

Section 538 Guaranteed Rural Rental Housing Program (GRRHP) Response Form

Instructions

Lenders must complete and submit the Section 538 GRRHP *Response* Form along with the application and supporting documentation in accordance with the instructions at the bottom of this form. **Please note:** This form is not on a secured website. All applications will be scored using the priority scoring criteria on this form as outlined in the Notice published in the Federal Register on April 28, 2023.

Under item **XVII. Documents Submitted**, check all supporting documents that you are submitting. If a document is not needed due to the type of Guarantee Option, please check the box in the column labeled "N/A".

- I. Lender/Applicant Information** **Total Score:**
- a. Lender's Name:
 - b. Lender's Mailing Address:
 - Address, Line 1:
 - Address, Line 2:
 - City: State: Zip:
 - c. Lender's UEI:
 - d. Name of Lender's Contact Person:
 - e. Contact Person's Telephone Number:
 - f. Contact Person's Email Address:

- II. Borrower Information**
- a. Borrower's Name:
 - b. Tax Classification: For Profit Not for Profit
 - c. Borrower's DUNs/UEI Number:
 - d. Organization Type:
 - General or Limited Partnership Public Agency
 - For Profit Corporation Indian Tribe
 - Non-Profit Corporation Trust
 - Limited Liability Corporation Individual
 - Other Specify:

V. Project Cost and Rent

- a. Total Project Development Cost:
- b. Total Number of Units:
- c. Total Number of 3-5 bedroom units:
- d. Ratio of 3-5 bedroom units to total units:
- e. Cost per Unit (Total Development Cost ÷ Total Units):
- f. Proposed Rent Structure

Unit Type

Monthly Rent

- g. **Median Income for Community** (from the most recent census data published by the United States Department of Housing and Urban Development (HUD)):

VI. Project Site Information

Supporting documents required

- a. Evidence of Site Control
- b. Description of any Environmental Issues

VII. Project Funding

- a. Section 538 Guaranteed Loan Amount:
- b. Section 515 Direct Loan Amount:
- c. Section 515 Funding Type:
None Rehab/Revitalize Transfer with Rehab/Revitalize Other
- d. Borrower's Proposed Equity

Source

Amount

Total Equity:

- e. **Low Income Housing Tax Credits (LIHTC)**
Have tax credits been awarded? Yes No

If not, when do you anticipate an award will be made (announced) (mm/dd/yyyy)?

What is the [estimated] value of the tax credits?

Include one of the following supporting documents:

- If awarded, a copy of the award or evidence of award
- If not awarded, letters of application and commitment, if available

f. Other Sources of Funds

List all Loan funding sources other than tax credits:

Source	Amount	Rate	Term
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Total:

List all Grant funding sources other than tax credits:

Source	Amount
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Total:

g. Loan to Total Development Cost (Guaranteed Loan ÷ Total Project Development Cost):

h. Debt Coverage Ratio (Net operating income ÷ by debt service payments):

Note: Debt Coverage Ratio must be at least 1.15 or greater to qualify for this program.

i. Percentage of Guarantee requested:

j. Provide Collateral for Guarantee as a supporting document

k. Type of Guarantee being requested

Permanent Only (Option 1)

Construction and Permanent (Option 2)

Continuous (Option 3)

l. Loan Term (minimum 25-year term; maximum 40-year term including construction period; may amortize up to 40 years; balloon mortgages permitted after the 25th year):

VIII. Other Background Information

a. The project is located in one of the following areas:

In a Colonia

On Tribal Lands

In a place identified in the State's Consolidated Plan

In a high-need community for multi-family housing based on the State's Needs Assessment

None of the above

b. Is the property located in a Federally Declared Disaster Area? Yes No

If "Yes," provide the Presidential Declaration as a supporting document.

c. What is the population of the county, city or town where the project is or will be located?

Name of County, City or Town:

Population:

IX. Priority 1

Projects located in eligible rural communities with the lowest population. Two points will be awarded if the city or town population is under 10,000 people

Is the city or town population less than 10,000? (2 points) Yes No

Points:

X. Priority 2

Two points are awarded if the property is located in a persistent poverty county as defined by the USDA Economic Research Service.

Is the property located in a Persistent Poverty County (2 points)? Yes No

Persistent Poverty County Name:

Points:

XI. Priority 3

Projects that demonstrate partnering and leveraging of third-party funding. Two points are awarded if the loan to total development cost ratio is less than 50%.

Is the loan to total development cost ratio less than 50%? (2 Points) Yes No

Points:

XII. Priority 4

Projects with the highest ratio of 3-5 bedroom units to total units. Two points are awarded if the ratio of 3-5 bedroom units to total units is 25% or more.

The 3-5 bedroom units to total units is 25% or more. (2 points)

Yes No

Points

XIII. Priority 5

Projects on tribal land. Two points will be awarded if the project is located on Tribal Land.

Is the project located on Tribal Land? (2 Points)

Yes No

Points:

XIV. Priority 6

Projects with a lower Section 538 guaranteed loan interest rate. One point is awarded if the interest rate is equal to or less than 130% of the long-term annual applicable federal rate ([AFR Table 1](#)) at the time of application submission to the Agency.

This 538 guaranteed loan interest rate is equal to or less than 130% of the long-term annual applicable federal rate? (1 Point)

Yes No

Points:

XV. Priority 7-Reduced Annual Fees

Projects determined eligible for reduced annual Section 538 fees under the Federal Register notice 87 FR 12077 published on March 3, 2022. Two points awarded for each of the criteria met for reduced annual fees: 1) Workforce Housing (Rents Between 80%-115% Area Median Income), or 2) Preservation of Existing Section 515 and Section 514/516 Rural Development Properties or 3) Section 538 New Construction or Substantial Rehabilitation Meeting Green or Energy Efficiency Requirements. Projects will be held to the energy program standards in effect the year the Loan Note Guarantee is issued.

Workforce Housing (Rents Between 80%-115% Area Median Income (2 Points)

Preservation of Existing Section 515 and Section 514/516 Rural Development Properties (2 Points)

Section 538 New Construction or Substantial Rehabilitation Meeting Green or Energy Efficiency Requirements (2 Points)

Points:

XVI. Priority 8 – Energy Consumption Performance

Energy consumption performance. Two points will be awarded if the lender obtains the borrower’s agreement to enroll in the United States EPA’s ENERGY STAR Portfolio Manager and document and report energy consumption for the property to the Agency. Along with the collection of the borrower’s annual reports (outlined in 7 CFR Part 3565.351), to obtain the priority points the lender must collect the Statement of Energy Performance (SEP) report from the borrower and submit it to the Agency for review. This will allow the Agency to track the energy consumption performance of the project. Borrowers may access the EPA’s ENERGY STAR Portfolio Manager software at no cost.

Borrower agrees to enroll in the EPA's Energy Star Portfolio Manager? (2 Points)

Yes

No

Points:

XVII. Documents Submitted

Below, please check all documents that you will be submitting to substantiate your responses on this Form. (If a document is not needed due to the type of Guarantee Option, please check the box in the column labeled “N/A”.) Points will be assigned for the items that you checked based on a review of the supporting documents.

Below are some ground rules for documents submitted via email, so that they may be correctly identified upon receipt:

1. In the Email Subject line include the **Project Name** and **State**
2. For each document submitted, include the **Project Name, Project State, Form Reference** and **Item Name** shown below, as in “*11 j. Equal Opportunity Survey for Hopewell Apartments, WI.*”
3. You may submit each document listed below as a separate file or combine several documents into one large file – so long as all documents in the file pertain to the **same project**. Remember to identify each document with its Form Reference.
4. When sending attachments via email, you may bump up against the limit on the size of an attachment or the total number of attachments that you can include in one email. If the submission is not successful, you may need to limit the size or number of files sent in one email. You may use multiple emails to submit all of your documents.

Reference in Form	Item	Submitted (Please check if the form or document was submitted to the Agency)	N/A (Please check the box if this form is not applicable for the Guarantee Option)
II. Borrower Information			
j.	Equal Opportunity Survey (optional)		
k.	Principal or Key Members of Borrower Organization		
l.	Borrower Information and Statement of Housing Development Experience		
III. Project Information			
e.	Property Description and Proposed Development Schedule		
VI. Project Site Information			
a.	Evidence of Site Control		
b.	Description of any Environmental Issues		
VII. Project Funding			
e.	If Tax Credits have been awarded, a copy of the award or evidence of award, OR		
e.	If Tax Credits have not yet been awarded, letters of application and commitment		
j.	Collateral for Guarantee requested		
VIII. Other Background Information			
b.	Presidential Declaration document if property is located in a Federally declared disaster area		
IX. to XVI. Priority 1 through 8			
IX.	Priority 1: Population Size		
X.	Priority 2: Persistent Poverty		
XI.	Priority 3: Third Party Leveraging		
XII.	Priority 4: 3-5 bedroom ratio		

Reference in form	Item	Submitted (Please check if the form or document was submitted to the Agency)	N/A (Please check the box if this form is not applicable for the Guarantee Option)
XIII.	Priority 5: Located in Tribal Lands		
XIV.	Priority 6: Projects with a lower Section 538 guaranteed interest rate.		
XV.	Priority 7: Reduced Annual Fees Eligibility		
XVI.	Priority 8: Energy Consumption Performance		

XVIII. Scoring

PLEASE NOTE: The scoring below is based on the responses that you have provided on this form and may not accord with the final score that the Agency assigns upon evaluating the supporting documentation that you submit. Your score may change from what you see here if the supporting documentation is incomplete or missing.

Priority	Description	Points Earned
1.	Population Size: (2 Points)	
2.	Persistent Poverty (2 Points)	
3.	Third Party Leveraging (2 Points)	

Priority	Description	Points Earned
4.	3-5 Bedroom Ratio to Total Units (2 Points)	
5.	Located on Tribal Lands (2 Points)	
6.	Projects with a lower Section 538 guaranteed interest rate (1 Point)	
7.	Reduced Annual Fees (6 points total)	
8.	Credential for Green Property Management (2 Points)	
	Total Score:	

Please Save the Form with the Project Name and State before you send it.

Please read instructions for Section 538 GRRHP Response Form and Application Submission below.

Processing and Report Review Branch 1

MFHprocessing1@usda.gov

(CT, DE, IA, IL, IN, KS, MA, MD, ME, MI, MN, MO, ND, NE, NH, NJ, NY, OH, PA, RI, SD, VA, VT, WI, WV)

Processing and Report Review Branch 2

MFHprocessing2@usda.gov

(AK, AL, AR, AZ, CA, CO, FL, GA, HI, ID, KY, LA, MS, MT, NC, NM, NV, OK, OR, PR, SC, TN, TX, UT, VI, WA, WY)

SECTION 538 GRRHP RESPONSE FORM AND APPLICATION SUBMISSION INSTRUCTIONS

Once the Section 538 GRRHP Response Form and application is complete and ready for submission to the applicable Processing and Report Review Branch (PRR), please take the following steps to submit the supporting documentation:

1. Email MFHprocessing1@usda.gov or MFHprocessing2@usda.gov, as applicable, to request PRR to create a shared folder in CloudVault.
2. The email must contain the following information:
 - a. Subject line: Type of Section 538 GRRHP Response Form and Application Submission.
 - b. Body of email: Borrower Name, Project Name, Borrower Contact Information, Project State.
 - c. Request language: "Please create a shared CloudVault folder so that we may submit our Section 538 GRRHP Response Form and supporting documents."
3. Once the email request to create a shared CloudVault folder has been received, a shared folder will be created within 2 business days. When the shared CloudVault folder is created, the system will automatically send an email to the applicant's submission email address with a link to the shared folder.
4. The applicant will upload all required documents for the applicable Section 538 GRRHP Response Form and Application. The applicant must also upload a Table of Contents of all the documents that have been uploaded to the shared CloudVault folder.
5. Once all required documents for the applicable Section 538 GRRHP Response Form and Application have been uploaded to the CloudVault shared folder, the applicant will email MFHprocessing1@usda.gov or MFHprocessing2@usda.gov, as applicable.
6. The email must contain the following information:
 - a. Subject line: Type Section 538 GRRHP Response Form and Application Submission. (Same wording as the first email)
 - b. Body of email: Borrower Name, Project Name, Borrower Contact Information, Project State.
 - c. Request language: "We have completed our upload to the shared CloudVault folder of all required documents for our Section 538 GRRHP Response Form and Application. It is ready for review."