

Closing the Loan

Issuance of the Loan Note Guarantee

Single Family Housing Guaranteed Loan Program
(SFHGLP)

May 2022



Today's Topics

- ❑ Regulation 7CFR Part 3555 Subpart C
- ❑ SFHGLP Handbook 1-3555, Chapter 16
- ❑ Handbook update: Mandatory use update
- ❑ Closing the Loan
- ❑ Lender Loan Closing (LLC) System
- ❑ Agency Review & Issuance of the LNG
- ❑ Frequently Asked Questions
- ❑ Lender Toolkit





Loan Note Guarantee

Regulation 7CFR Part 3555, Subpart C

Handbook 1-3555, Chapter 16





GROW RURAL HOMEOWNERSHIP AND YOUR BUSINESS *with a* **90% GUARANTEE!**





Handbook Update

Handbook 1-3555, Chapter 16



Closing the Loan

HB-1-3555, Chapter 16



Chapter 16 – Closing the Loan and Requesting the Loan Note Guarantee

- Mandatory GUS and LLC Final Rule
- GovDelivery Announcement Published
- Effective May 9, 2022 – Mandatory Use
- Loans not supported by GUS are not impacted

Closing the Loan

Handbook 1-3555, Chapter 16



Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Closing the Loan

- The lender is required to comply with all conditions as stated on the Conditional Commitment for Single Family Housing Loan Guarantee, Form RD 3555-18/18E and any attachments.
- The loan must close under the same, or better terms as underwritten and approved for in the Conditional Commitment.
- A loan should never close prior to the issuance of the Conditional Commitment.
- If loan should close prior to issuance of the Conditional Commitment, it will jeopardize the issuance of the LNG to the lender

Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Timeframe:

- Purchase and Refinance Transactions: The lender has 90 days from the issuance of the Conditional Commitment to close the loan - One 90-day extension may be requested prior to the expiration of the Conditional Commitment
- Construction Transactions: The expiration date for the new construction, other than the “combination construction permanent loan” AKA “Single-Close loan”, should correspond with the estimated project completion date but not exceed 12 months
- The Agency must grant any approved extensions in writing
- Once the loan closes, the lender should submit the required documentation to the Agency within 30 days for issuance of LNG

Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Compliance:

- The loan must close under the same, or better terms as underwritten and approved for as reflected on the Conditional Commitment
- Adverse changes may require the release of the application submitted in GUS to the lender for correction and resubmission
- The Agency must verify in writing prior to loan closing that the changes are acceptable
- Rural Development does not require specific loan documents for closing
- Any cash back to the borrower must be for pre-paid eligible loan purposes only

Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Signatures:

- All parties applying for the loan and assuming the responsibility of the mortgage debt must sign the loan application and addendum
- Standard industry closing documents are utilized when closing the loan
- Any person whose signature is required by state law, such as a non-purchasing spouse must sign the security instruments and/or note
- All owners that will be vested on title must sign the security instrument
- Lenders should never encourage or ask borrowers to sign blank or incomplete documents
- E-signatures are acceptable

Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Power of Attorney:

- Any specific or general POA must comply with state law and allow for legal enforcement of the mortgage note
- For military personnel, a POA may only be used for one of the applications (initial or final) – but not both
- For incapacitated borrowers, a POA may only be used in specific situations
- Electronic signatures may be accepted with certain criteria

Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Interest Credit Closing:

- Allowed for loans that were scheduled to close at the end of the month but did not due to unforeseen circumstances
- Lenders and Borrowers may agree to credit the per diem interest to the borrower and have mortgage payments begin the first of the succeeding month

Closing the Loan

HB-1-3555, Chapter 16 and 7CFR 3555.107



Lender Certification:

- The lender will certify that the loan has been underwritten and closed in accordance with the regulation and that it meets all conditions set forth from the Conditional Commitment
- The lender certification attests that all required documentation has been provided to the Agency
- The lender will acknowledge that upon receipt and acceptance of the conditions of the Conditional Commitment and the required fees that the Agency will issue the Loan Note Guarantee

Forms of Ownership

HB-1-3555, Chapter 16.12

Secure Leasehold Interest	Native American Restricted or Trust	All Other
Applicant must be unable to obtain fee-simple title to the property	Evidence that the tribe has enacted legally binding and effective foreclosure & eviction procedures	Leasehold estates are an accepted practice and readily marketable in the area where the subject property is located
The rent charged for the lease must not exceed the rate paid for comparable leases	Evidence that the tribe has adopted procedures ensuring that the guaranteed loan will always have 1 st lien position	Neither the leasehold nor the fee-simple title may be subject to a prior lien unless Agency authorizes acceptance
The appraisal must document these conditions	Lender must have a copy of the tribe's lease for use on residential land	The lease must be in writing, recorded and contain all required provisions
The lessor must own the fee-simple title	Lender will adhere to the Tribe's mortgage, foreclosure and eviction ordinances and terms of lease	The language regarding amendments to mortgages with leasehold interest must be inserted in the mortgage

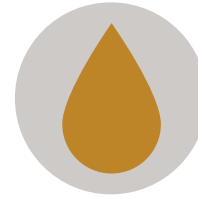
Insurance Requirements

HB-1-3555, Chapter 16.12C



Hazard Insurance

- Lenders must ensure that borrowers continuously maintain insurance
- Hazard policy must be in effect at the time the loan is closed
- Borrower occupied properties should have replacement cost coverage
- Lenders should adopt accepted industry standards
- Deductibles should not exceed the GREATER of \$1,000, 1% of the policy coverage or minimum deductible offered by borrower's chosen insurance carrier



Flood Insurance

- Required for properties located within a SFHA
- Property must be located in NFIP participating community
- Flood policy must be in effect at the time the loan is closed
- Flood insurance must cover the LESSER of the outstanding principal balance of the loan or the maximum amount of coverage allowed under NFIP
- Deductibles should not exceed the GREATER of \$1,000, 1% of the policy coverage or minimum deductible offered by borrower's chosen insurance carrier

Loan Closing

HB-1-3555, Chapter 16



Closing Date The date of closing will be defined as the closing date listed on the Closing Disclosure



Duplicate LNG Lenders utilizing the LLC system can retrieve a reissued LNG from the LLC system, or request a certified copy, scanned copy or duplicate original



Transfer of Loans/Servicing Rights Lenders may transfer guaranteed loans to other USDA approved lenders by following the requirements in Chapter 4 of our handbook



Lien Position The guaranteed loan must have first lien position at closing, however, the lender may permit liens junior to the guaranteed if certain criteria is met



Lender Loan Closing (LLC) System

HB-1-3555, Chapter 16



Electronic Closing – Lender Loan Closing (LLC)

HB-1-3555, Chapter 16



Submission Method

Closing documents submitted electronically through LLC system



Fees

Upfront Guarantee Fee and Technology fee submitted electronically through pay.gov



Required Documents

Minimal documentation needed to satisfy closing requirements



Level 2 eAuthentication

Apply through an approved participating SFHGLP lender

Lender Loan Closing System (LLC)

12.0 Approval

Tax Identification Number (TIN):

Complete legal name of Business [aka: User]

Street address of User

(Street, City, State, Zip Code)

Name of person executing Agreement for Lender

Title of person executing Agreement for Lender

Date of Execution

Lender Security Administrator (SA) Information

Name of SA #1

E-mail of SA #1

Phone Number SA #1

Fax Number of SA #1

e-Auth ID of SA #1 *

A Level 2 e-Auth ID can also be used for Level 1 eAuth system access.
Level 2 e-Auth IDs can be created online at <http://www.eauth.egov.usda.gov>. Click on "Create and Account" and then click on "Register for a Level 2 Account." The e-Auth ID must be activated by clicking on the activate link in the email the user receives after applying for an e-Auth account. Additionally, Level 2 activation cannot occur without identity proofing. This can be accomplished online by clicking on <https://usdaoidp.sc.egov.usda.gov/> and entering the new Level 2 e-Auth ID and password created in the previous step. Identity proofing may also be requested by contacting a USDA Local Registration Authority (LRA). An LRA location can be located online at <http://www.eauth.egov.usda.gov>. If unsuccessful finding an LRA, please send an email request to RD.NFAOC.HSR@STL.USDA.GOV stating identity proofing is needed, and providing the users name, telephone number, and e-Auth ID they created.

Security Administrator(s) identified are valid for:

Only the location listed in the address above

All locations/branches of the organization (check only one)

Lender Representative

By _____
Signature

Title _____

Date _____

By executing this form, I confirm I am a duly authorized officer of the company and represent and warrant the information in this form is complete and accurate.

User Agreement for Single Family Housing Guarantee Lender Loan Closing

1.0 Introduction

This agreement (Agreement) between the U.S. Department of Agriculture (USDA) Rural Housing Service, hereafter known as Agency, and _____, hereafter known as Lender and, together with the Agency, the Parties, prescribes the general procedures and policies to be followed when the USDA Lender Interactive Network Connection (LINC) is used by the Lender to enter the Guaranteed Loan System (GLS) for submitting electronic data in lieu of the paper documents normally associated when conducting business with the Agency.

The Lender and the Agency are parties to an Agreement for "Participation in Single Family Housing Guaranteed/Insured Loan Programs of the United States Government" (RD Form 3555-16, formerly RD Form 1980-16 and referred to as the Lender Agreement). The Lender and the Agency desire to adopt mechanisms that facilitate and streamline the delivery of the "Loan Note Guarantee" through the use of electronic communications by or between the Lender and the Agency.

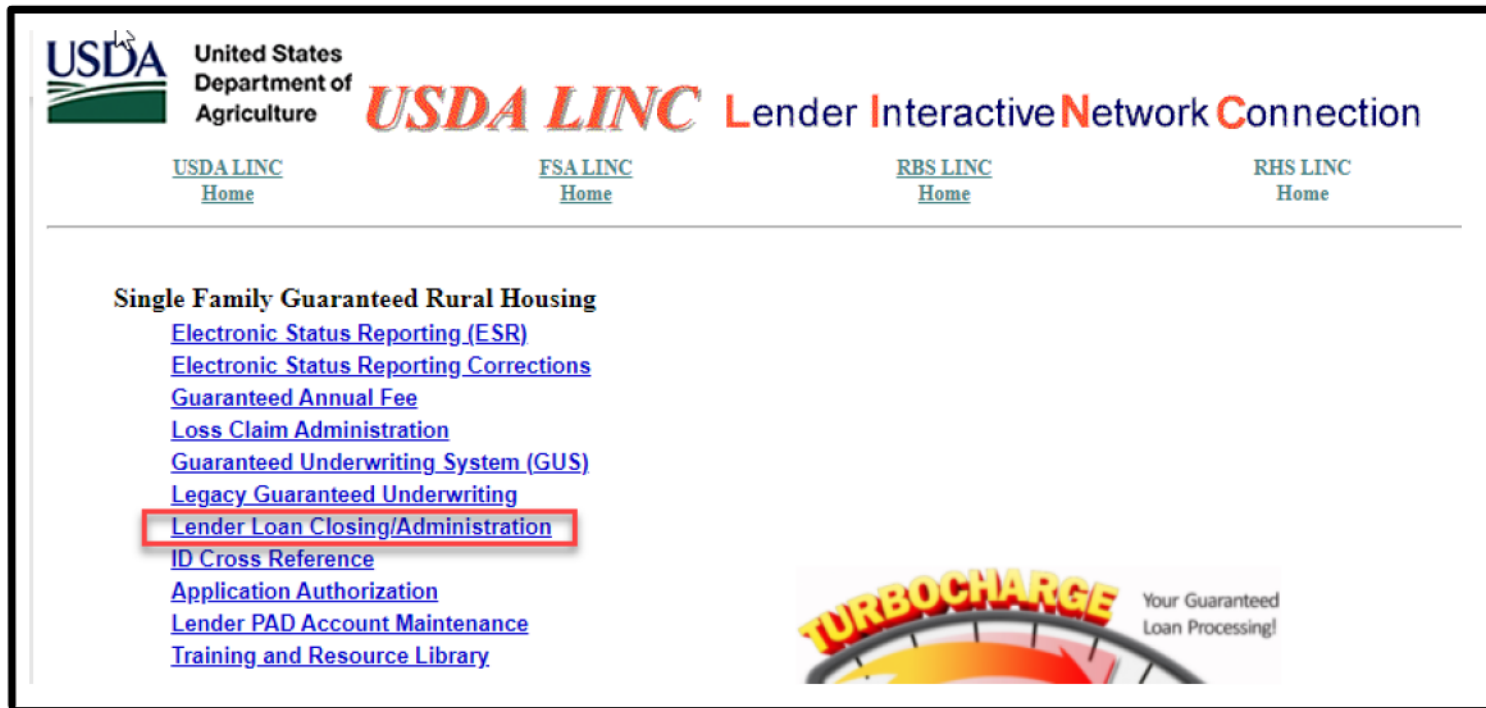
The Lender and the Agency intend that such electronic communications and transactions shall, to the same extent as executed original written documentation, constitute their valid, enforceable agreement with respect to the subject matter thereof.

Lender Approval for LLC

- Lenders must complete and submit "User Agreement for Single Family Housing Guarantee Lender Loan Closing"
- Lenders must also have an approved Form RD 3555-16
- Access the Lender Loan Closing (LLC) User Guide on the LINC Training & Resource site

Lender Loan Closing System (LLC)

<https://usdalinc.sc.egov.usda.gov/RHShome.do>



USDA United States Department of Agriculture

USDA LINC Lender Interactive Network Connection

[USDA LINC Home](#) [FSALINC Home](#) [RBS LINC Home](#) [RHS LINC Home](#)

Single Family Guaranteed Rural Housing

- [Electronic Status Reporting \(ESR\)](#)
- [Electronic Status Reporting Corrections](#)
- [Guaranteed Annual Fee](#)
- [Loss Claim Administration](#)
- [Guaranteed Underwriting System \(GUS\)](#)
- [Legacy Guaranteed Underwriting](#)
- [Lender Loan Closing/Administration](#)
- [ID Cross Reference](#)
- [Application Authorization](#)
- [Lender PAD Account Maintenance](#)
- [Training and Resource Library](#)

TURBOCHARGE Your Guaranteed Loan Processing!

Submitting the Closing Package

- Lenders will access the LLC system through the USDA LINC site
- Lenders can submit a loan closing, cross reference borrowers and view documents and payment history
- Lenders will complete all applicable field and upload required documents through this link
- Payment of the guarantee fee and the technology fee will be completed through the pay.gov interchange

Lender Loan Closing System (LLC)

Single Family Housing Add Loan Closing

[SFH Lender Administration List](#) [SFH Add Loan Closing](#) [Help](#)

[Borrower Information](#) / [Application Information](#) / [Lender Information](#) / [Pre-Authorized Debit Accounts](#) / [L](#)

Borrower Information

Borrower ID: 46-7 **Name:** HANNAH M
Address: 31 M
Property Address: 3 M
Geographic State: 10
Geographic County: 08

Application Information




GLS Application Number: 10
Received Date: 04/
GUS Application ID: 25

SFH Add Loan Closing

- This page will be partially completed with information submitted by the lender through GUS
- Borrower and application information will be pre-populated based on lender's input from application
- All editable fields will be completed by the lender
- Non-editable fields will be grayed out

Lender Loan Closing System (LLC)

Loan Terms

Loan Amount:	\$136,363.00
*Promissory Note Amount:	<input type="text" value="999999999.99"/>
	<input type="checkbox"/> Same as Loan Amount
*Closing (Settlement) Date:	<input type="text" value="mm/dd/yyyy"/> 
*Maturity Date:	<input type="text" value="mm/dd/yyyy"/> 
Percent of Guarantee:	90%
*Interest Rate Basis:	<input type="text" value="365 DAYS"/> 
*Guaranteed Interest Rate from Promissory Note:	<input type="text" value="99.9999"/>
*Contact Phone Number:	<input type="text" value="() - - - - -"/> Ext: <input type="text"/>

Important Tips

- Enter Promissory Note Amount as it appears on the Note
- Complete Closing Date must be entered as it appears on the Closing Disclosure
- Maturity Date should match that of Promissory Note
- Interest Rate defaults to 365 days but can be changed to 360 by selecting drop down box
- Guarantee Interest Rate should match Promissory Note

Lender Loan Closing System (LLC)

vj

Fees

Upfront Guarantee Fee

Purpose Code:

3 - INITIAL CLOSING (FEE)

Amount:

\$1,363.63

Deposit Date:

Technology Fee

Amount:

\$25.00

Deposit Date:

Fees

- The Fee section is pre-populated based on the Loan Amount established for the Upfront Guarantee Fee and the current Technology Fee
- If Loan Amount DECREASES, the Upfront Guarantee Fee amount is modified when the page is submitted by the lender
- Deposit Date should remain blank until the fees have been transferred from the lenders PAD account

Lender Loan Closing System (LLC)

Confirm Lender Submission

I understand I am providing all information included on forms and attachments to the United States Department of Agriculture (USDA) for review and processing.

My statements on any submitted forms and attachments are true, and correct to the best of my knowledge and belief and are made in good faith.

I understand that a knowing and willing false statement can be punished by a fine or imprisonment or both. (See Title 18, Section 1001, of the United States Code.)

Are you sure you want to Submit the package?

Message

Loan Closing has been successfully submitted to USDA for processing.

Lender Submission

- Confirm lender submission will take the lender through a series of screens to review the information as input
- If any of the information is noted to have an error or incorrect data, the lender may click “Cancel” which will take the user back to the “Add Closing” page so that the data may be corrected
- Once all data has been verified, click “OK” at last prompt to submit for processing

Lender Loan Closing System (LLC)

Single Family Housing Lender Administration List

ID Cross Reference Payment History **SFH Lender Administration List** Help

Search/Include Criteria

Search by:

Lender ID

36

Branch

List

• **USDA Borrower ID**

Select Action and press [Borrower ID](#) hyperlink you wish to take action on:

Action

Upload Document(s)

State	County	Borrower ID/ SSN	Borrower Name	Lender Loan Number
		602214		N

Document Upload

- Once the package has been submitted, the lender will need to upload the applicable documents
- Input the borrower ID at the SFH Lender Administration List page
- Select appropriate action from the Borrower ID hyperlink

Lender Loan Closing System (LLC)

Borrower Information

Borrower ID/Name
Address

1
B.

Acceptable file formats include Adobe PDF and TIF (no password protected PDF files). Individual documents or batch files (multiple documents within same file) may be uploaded in the applicable section below. File size is limited to 30MB. Individual documents and batch files may not be uploaded simultaneously.

Add and Index Individual Document(s) into the Image Repository

User must select the Type of Document and provide the location for each individual document on a separate row by selecting the "Browse" pushbutton. Up to 12 individual documents can be uploaded at a time. Select "Submit Document(s)" to upload individual documents.

Type of Document	File Name
10001 Promissory Note	<input type="button" value="Choose File"/> Test - ECF.pdf
10016 Closing Disclosure	<input type="button" value="Choose File"/> Test Page.pdf
Select	<input type="button" value="Choose File"/> No file chosen

Document Upload

- At Lender Upload Document(s) page, select files to upload
- At minimum:
 - Promissory Note
 - Closing Disclosure
- Click "Upload Documents Completed"



Loan Fees

HB-1-3555, Chapter 16



Upfront Loan Guarantee Fee

HB-1-3555, Chapter 16.4

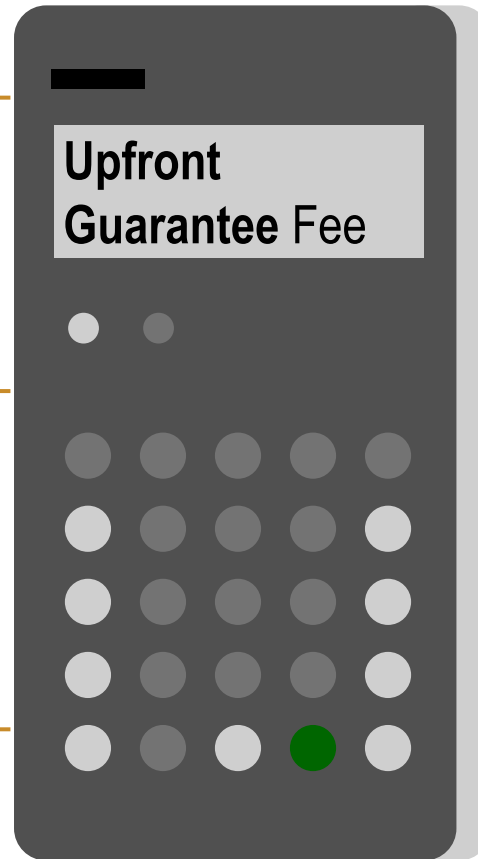
Current fee is 1.00%



Subject to change to maintain a subsidy neutral program (not to exceed 3.5%)



Applies to purchase and refinance loans



May finance with loan funds, personal funds, or seller concessions



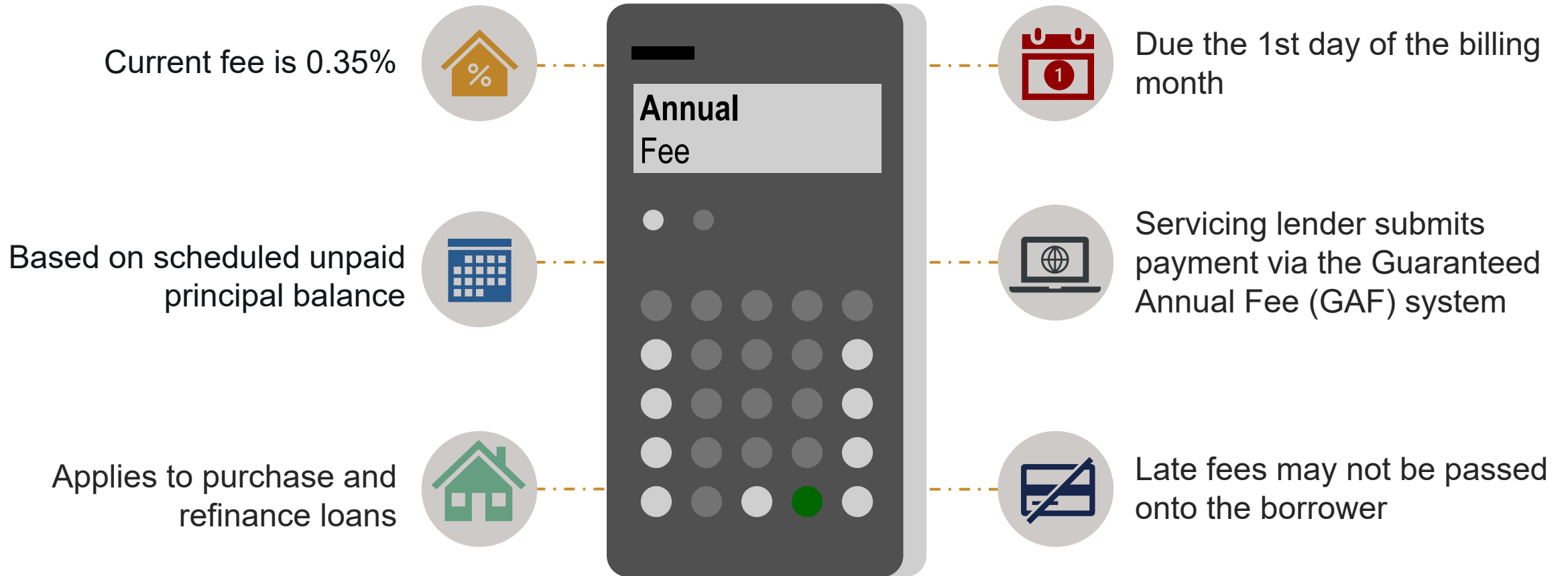
Collected via the Lender Loan Closing (LLC) system at loan closing



Non-refundable once the Loan Note Guarantee is issued

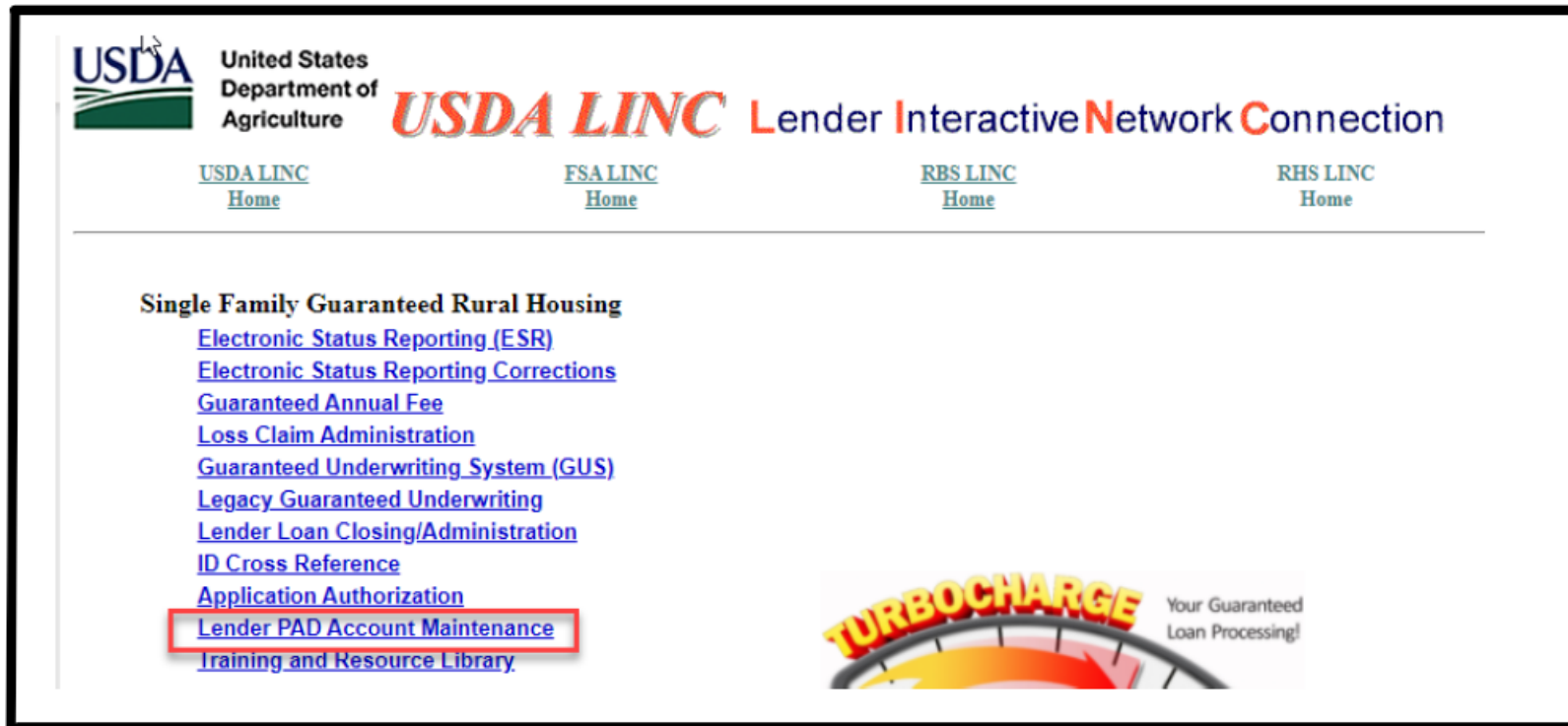
Annual Fee

HB-1-3555, Chapter 16.4



Pay.gov

<https://usdalinc.sc.egov.usda.gov/RHShome.do>



USDA United States Department of Agriculture **USDA LINC** Lender Interactive Network Connection

[USDALINC Home](#) [FSALINC Home](#) [RBS LINC Home](#) [RHS LINC Home](#)

Single Family Guaranteed Rural Housing

- [Electronic Status Reporting \(ESR\)](#)
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- [Guaranteed Annual Fee](#)
- [Loss Claim Administration](#)
- [Guaranteed Underwriting System \(GUS\)](#)
- [Legacy Guaranteed Underwriting](#)
- [Lender Loan Closing/Administration](#)
- [ID Cross Reference](#)
- [Application Authorization](#)
- [Lender PAD Account Maintenance](#)
- [Training and Resource Library](#)

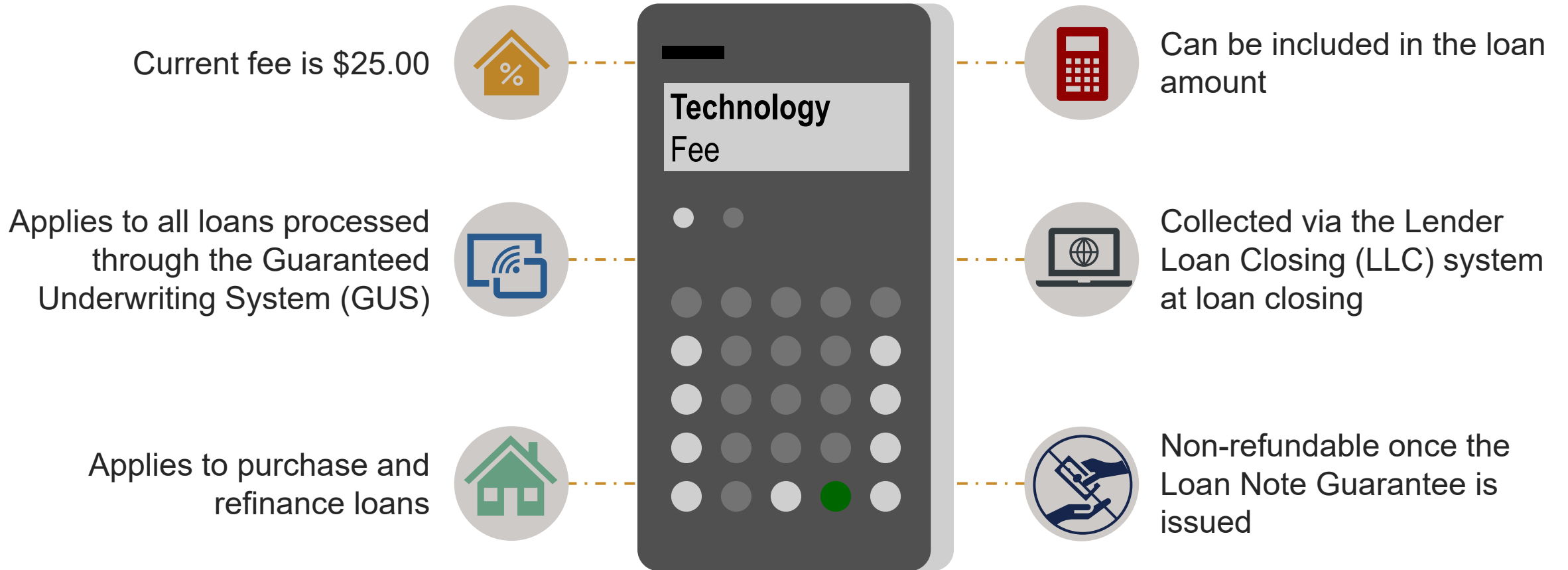
TURBOCHARGE Your Guaranteed Loan Processing!

Pay.gov

- Lenders utilizing the LLC system must establish a PAD for pay.gov
- System administrators must have verified identity in e-Authentication
- Adding a PAD account is completed through “Lender PAD Account Maintenance”
- The Lender Loan Closing User Guide offers step by step guidance

Technology Fee

HB-1-3555, Chapter 16.4



Lender Loan Closing System (LLC)



United States
Department of
Agriculture

Lender Payment History

[LINC Home](#) | [FSA LINC Home](#) | [RBS LINC Home](#) | [RHS LINC Home](#) | [RUS LINC Home](#) | [Lender Profile](#) | [Help](#) | [Logout](#)

Search Criteria

Search By: Lender ID Branch

Borrower SSN

Borrower ID

Lender Loan Number

From Date To Date

Borrower ID / SSN	Borrower Name	Lender Loan Number	Loan Amount	Clsng Subm / PAD Subm	Loan Closing Status	Guar/Tech Fee Amt Pd	Guar/Tech Fee Status
****3000		Fee2	\$ 151,262.00	08/17/2021 08/18/2021	PROCESSED	\$1,512.62 \$25.00	SETTLED SETTLED

Lender Payment History

- Select the Payment History tab from the Single Family Housing Lender Administration List to confirm receipt of required fees
- There are several ways to search for the loan:
 - Lender Branch
 - Borrower SSN
 - Borrower ID
 - Lender Loan Number
 - Date Range



Agency Review

HB-1-3555, Chapter 16



Requesting the Loan Note Guarantee

HB-1-3555, Chapter 16.3 and 7CFR 3555.107(i)(5)

30 DAYS

Within 30 days of loan closing, the lender must request issuance of a loan guarantee



INSURANCE

The lender will maintain evidence of hazard insurance and, if applicable, flood insurance



SELF-CERTIFICATION

Self-certified lenders must still submit the settlement statement and promissory note and obtain written authorization from Agency



LENDER CERTIFICATION

The lender will certify the loan was closed in accordance with the Conditional Commitment

DOCUMENTATION

Evidence of documentation supporting the properly closed loan may be submitted to the Agency

AUTHORIZATION

Authorization for self-certification may be granted if certain requirements are met

Agency Review and Issuance of LNG

HB-1-3555, Chapter 16.7



INCOMPLETE

- Additional 30 days granted to correct
- Agency will contact lender
- Agency will return if corrections cannot be made within 30 days



ACCEPTABLE

- Lender will submit electronically
- Fees through pay.gov
- Lender will retrieve LNG through LLC system



UNACCEPTABLE

- Agency will not issue LNG if errors on closing docs
- If Lender makes necessary corrections the Agency will ensure the loan meets regulatory requirements
- FAQs regarding corrections can be found in Attachment 16-B

Agency Review and Issuance of LNG

HB-1-3555, Chapter 16.7

Loan Note Guarantee

- Once the agency has reviewed and approved the loan closing package as submitted, the LNG will be available on the LLC site
- To access, select “Display Documents” from the Single Family Housing Lender Administration List page
- Select “Display Documents” from the Action Dropdown

Form RD 3555-17 (Rev. 04-20) Page 1 of 2

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
RURAL HOUSING SERVICE

Form Approved
OMB No. 0575-0179

LOAN NOTE GUARANTEE		State
		County
		Date of Note (Settlement Date)
Borrower Name	RHS Case No. (State, County, SSN)	
Lender	RHS Borrower ID	
Lender's Address	Lender IRS ID No.	Principal Amount of Loan
		\$

This Loan Note Guarantee is issued under Lender Agreement for Guaranteed Single Family Housing Loans dated _____ in connection with the above identified loan.

In consideration of the making of the subject loan by the Lender, the United States of America, acting through the Rural Housing Service of the Rural Development mission area (herein called "RHS"), pursuant to Title V of the Housing Act of 1949 (42 U.S.C. 1471 et. sec.), agrees that, subject to the terms and conditions herein, it will pay to the Lender the lesser of

1. Any loss of an amount equal to 90 percent of the principal amount actually advanced to the Borrower, or
2. Any loss sustained by the lender of an amount up to 35 percent of the principal amount actually advanced to the Borrower, plus 85 percent of any additional loss sustained by the Lender of an amount up to the remaining 65 percent the principal amount actually advanced to the Borrower.

Loss includes only (a) principal and interest evidenced by the Note; (b) any loan subsidy due and owing; and (c) any principal and interest indebtedness on RHS approved protective advances for protection and preservation of collateral. Additional interest (including any subsidy) shall be covered by the Loan Note Guarantee up to a limit prescribed by RHS and in effect at the time any loss under this Loan Note Guarantee is paid. Net proceeds received from liquidation of the collateral will be used in calculating the amount of loss sustained by the Lender. If the Lender acquires the collateral, the net proceeds from collateral for calculating loss shall be determined by RHS as follows: (i) the collateral will be appraised as of the date of acquisition by the Lender then (ii) deduct from such appraised value an estimate of liquidation cost which will include an allowance for 60 days, the estimated time the property will be held by the Lender.

If RHS conducts the liquidation of the loan, loss occasioned to a Lender by accruing interest after the date RHS accepts responsibility for the liquidation will not be covered by the Loan Note Guarantee.

Lender may sell the guaranteed loan only to a Lender which meets the qualifications and in the manner as provided in 7 CFR part 3555. Lender may obtain participation in its loan under its procedures. Participation means a sale of an interest in the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for all loan servicing and liquidation. A participant has no rights under this instrument.

CONDITIONS OF THE GUARANTEE

- 1. Loan Servicing**
Lender will be responsible for servicing the entire loan and Lender will remain mortgagee and/or secured party of record. The Lender may sell loan servicing rights to an RHS eligible Lender when the purchasing Lender agrees to be bound by all of the same terms as the selling Lender and this agreement and the RHS Lender Agreement for Guaranteed Single Family Housing Loans.
- 2. Full Faith and Credit**
The Loan Note Guarantee constitutes an obligation supported by full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the lender has actual knowledge at the time it becomes such lender or which the lender participates in

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.



Post Issuance of the Loan Note Guarantee

HB-1-3555, Chapter 16



Retrieving the Loan Note Guarantee

Lender ID Branch

USDA Borrower ID

Borrower SSN

Name/State

Lender Loan Number

Include:

Lender Type

Request Type

Loan Status

Action

State	County	Borrower ID/ SSN	Borrower Name	Lender Loan Number	USDA Loan Number	Amount	USDA Lender Branch	Status

Loan Note Guarantee

- The LNG for Lender Loan closing may be viewed from the Single Family Housing Lender Administration List OR
- Select Obligation or Loans and “submit”
- To display available documents, select “Display Documents” from the Action Dropdown

Single Close Construction Close Out

Single Close Construction

- Once construction is complete, the lender will need to go back into the LLC System to select the appropriate “Completion Type”
- Access loan by inputting Borrower ID, SSN, Name/State, or Lender Loan Number
- Select “Single Close Construction/Rehab” in the Action drop down

ID Cross Reference Payment History **SFH Lender Administration List** Help

Search/Include Criteria

Search by:

Lender ID: 382603955 Branch: List

USDA Borrower ID

Borrower SSN

Name/State All States

Lender Loan Number

Include:

Lender Type:

Request Type:

Loan Status:

Select Action and press [Borrower ID](#) hyperlink you wish to take action on:

Action:

State	County	Borrower ID/ SSN	Borrower Name	Lender Loan Number	USDA Loan Number	Amount	USDA Lender Branch	Status
10	006	545558831/****9693	MONEY, ASHLEY	SINGLECLOSE	50	\$150,000.00	001	CLOSED

Single Close Construction Close Out

Principal Reduction Only

- Enter the construction complete and principal reduction fields
- Update the modified unpaid principal balance and the amount of the principal reduction
- Upload documentation of evidence of the principal reduction and lender certification

Construction Completion Information

*Completion Type:

Principal Reduction Only

Principal Reduction with Loan Modification

Construction Complete (No Principal Reduction or Loan Modification)

*Construction Completion Date:

*Principal Reduction Date:

Unpaid Principal

Original: \$471,483.24

*Modified:

Principal Reduction Amount: Principal Reduction amount of \$0 is acceptable

Single Close Construction Close Out

Construction Completion Information

*Completion Type:

- Principal Reduction Only
- Principal Reduction with Loan Modification
- Construction Complete (No Principal Reduction or Loan Modification)

*Construction Completion Date:

MM/DD/YYYY

Lender Display Document(s)

Lender Upload Document(s)

Principal Reduction Date:

MM/DD/YYYY

Unpaid Principal

Original: \$471,483.24

Modified:

Principal Reduction Amount:

Principal Reduction amount of \$0 is acceptable

*Loan Modification Date:

MM/DD/YYYY

Guaranteed Interest Rate:

Original: 3.5000%

*Modified:

Principal Reduction w/ Loan Modification

- Enter the construction complete and principal reduction fields
- Update the modified unpaid principal balance and the amount of the principal reduction
- Loan Modification Date and lower Interest Rate, when applicable
- Upload documentation of evidence of the principal reduction and lender certification


Single Close Construction Close Out

Construction Completion Information

*Completion Type:

- Principal Reduction Only
- Principal Reduction with Loan Modification
- Construction Complete (No Principal Reduction or Loan Modification)

*Construction Completion Date:

MM/DD/YYYY  Lender Display Document(s)  Lender Upload Document(s)

Construction Complete (No Principal Reduction or Loan Modification)

- Enter only the construction completion date
- Upload documentation of evidence of the principal reduction and lender certification

Lender and Agency Responsibilities

- ✓ Lender must compare the DOT or Mortgage with Title Opinion to ensure 1st lien priority
- ✓ Lender must ensure that closing instructions have been followed
- ✓ Agency does not set policy for survey requirements
- ✓ Lender must ensure ownership interest protects the security property
- ✓ Lender must be able to foreclose on property in the event of borrower default
- ✓ Originating lender may be subject to indemnification if they fail to meet lien requirements



Viewing the Loan

Single Family Housing Lender Administration List

[ID Cross Reference](#)

[Payment History](#)

[SFH Lender Administration List](#)

[Help](#)

Search/Include Criteria

Search by:

Lender ID

Branch

List

USDA Borrower ID

Borrower SSN

Name/State

All States



Lender Loan Number

Include:

Lender Type

Originating



Request Type

Loans



Loan Status

All Statuses



Submit

Reset

Select Action and press [Borrower ID](#) hyperlink you wish to take action on:

Action

View Loan

View Loan

- The Single Family Housing Lender Administration List allows users to search the loan by status and view loan information
- This information is only available to the Holding Lender

Viewing the Loan

State	County	Borrower ID/SSN	Borrower Name	Lender Loan Number	USDA Loan Number	Amount	USDA Lender Branch	Status
						\$62,888.00	001	CLOSED

Additional Loan Information

Condition Placed on Guarantee:	NO
Debt Offset Eligibility:	NO
Liability Release Date:	Loan Sold: NO
Total Loss Amount:	Less Count: 0
Last Loss Type:	
Interest Assistance Code:	2 INELIGIBLE FOR INT ASST PRGM
Active Interest Assistance:	NO
Annual Fee Percent:	0.3560%
Subject to Indemnification:	YES
Fraud Indemnification:	NO
Security Property Partial Release:	NO
Lender Loan Closing	
Agency Approval	Approved By: [Redacted] Title: R-S OFFICIAL Approval Date: 06/01/2021

Annual Fee Amortization Schedule

Lender Display Document(s)

View Loan

This allows the Holding Lender to view:

- Annual Fee Amortization
- Annual Fee Due Date
- Fee Amount

SFH Annual Fees

Add Late Fee

PAYMENTS / REFUNDS									
Fiscal Year	Due Date	Fee Amount	Balance Due	Date	Lender	Source	Deposit Date	Status	Amount
<i>Fiscal Year Fees</i>									
2021	09/01/2022	\$307.89							
	<i>Total</i>	\$307.90						<i>GAF Total</i>	
								<i>Total Processed</i>	



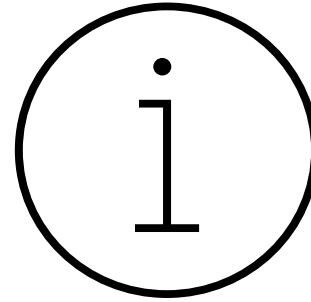
Frequently Asked Questions



Frequently Asked Questions



A loan closed at a higher loan amount than what was authorized on the Conditional Commitment. Can a principal reduction for the overage amount be completed?

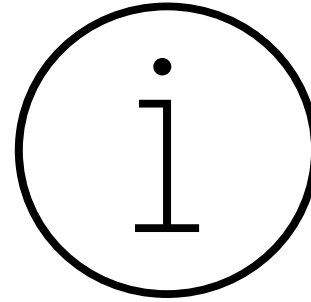


No. Since the loan has closed, a principal reduction is not acceptable. The lender may perform a loan modification to correct the loan amount to match the issued Conditional Commitment or request Rural Development to release the GUS loan back for correction

Frequently Asked Questions

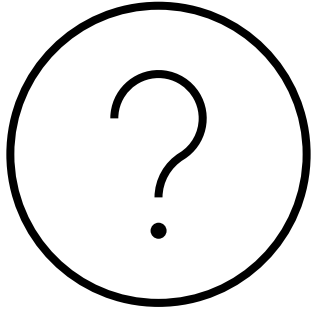


Property taxes in many states are paid in arrears, which results in a large tax credit at closing. Can an applicant receive cash back as a result of this credit?

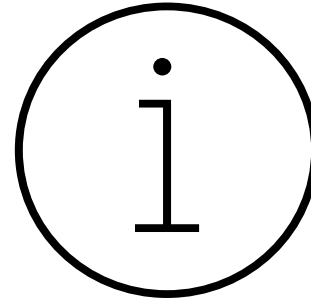


The credit may be used to pay closing costs, but cannot result in cash back to the applicant. Only costs initially paid by the applicant out of pocket can be returned to the applicant at closing.

Frequently Asked Questions



What options are available when the Conditional Commitment will expire prior to loan closing?

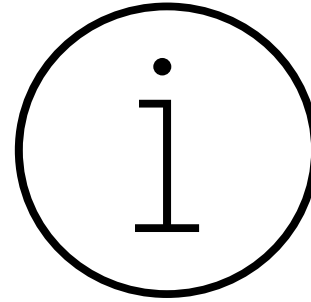


The lender has 90 days from the issuance of the Conditional Commitment to close the loan with an opportunity for one 90-day extension. The extension must be requested prior to the expiration of the Conditional Commitment. The lender is responsible for ensuring documentation of credit, income, assets, etc. are updated as needed.

Frequently Asked Questions



An application has been submitted to Rural Development for review, however, a Conditional Commitment has not yet been issued. Can the loan close since the file has been submitted to Rural Development?

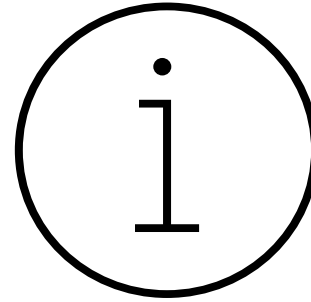


No. The loan cannot close prior to the lender's receipt of the Conditional Commitment.

Frequently Asked Questions

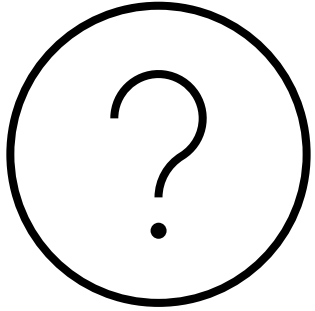


Now that the mandatory use of the LLC System is in effect, will the Form RD 1980-19 be required?

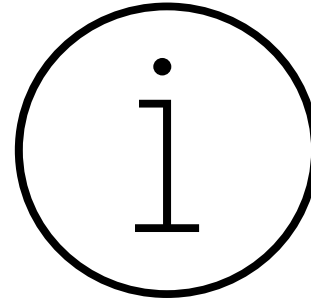


No. Form RD 1980-19, Loan Closing Report is not required for manually submitted closing packages.

Frequently Asked Questions

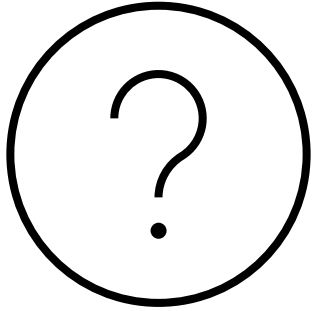


Is a principal reduction at closing acceptable to prevent the applicant from receiving excess cash back?

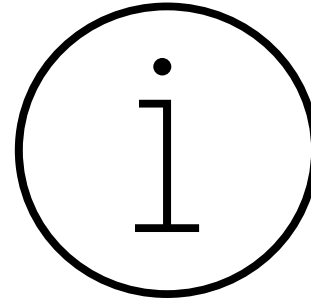


Yes, a principal reduction at the time of closing is acceptable.

Frequently Asked Questions



Since a principal reduction at closing is acceptable for borrowers that would be receiving excess cash back, is there a maximum amount that is allowed?

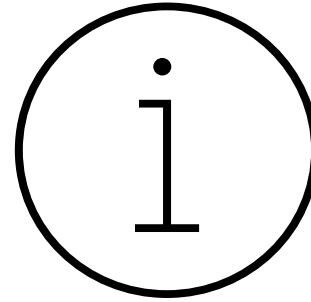


No. There is no limit on the amount of the principal reduction, however, the lender should determine if a loan modification would be a better option for the borrower.

Frequently Asked Questions



Does USDA allow an applicant to close in a trust?

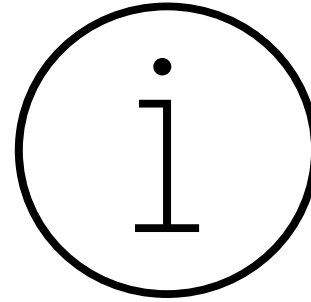


No. The two forms of ownership that are acceptable to the program are fee-simple and a secured leasehold.

Frequently Asked Questions

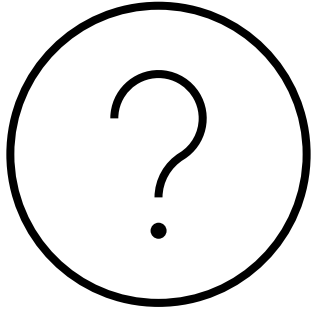


Can the USDA Upfront Guarantee Fee be noted as a Mortgage Insurance Premium on the Loan Estimate and Closing Disclosure?

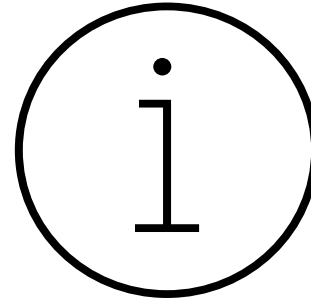


Although Rural Development does not have a requirement as to how the fee is noted on the disclosures, the preference would be to list the fee on a separate line item and note as a Guarantee Fee payable to USDA/Lender.

Frequently Asked Questions



What is the maximum number of days allowed for an interest credit?



Rural Development does not have a requirement on the number of days allowed on an interest credit. Lender's standard protocol is accepted.



Lender Toolkit





7 CFR Part 3555



Bookmark It!



Use Ctrl-F to find answers quickly!



PART 3555—GUARANTEED RURAL HOUSING PROGRAM

Contents

- ▼ **Subpart B Lender Participation**
 - § 3555.51 Lender eligibility.
 - § 3555.52 Lender approval.
 - § 3555.53 Contracting for loan origination.
 - § 3555.54 Sale of loans to approved lenders.
 - §§ 3555.55-3555.99 *[Reserved]*
 - § 3555.100 OMB control number.
- ▼ **Subpart C Loan Requirements**
 - § 3555.101 Loan purposes.
 - § 3555.102 Loan restrictions.
 - § 3555.103 Maximum loan amount.
 - § 3555.104 Loan terms.
 - § 3555.105 Combination construction and permanent loans.
 - § 3555.106 *[Reserved]*
 - § 3555.107 Application for and issuance of the loan guarantee.
 - § 3555.108 Full faith and credit.
 - § 3555.109 Qualified mortgage.
 - §§ 3555.110-3555.149 *[Reserved]*
 - § 3555.150 OMB control number.
- ▼ **Subpart D Underwriting the Applicant**



HB-1-3555



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Use Ctrl-F to find answers quickly!

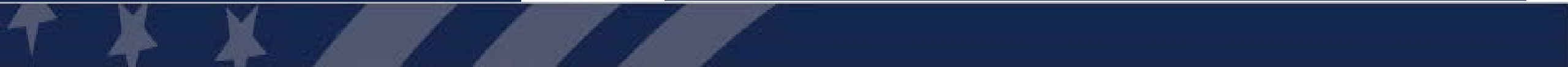


▼ HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

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
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Chapter 17	Regular Servicing-Performing Loans
Chapter 18	Servicing Non-Performing Loans - Accounts with Repayment Problems
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Origination FAQs



Bookmark It!



Use Ctrl-F to find answers quickly!



FAQ

Frequently Asked Questions

Single-Family Housing Guaranteed Loan Program Origination

Training &
Resources



Check back for
updates



Don't forget to sign up
for GovDelivery
updates



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

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](#)



Lender Training



Loan Closing

Lender Webpage



Monitor posted turn times daily



Don't forget to sign up for GovDelivery updates



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

SFH Guaranteed Lender

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- Water & Environmental Programs
- Multifamily Housing Programs

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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 **01/10/2022**

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](#)

Overview

On February 16, 2020 we integrated the Guaranteed Loan Program into a single integrated national team! For more information, please reference our [Integration Information sheet](#).

USDA Rural Development's Guaranteed Loan Program assists approved lenders in providing up to 100% financing for eligible borrowers (households that do not exceed 115% of the [Median Household Income](#)) purchasing homes in [eligible rural areas](#). Automated underwriting assistance through GUS (Guaranteed Underwriting System) allows for expanded ratios and flexible credit. Download the [Guaranteed Rural Housing Lender fact sheet](#).

We now have [Single Close Construction-to-Permanent Financing](#)! A single-close loan combines the features of a construction loan and a long-term permanent mortgage. Since there is only one closing, which can save considerable closing costs, the loan is considered a purchase transaction by the agency. The loan note guarantee may be issued once the interim construction loan is closed without waiting for the completion of the property.

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!



SFHGLP Integrated Unit – How to Contact Us:

****Very Important**** Effective February 16th, 2020, all states were aligned to one of four production teams. Each production team has their own email inbox as shown below.

[Download the Full GRH Contact Sheet](#)

<u>Production Teams</u>	<u>States</u>
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

File-specific questions should be emailed to the production team responsible for the state. For example, if you had a question regarding a guaranteed loan application in Nebraska, you would email SFHGLPTWO@usda.gov to contact Team Two.

In most cases, our staff can provide a response within 24 hours during normal business days. We can answer faster if you:

1. Identify the state the application is located; if applicable;
2. Provide applicant's name, if applicable;
3. Include contact information; and
4. Indicate if you would like a call back (otherwise you will receive an email reply)

Have a question on
POLICY?

Contact the PAC team!



Need **TRAINING?**

Contact the LPA team!



Have a question on a
SPECIFIC FILE?

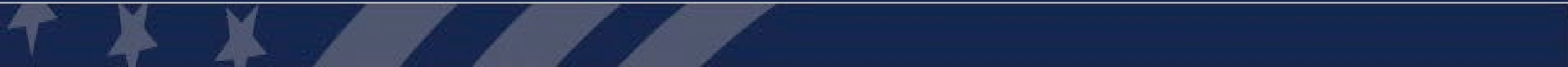
Contact the OPD!



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) 	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
Lender Approval	sfhqld.compliance@usda.gov
Lender Recertification	
Program Training	sfhqld.lenderpartner@usda.gov
Program Marketing & Outreach	
General Loan Scenario Questions	sfhqld.program@usda.gov
Loan Policy/Regulation/Handbook	
Loan Servicing	sfhglpservicing@usda.gov
Technical Issues: e-Authentication	eAuthHelpDesk@ftc.usda.gov 800-457-3642, option 1 (USDA e-Authentication Issues)
Technical Issues: GUS	RD.HD@STL.USDA.GOV 800-457-3642, option 2 (USDA Applications); then option 2 (Rural Development)
Loss Claims	guarantee.svc@stl.usda.gov
Monthly & Quarterly Status Reporting	rd.nfaoc.hsb@stl.usda.gov
GUS User Agreements	

TOOLS & 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>





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