



Committed to the future of rural communities.

Guaranteed Loan Servicing A timeline guide for Illinois lenders

Lenders are expected to service GRH loans in much the same way they would service other loans that are not guaranteed.

- Collect payments as they come due
- Establish and maintain an escrow account for taxes and insurance
- Comply with their internal loan servicing policies and procedures
- Comply with their USDA approved lender agreement

Dealing with DEFAULTS



20 Days Past Due

Make contact with the borrower to assess their current situation
 Find out if this is a temporary set back, or do we need to pursue a loan modification, short term repayment agreement, forbearance, etc?

60 Days Past Due

Personal contact must be accomplished
 Certified letters, phone conversations, and visits to the property to determine occupancy should be pursued. There are numerous workout options that Rural Development will support to afford the borrower every opportunity to retain their home. 735 ILCS 5/15-1502.5 requires a homeowner protection notice be sent to borrowers prior to a foreclosure action.

90 Days Past Due

Time just ran out! Report borrower delinquent to credit repositories
 Borrower should be strongly encouraged to consider loan modification or voluntarily liquidate the security (short sale preferred over deed-in-lieu). Otherwise, foreclosure action must be initiated at this time. A **SERVICING PLAN** must be submitted by **fax** to Rural Development in St. Louis for concurrence prior to approving a modification, short sale or deed-in-lieu.

- Foreclosure Timeframes**
1. No Agency concurrence required to foreclosure or to bid the lesser of debt or 85% of appraisal.
 2. Property Disposition Plans by **email** within 30 days of REO
 3. Loss Claims by **priority mail** within 30 days of sale date OR within 180 days if unsold in REO.

For more information, CONTACT:

Priority Mail
 CSC/ USDA Rural Development (FC-225)
 4300 Goodfellow Blvd., Bldg 105E
 St. Louis, MO 63120-1703

Toll-Free Phone (866)550-5887
Fax Servers (314)457-4463 or (314)457-4473
Email guarantee.svc@stl.usda.gov