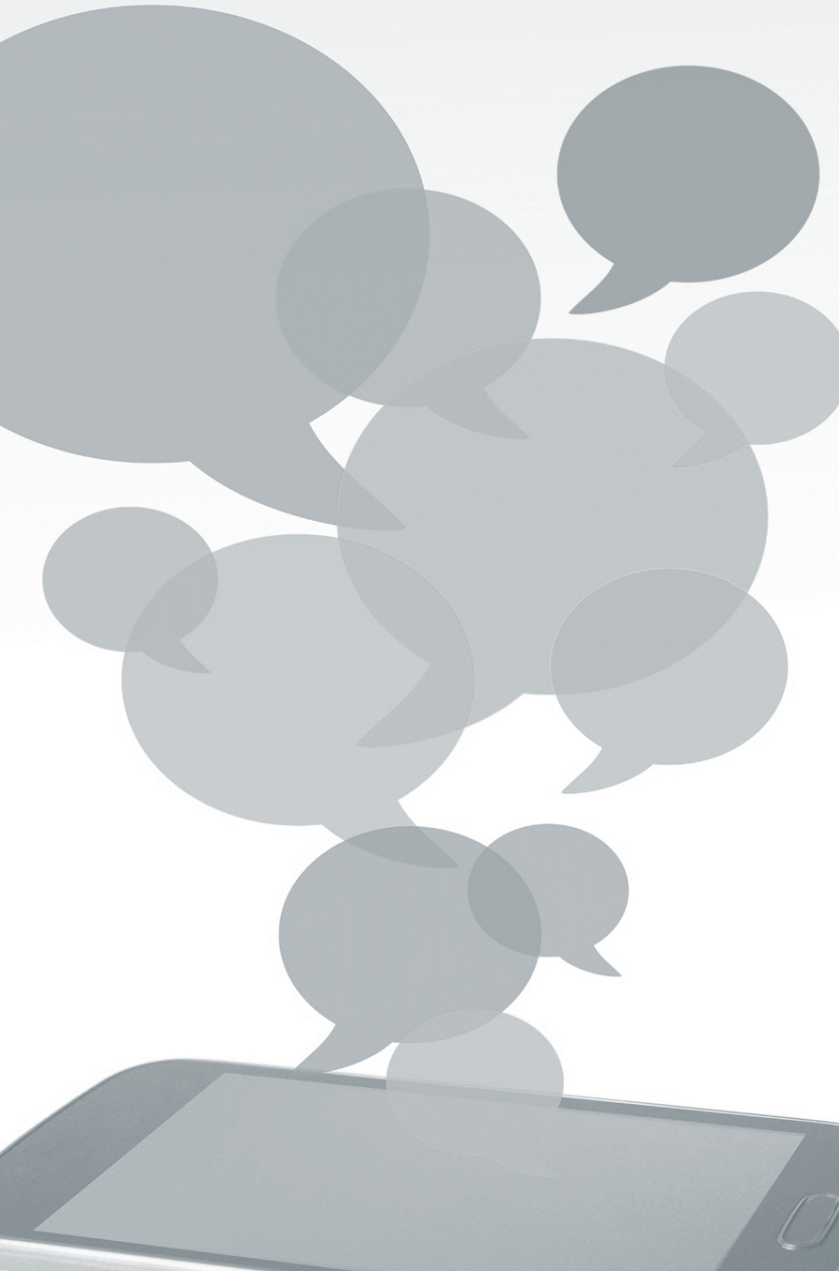


Existing

- Must meet HUD 4000.1 requirements
- Must be functionally adequate & structurally sound
- Must be in good repair, or placed in good repair with loan funds
- Must have adequate and safe electrical, heating, plumbing, water and wastewater



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TRIVIA TIME



Get your
phone



Scan the code
or enter the ID
117-751-859



Have
fun!

Is it possible to use the Guaranteed Loan Program to finance a tiny home (less than 400 square feet)?



1 Yes

2 No

3 I'm not sure

Trivia Time

ANSWER: Yes, it is possible.

- Rural Development guidelines only specify a minimum square footage requirement for manufactured homes.
- As long as this is not a manufactured home, the square footage itself wouldn't render the property ineligible.
- The property will need to meet the requirements of HUD Handbook 4000.1, as certified to by an appraiser or inspector determined qualified by the lender, and the appraiser will need to be able to find comparable properties to support the value.



The subject property is a manufactured home, which the appraisal states was manufactured in February, 2022. The property has never been occupied. Is this considered an existing or new manufactured home for program purposes?



1 Existing

2 New Manufactured

3 I'm not sure

Trivia Time

ANSWER: Existing

- Manufactured more than 12 months ago.
- To be considered a new manufactured home, it must:
 - be purchased directly from the dealer,
 - consist of a new unit in stock (less than 12 months from manufactured date),
 - has never been installed or occupied at any other site or location.



The subject property includes a secondary lot of 8 acres that is currently rented out and being used to grow crops. Per the current homeowner, they receive \$500 per month in rent. The applicant indicates they will not continue to rent out this land or use it for farming operations. Is this acceptable?

1 Yes



2 No

3 I'm not sure

Trivia Time

ANSWER: No

- Chapter 6 of HB-1-3555 states that a qualified property must be predominantly residential in use, character and appearance.
- Chapter 12 states that the site must not have income-producing land that will be used principally for income producing purposes. Vacant land or properties used primarily for agricultural, farming or commercial enterprise are ineligible.
- Regardless of the applicant's future intent, the 8 acres of land are currently being rented out and farmed. This appears to be an income producing property, thus ineligible for the SFHGLP.



The applicant is purchasing a newly constructed home. The home is located outside the city limits, and the county does not issue building permits or a Certificate of Occupancy. Since the county does not issue these documents, can we proceed without them (without having to obtain alternative documentation)?

1 Yes



2 No

3 I'm not sure

Trivia Time

ANSWER: No

- For new dwellings, the lender must obtain evidence of certified plans and specifications, construction inspections, and thermal standards. Chapter 12 provides three options for each of these requirements.
- If the lender is unable to meet the minimum documentation requirements, the loan would be limited to a 90 percent loan to value (plus the upfront guarantee fee).

Documentation Requirements	Option 1	Option 2	Option 3
1. Evidence of Certified Plans and Specifications	Copy of the certification from a qualified individual or organization that the reviewed documents comply with applicable development standards; <i>OR</i>	Certificate of Occupancy issued by a local jurisdiction; <i>OR</i>	Building Permit (or equivalent) issued by local jurisdiction.
2. Evidence of Construction Inspections	Certificate of Occupancy issued by a local jurisdiction showing that it has performed at least 3 construction phase inspections, as identified in Section 12.9(B), and an acceptable 1 year builder warranty; <i>OR</i>	Three construction phase inspections performed at each of the phases identified in Section 12.9(B); <i>OR</i>	Final inspection and a 10-year insured builder warranty.
3. Evidence of Thermal Standards	The final inspection, or certificate of occupancy issued by a local jurisdiction; <i>OR</i>	Builder may certify confirmation with the IECC standards; <i>OR</i>	A qualified, registered architect or a qualified, registered engineer may certify confirmation with IECC standards.

The applicant is purchasing a property that was originally a manufactured home but was put on a foundation and completely bricked around. Is this still considered a manufactured home?



1 Yes

2 No

3 I'm not sure

Trivia Time

ANSWER: Yes

- A manufactured home is built in a factory or warehouse in accordance with building codes set forth by HUD.
- Regardless what improvements are made to the home, it will always be a manufactured home and will need to be considered as such.



If the appraisal states the subject property will meet HUD Handbook 4000.1 minimum property standards upon completion of required repairs, is this acceptable?



1 Yes

2 No

3 I'm not sure

Trivia Time

ANSWER: Yes

- However the lender will need to obtain certification from the appraiser that the repairs were completed, and all requirements or conditions of the original appraisal report have been satisfied.



Is an appraisal with the following statement acceptable: “The subject property appears to meet HUD Handbook 4000.1 minimum property requirements”?

1 Yes



2 No

3 I'm not sure

Trivia Time

ANSWER: No

- Chapter 12, Section 12.9 states the property “must be inspected to determine the dwelling meets the current minimum property requirements of the Single Family Housing Policy Handbook (SF Handbook; HUD Handbook 4000.1).”
- Thus, the certification obtained must indicate that the property does or does not meet these guidelines.
- Using the term “appears” does not provide a definitive certification.



Does the appraiser need to specifically reference HUD Handbook 4000.1, or can they state “the subject property meets HUD Handbook requirements”?

- ✓ 1 Must specifically state "HUD Handbook 4000.1"
- 2 Just HUD Handbook is sufficient
- 3 I'm not sure

Trivia Time

ANSWER: HUD Handbook 4000.1
should be specifically referenced.



When the local municipality does not have a building inspector, who can complete the final inspection on a new dwelling?

- 1 It's not required if they don't have a building inspector
- ✓ 2 The lender must find a qualified alternate
- 3 I'm not sure

Trivia Time

ANSWER: It is the approved lender's responsibility to find an alternate, qualified inspector when the local jurisdiction does not perform construction inspections.



The subject property has an advertising billboard located on it where the owner of the property receives \$500 per year for allowing the billboard on the property. Is this acceptable?

1 Yes

2 No

3 Maybe


Trivia Time

ANSWER: Maybe

- The presence of the billboard would not automatically render the property ineligible.
- The billboard would need to be addressed in the appraisal and considered in the marketability and value of the property.
- The lender would need to determine if any zoning restrictions would apply, and any rental income anticipated would need to be included in annual income.
- All other applicant and property requirements would still apply.



When a title commitment reflects an exception for an oil and gas lease, the property is ineligible for USDA?

- 1 Yes
-  2 No
- 3 I'm not sure

*Please
provide
your
response
in the poll.*

Trivia Time

ANSWER: No

- For purchase transactions, Rural Development does not prohibit mineral, oil, or gas leases.
- The lender must determine the primary reason for the purchase is a residential residence.
- Any income earned from these leases must be included in annual income, the lender must confirm the dwelling and site will not be adversely affected, and the property must have adequate homeowners' insurance coverage.





Lender Resources

USDA GRH Updates

New Lender Training Schedule

Training Schedule

Due to the overwhelming response of our virtual live training events this past year, we will now be offering monthly virtual live training events. These trainings are free and everyone is welcome to attend. Registration will open approximately 30 days prior to the event. Contact the Lender & Partner Activities Branch with any questions.

These trainings will be held at 2pm EST on the dates listed below:

- December 14, 2023: Hot Topics | [Register Here](#)
- January 10, 2024: Single Close Construction and Rehab Repair loans
- January 18, 2024: Income
- February 13-15, 2024: In Person training – Location TBD
- March 6, 2024: Program Overview 101
- March 14, 2024: Credit
- April 9-11, 2024: In Person Training – Location TBD
- May 8, 2024: GUS
- May 16, 2024: Manufactured Housing
- June 11, 2024: Lender Awards
- June 13, 2024: Appraisals & Property
- July 10, 2024: Tribal Lending
- July 18, 2024: Assets
- August 7, 2024: Ratios
- September 12, 2024: Hot Topics

Lender List

About RD >

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Acronyms

Directives >

Disaster Assistance >

Environmental Studies >

Forms >

Publications >

Publications for Cooperatives

Regulations and Guidance >

Rural Data Gateway

LINC Training Library

Lender List

Lender List

Select State

-- Select --

1st National City Mortgage
<https://222.i3lending.com>

Ace Mortgage
<https://www.acemortgage.com>

Advance Mortgage And Investment CO
<https://www.amic.co>

Alcova Mortgage
<https://www.alcova.com>

Allsource Mortgage INC
<https://www.allsource4u.com/Home>

American Financial Network, INC
<http://www.afncorp.com/>

American Home Lending USA LLC
<https://www.americanhomelendingusa.com>

Amerifirst Financial Corporation
<https://www.uhm.com/>

Academy Mortgage Corporation
<https://www.academymortgage.com>

Acopia, LLC
<https://www.acopiahomeloans.com>

Alabama Home Mortgage Loans INC
<https://www.myalabamahomemortgage.com>

Allied Mortgage Group, INC.
<https://www.alliedmg.com>

American Bank of Oklahoma
<https://www.americanbankok.com>

American Financial Resources, INC.
<https://www.afrcorp.com/>

American Mortgage Service Company
<https://www.americanmortgage.com>

Amerifirst Financial, INC.
<https://amerifirstloan.com/>

Reminder: Use the most updated forms

LINC Training Library

Guaranteed Underwriting System (GUS)

Lender Approval

Lender Training

Loan Closing

Loan Origination

Loan Servicing

GUS Lender Test Environment

New**

- [Department of Hawaiian Home Lands MOU](#)

Documents & Resources

1. [3555 Handbook](#) (PDF)
2. [3555 Regulation - 7 CFR 3555](#) (PDF)
3. [FAQ Loan Origination](#) (PDF)
4. [Form RD 3555-21 Request for Loan Guarantee](#) (PDF)
5. [GRH Loan Checklist -- Attachment 15-A](#) (PDF)
6. [Manual Submission Job Aid](#) (PDF)
7. [GRH Income Worksheet -- Attachment 9-B](#) (PDF)
8. [Guaranteed and Annual Fee Calculation Guidance](#) (PDF) [Calculator](#) (Excel)
9. [Income Matrix](#) (PDF)

LINC Library:

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

Loan Status – Turn Time Available Online

- ✓ Updated turn time information is provided daily
- ✓ Loans are reviewed in the order they are received

SFH Guaranteed Lender

HOME

About RD >

State Offices

Programs & Services v

- All Programs
- BioPreferred Program
- Business Programs
- Community Facilities Programs
- Electric Programs
- Energy Programs
- Inflation Reduction Act Programs

English

COVID-19

An important notice for servicers with loans insured or guaranteed by the Rural Housing Service [CARES Act Forbearance Fact Sheet for Mortgagees and Servicers](#)

Loan Status

We are currently reviewing new loan applications and conditions received on or before **01-24-24**.

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](#)

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

WIC Training Library

Guaranteed Underwriting System (GUS)

Lender Approval

Single Family Housing GLP Policy Desk

Lender Training

Loan Closing

Loan Origination

Loan Servicing

GUS Lender Tool Environment (LTE)

SFHGLP Systems Access and Security Guide


*New! Lender Training Schedule

English

USDA LINC Training & Resource Library


The Single Family Housing Guaranteed Loan Program has prepared a comprehensive library of resources for all lending partners. In the categories below you have access to all of the training, resources, and important forms for program participation.

If you have questions or need additional information, please contact us. **Contact Information:** [SFHGLP Contact List](#)




Lender Approval

[Learn More](#)



Loan Origination

[Learn More](#)




Single Family Housing GLP Policy Desk

[Learn More](#)




Lender Training

[Learn More](#)




Loan Closing

[Learn More](#)



Guaranteed Underwriting System

[Learn More](#)



Loan Servicing

[Learn More](#)

Email Updates

An archive of previously released email bulletins and program updates are listed below. Stay connected with the latest information by [subscribing to our email](#).

Resources

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

Save it as a favorite to access quick answers!

Access HB-1-3555, policy resources, GUS user guides and training, loan closing user guide, loan servicing resources, and more

Sign up for GovDelivery notifications

Critical Alerts & Updates



Stay Up-to-Date



Sign Up Today!



[Link to receive Emailed Updates](#)

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

Together, America Prospers

Email Updates

To sign up for updates or to access your subscriber preferences, please enter your contact information below.

Subscription Type

Email



Email Address *



Submit

Cancel

FAQs

FAQ

Frequently Asked Questions

Appraisal and Property Requirements

Appraisal ([HB-1-3555 Chapter 12](#))

- **Do appraisers need to be on an approved list to complete appraisal reports for Rural Development loans?**

No, Rural Development does not maintain a list of approved appraisers. It is the responsibility of the lender to select qualified appraisers that are properly licensed or certified, as appropriate, in the State in which the property is located.
- **How long is an appraisal valid?**

The appraisal must have been completed within 150 days of loan closing. Appraisals that are older than 150 days at loan closing are eligible for an appraisal update to extend the appraisal an additional 90 days.
- **The lender has determined there are significant concerns with an appraisal. Can a second appraisal be ordered?**

Rural Development does not require that the first appraisal ordered is the one that must be utilized. The approved lender may seek an alternate appraisal if they determine the initial appraisal report is unacceptable.

FAQs

<https://www.rd.usda.gov/media/file/download/rd-sfh-faqloanorigination.pdf>

Bookmark It!

Use Ctrl-F to find answers quickly!

HB-1-3555

The screenshot shows the USDA Rural Development (RD) website's 'Handbooks' section. The page has a green header with the word 'Handbooks' in white. Below the header is a navigation bar with links to 'HOME', 'RESOURCES', and 'DIRECTIVES'. A left sidebar contains a list of links including 'About RD', 'State Offices', 'Programs & Services', 'Newsroom', 'Resources', 'Acronyms', 'Directives', 'Administrative Notices', 'Electric Sample Documents', 'Form Letters', 'Guide Letters', 'Handbooks', 'Informational Publications', 'Instructions', 'Procedures Notices', 'Unnumbered Letters', 'Environmental Studies', 'Forms', 'Publications', 'Publications for Cooperatives', 'Regulations and Guidance', 'Rural Data Gateway', 'USDA LINC Training & Resource Library', and 'Contact Us'. The main content area is titled 'Below are handbooks information' and lists two handbooks: 'HB-1-3550 Direct Single Family Housing Loans and Grants - Field Office Handbook' and 'HB-1-3555 SFH Guaranteed Loan Program Technical Handbook'. The second handbook is highlighted in yellow. Below it, a 'Table of Contents' is displayed, listing 15 chapters with their respective topics.

Consolidated version (large document may take long 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
Chapter 14	Funding Priorities
Chapter 15	Submitting the Application Package

HB-1-3555

<https://www.rd.usda.gov/resources/directives/handbooks#hb13555>

Bookmark It!

Use Ctrl-F to find answers quickly!

TOPIC	CONTACT
File-Specific Questions Information to include in email: <ul style="list-style-type: none"> Identify the state the application is located; if applicable; Provide applicant's name and USDA borrower ID, if applicable; GUS loan number, if applicable Include contact information; and Indicate if you would like a call back (otherwise you will receive an email reply) File-Specific Questions by phone:	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 *833-314-0168, ext. 2
Lender Self-Report	sfhgld.compliance@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
Lender Approval/Recertification	
Loan Servicing	sfhgld.servicing@usda.gov
Technical Issues: GUS	RD.HD@USDA.GOV or (800) 457-3642 option 2, option 2
Technical Issues: e-Authentication	E-Authentication FAQs: https://www.eauth.usda.gov/eauth/b/usda/faq E-Authentication Contact Us: https://www.eauth.usda.gov/eauth/b/usda/contactus
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: https://www.rd.usda.gov/files/RD-SFH-AdditionalLenderSecurity.pdf

*Phone System Availability: 9:00 am to 3:30 pm ET

TOOLS AND RESOURCES
Regulation and Handbook: https://www.rd.usda.gov/resources/directives
Lender Webpage: Turn times, contact information, and helpful links: https://www.rd.usda.gov/page/sfh-guaranteed-lender
USDA LINC: Training modules, user guides, and more useful resources: https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library
GovDelivery: Receive notifications regarding origination, servicing, and GUS updates: https://public.govdelivery.com/accounts/USDARD/subscriber/new

We're here to help.

<https://www.rd.usda.gov/media/file/download/sfhgldcontactlist.pdf>

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!

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