

ROCEDURE NOTICE

NOTICE

INSERT RD HB-1-3555
(WSAL)

**SINGLE FAMILY HOUSING GUARANTEED LOAN
PROGRAM TECHNICAL HANDBOOK.**

This Handbook is partially revised as follows:

Chapter 2:

The following updates were made to HB-1-3555, Chapter 2 to make minor grammatical and formatting changes, correct discrepancies, and provide clarification of the documents required for retention.

Paragraph 2.3 B.

- #3 Deleted the requirement to retain Form 1980-19, Guaranteed Loan Closing Report.
- #6 Added full title of 3555-21 to be consistent with the form.
- #7 Added full title of FEMA Form 81-93.
- Numbers 3-18 are re-numbered because of deletion of #3, the 1980-19.
- Corrected last paragraph to make a complete sentence.

Chapter 15:

Paragraph 15.1

- Updated the language from "recommends" to "requires" consistent with the Mandatory use of GUS.
- 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 attachment to remove the requirement to submit repayment income calculations for Streamlined Assist submissions.

(CON)

NOTICE**INSERT RD HB-1-3555 (Con.)****Chapter 16:**

The following updates were made to HB-1-3555, Chapter 16 to make minor grammatical and formatting changes, correct discrepancies, and provide clarification for easier understanding of guidance.

Paragraph 16.2 - Signatures

- Clarified the lender has 90 days from the issuance of the Conditional Commitment to close for both purchase and refinance transactions.
- Clarified that all individuals signing the security instruments must be disclosed during the mortgage credit analysis.
- 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.
- 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 regarding additional signatures on security instruments.

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, including subpart B, Non-Electronic Closing.
- 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 paragraph with guidance on how to process Loan Guarantee Fee checks that are submitted manually.
- 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 16.9

- Removed all references to manual loan closing submissions.

(CON.)

NOTICE

INSERT RD HB-1-3555 (Con.)

Chapter 16:

Paragraph 16.12B

- Revised "Fee Simple Ownership" match 7 CFR 3555.203(a).

Attachment 16-B

- Reformatted to be consistent with the formatting throughout the Handbook and to reflect current systems.
- Added a reference to desktop guidance that Agency staff should reference when processing reverse loan closings.
- Updated all links, as well as document/guide names and their location.

Appendix 1:

Appendix 1 is revised due to the publication of the Final Rule dated February 7, 2022, entitled "[Single Family Guaranteed Loan Program \(GUS\)](#)" with the effective date of May 9, 2022.

Appendix 2:

The following updates were made to HB-1-3555, Appendix 2 to make minor grammatical and formatting changes, correct discrepancies, and provide clarification of the documents required for retention.

Lender Participation

- Form RD 3555-16: Added Chapter 3, 4, 12 and Appendix 7 for Handbook (HB) reference. Deleted Chapter 16 reference.

Origination and Processing

- Form RD 3555-21: Added Chapter 2, 5, 6, 8, and 9 for HB reference.
- Form RD 1910-5: Added Chapter 11 and 15 for HB reference.
- Form RD 1944-62: Added Chapter 11 and 15 for HB.
- Form RD 1944-4: Deleted form and reference.
- FEMA Form 086-0-32 changed hyperlink.
- Form 086-0-32: Added Chapter 15 HB reference.
- Form RD 1922-15: Added Chapter 2 HB reference.
- RD Instruction 1970 F, Exhibit B, Attachment B-2: Deleted chapter reference.
- RD Instruction 1970-B, Exhibit D: Added Chapter 2 reference and deleted Chapter 15 reference.
- RD Instruction 1970-B, Exhibit C: Deleted chapter reference.

(CON.)

NOTICE

INSERT RD HB-1-3555 (Con.)

Appendix 2:

Commitment

- Form RD 3555-18: Added Chapter 2, 7, 9, 12, 14, and 16 for HB reference.
- Form RD 3555-18E: Added Chapter 2, 7, 9, 12, 14, and 16 for HB reference.

Loan Closing

- Form RD 451-2: Added Appendix 6 and deleted Chapter 16 for HB reference.
- Form RD 1980-19: Deleted the form.
- Form RD 3555-11: Added Chapter 3 and deleted Chapter 16 for HB reference.
- Form RD 3555-17: Added Chapter 2, 10, and 17 for HB reference.
- Form RD 3555-17E: Added Chapter 2, 10, and 17 for HB reference.

Servicing

- Deleted entire section.

Loss Claim

- Deleted entire section.

REMOVE

Table of Contents:
 Pages 1 thru 10; and
 Chapter 2 dated 03-09-16:
 Pages 1 thru 4.
 Chapter 15 dated 03-09-16:
 Pages 1 thru 6,
 Attachment 15-A: Page 3;
 Chapter 16 dated 03-09-16:
 Pages 1 thru 17,
 Attachment 16-B:
 Pages 1 thru 5;
 Appendix 1 dated 03-09-16:
 Pages 39 thru 44 and
 47 thru 50;
 Appendix 2 dated 03-09-16:
 Pages 1 thru 3.

INSERT

Table of Contents:
 Pages 1 thru 10 revised;
 Chapter 2 dated 03-09-16:
 Pages 1 thru 4 revised;
 Chapter 15 dated 03-09-16:
 Pages 1 thru 7 revised,
 Attachment 15-A: Page 3 revised;
 Chapter 16 dated 03-09-16:
 Pages 1 thru 16 revised,
 Attachment 16-B:
 Pages 1 thru 5 revised;
 Appendix 1 dated 03-09-16:
 Pages 39 thru 44 and
 47 thru 50;
 Appendix 2 dated 03-09-16:
 Pages 1 thru 3 revised 05-09-22.

RD MANUAL CHANGES

**INSERT RD INS 440.1
(WSAL)**

**INTEREST RATES, AMORTIZATION,
GUARANTEE FEE, ANNUAL CHARGE, AND
FIXED PERIOD.** This Instruction is
partially revised as follows:

Exhibit B is partially revised to update the Treasury Judgement rate and the effective date of May 1, 2022.

REMOVE

Exhibit B: Pages 1 & 2 (Rev 29).

INSERT

Exhibit B: Pages 1 & 2 (Rev 30).

RD HANDBOOK CHANGES

**INSERT RD HB-1-3550
(WSAL)**

**DIRECT SINGLE FAMILY HOUSING LOANS
AND GRANTS FIELD OFFICE HANDBOOK.**

This Handbook is partially revised
as follows:

HB-1-3550, Chapter 4 is being revised to provide clarification that medical debts are not to be included in repayment ratios. See April 11, 2022 White House Fact Sheet: The Biden Administration Announces New Actions to Lessen the Burden of Medical Debt and Increase Consumer Protection.

The specific revisions are outlined below.

Chapter 4:

Paragraphs 4.3 and Paragraph 4.4 G, to clarify that while medical expenses remain an allowable deduction from annual income, medical expenses/debt must not be considered in the total debt ratio.

Paragraph 4.12, to clarify that payment arrangements for the uninsured portion of medical bills may be used as a nontraditional credit source; however, should not be included in the total debt ratio.

Paragraphs 4.22(B)2 and Paragraph 4.24 (B)2, to clarify that recurring medical debts are not to be included in the total debt ratio.

REMOVE

Chapter 4 dated 01-23-03:
Pages 4-23 & 4-24, 4-33 & 4-34,
4-49 & 4-50, 4-61 & 4-62.

INSERT

Chapter 4 dated 01-23-03:
Pages 4-23 & 4-24, 4-33 & 4-34,
4-49 & 4-50, 4-61 & 4-62
revised 05-09-22.