

# The Guaranteed Eagle



## Recovery Act **SPRINGS** Funding For Guaranteed Loans! \$10 billion now available for purchase transactions.

Under the American Recovery and Reinvestment Act of 2009 (Recovery Act) approximately \$10 billion in purchase funds are now available for the Single Family Housing Guaranteed Loan Program. There are no funds available for refinance loans at this time; however, Rural Development expects to have them available in the near future.

Rural Development will issue Conditional Commitments and Loan Note Guarantees for purchase loans obligated under the Recovery Act. Reservation of Funds requests for new applications are **not** accepted at this time. Approved lenders should only submit complete underwritten and approved loan packages ready for immediate review by Rural Development.



Lenders who have closed loans for an amount greater than approved by Rural Development on the issued Conditional Commitment will require additional funding in order for the Agency to complete the loan closing transaction and issue a Loan Note Guarantee. A revised Form RD 1980-21 must be submitted **prior** to loan closing when loan amounts are increased. Many of these loans may remain in a pending status until annually appropriated funding is received. Only loans currently not obligated may use Recovery Act funding. Construction and repair contracts in excess of \$2,000 obligated with Recovery Act funding are subject to the Davis Bacon Wage Act.

## Update: New Income Limits April Forecast: It is raining new opportunities!



On April 20, 2009 USDA Rural Development will implement consolidated income limit bands for the Single Family Housing Guaranteed Loan Program. The consolidated income limit bands will assist Rural Development to expand upon our mission to increase affordable homeownership opportunities within eligible rural communities.

The consolidated income limit bands will offer two adjusted income brackets; 1-4 and 5-8. Households with more than eight members will have an additional amount added to the 5-8 bracket to determine eligibility. Current eligible deductions for dependants, childcare costs, medical expenses, and disability expenses will remain in effect per RD Instruction 1980-D, section 1980.348.

When the revised RD Instruction 1980-D Exhibit C is published the income section of the nationwide eligibility website and the Guaranteed Underwriting System (GUS) will also be updated. The nationwide eligibility website is located at: <http://eligibility.sc.gov.usda.gov>.

## More fun than a gaggle of peeps! GUS rolls out Fannie Mae File Import!

On February 25, 2009, USDA Rural Development implemented a new import functionality where lenders may import loan data directly into GUS from their loan origination system (LOS) if their electronic data files have a format of **Fannie Mae Desktop Underwriter (DU) or Desktop Originator (DO) loan data file (1003) Version 3.2 format. MISMO AUS 3.2.1 file formats are also eligible for import into GUS.**



The GUS user guide includes steps for importing a loan file to GUS. View the "GUS Lender User Guide" on the USDA LINC Training and Resource Library page. <https://usdalinc.sc.gov.usda.gov/USDALincTrainingResourceLib.do>.



## New Lenders Bloom with USDA Training! USDA mandates training for new approved lenders and new GUS users.

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Effective April 1, 2009 new or modified lender agreements (Form RD 1980-16) will not be approved until an acceptable USDA Rural Housing Guaranteed Loan Training Program has been completed. The new training requirements apply to state and nationally approved lenders. **Guaranteed loan training is mandatory for loan originators and underwriters that will participate in the SFHGLP.** Once the certification is received the state and / or national office may approve the lender agreement. The approved lender may then begin to submit loan applications to the SFHGLP. Acceptable training programs include:

- Guaranteed training programs presented by Agency staff.
- Training via WebEx. GTO: Guaranteed Training Opportunities, offers a course titled, “*Get Guaranteed*” available online via WebEx. Lenders may log onto WebEx and register for a class that fits their schedule at: <https://turdev.webex.com>
- ALL-REGS offers a fee based self-study course titled, “*Exploring Guaranteed Rural Housing (GRH): A Rural Development Program*” Course No.WS-09-UW-001. A certificate is provided upon completion of the course. A copy of the certificate must be forwarded to the national office. Lenders may visit [www.allregs.com](http://www.allregs.com) for more information.

Effective April 1, 2009 new GUS User Agreements will not be activated until an acceptable USDA Rural Development GUS Training Program has been completed. **All Security Administrators and users with “Final Submit” authority must complete training.** Acceptable training programs include:

- GUS training programs presented by Agency staff.
- Training via WebEx. GTO: Guaranteed Training Opportunities, offers a course titled, “*Get To Know GUS*” available online via WebEx. Lenders may log onto WebEx and register for a class that fits their schedule at <https://turdev.webex.com>

Attendance sheets that include training certification will be posted in the course materials for all WebEx presentations.

## Best Practices and Tips for Approved Lenders Efficiency and consistency in the delivery of Loan Note Guarantees



On March 30, 2009, Rural Development released the ListServ announcement “Best Practices and Tips for Lenders—Issuance of Loan Note Guarantee.” These tips are offered to assure a timely response to lenders request for a Loan Note Guarantee (LNG).

1. **Do not close the loan for an amount above the committed loan amount** on the issued Conditional Commitment for Loan Note Guarantee (Form RD 1980-18) **without prior approval by the Agency.** Funding for the loan request is set aside for the exact amount of the issued Conditional Commitment. Increased loan amounts could result in a delay/denial in delivering the LNG. Submit a revised Form RD 1980-21 **prior** to closing if the loan amount will increase.
2. **Only submit necessary documentation requested on the Conditional Commitment.** Additional (unnecessary) documents will slow the loan closing review process.
3. **Clear conditions prior to closing or on the date of loan closing.** Example: establishment of an escrow account for exterior repairs in accordance with RD Instruction 1980-D, section 1980.315.
4. **Provide an envelope with accurate delivery address and point of contact for the LNG.** This practice avoids requesting reissuance of the LNG for non-delivery.
5. **Submit accurate guarantee fees with the loan closing package.**
6. **Allow a reasonable timeframe for delivery of the LNG, based upon delivery from the lender’s organization, allowing time for review and preparation by RD.** The LNG should be completed and delivered typically within 10 business days.
7. **Sign up for ListServ!** ListServ will provide timely updates on Origination, Servicing, and/or GUS topics. Sign up at: <http://www.rdlis.sc.gov.usda.gov/listserv/mainservlet>.

**IN HONOR OF SPRING BREAK: NO QUIZ**



**Guaranteed Loans Help Rural Communities GROW!**  
For more information contact: