



# Combination Construction to Permanent Loans

Presented by: Ed Peace, Finance and Loan Analyst

January, 2024

Lender and Partner Activities Branch

[Ed.Peace@usda.gov](mailto:Ed.Peace@usda.gov)

Combination Construction-to-Permanent

(CTP) Loan



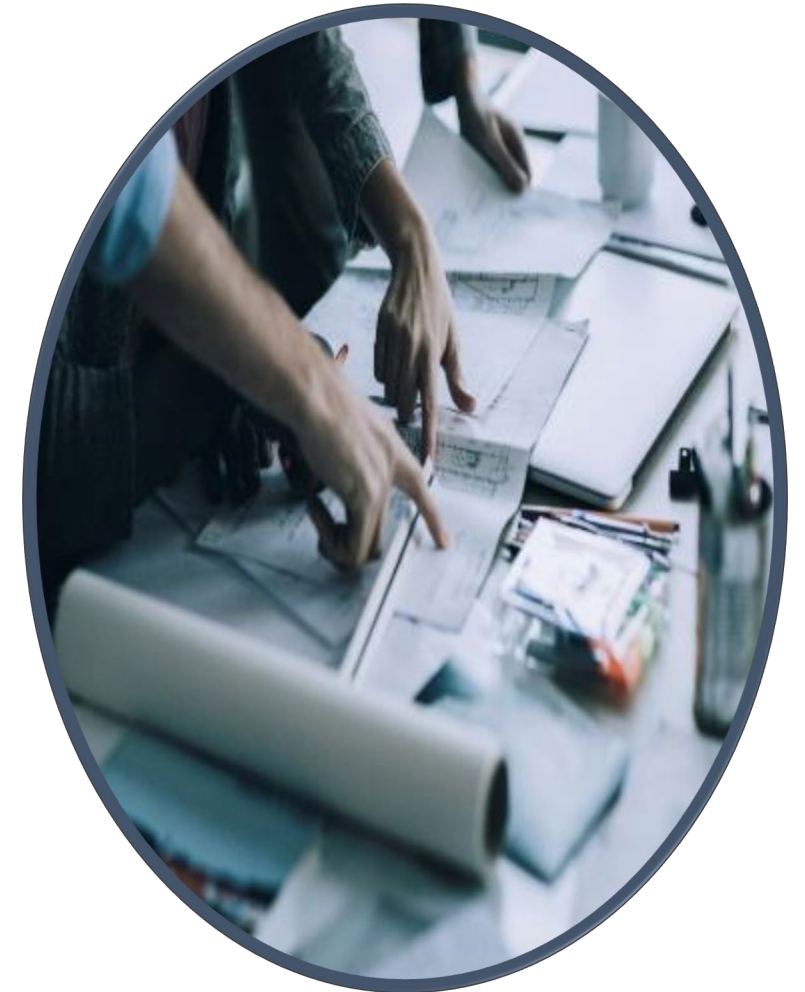
# Combination Construction to Permanent Loan

HB-1-3555, Chapter 12, Section 6

**Also know as “single-close-construction loan”**

## Combines:

- The **construction loan** (short-term interim loan for financing the cost of construction) and
- The **traditional long-term, permanent residential mortgage**



# Combination Construction to Permanent Loan

HB-1-3555, Chapter 12, Section 6



- ❖ **Lack of affordable housing stock in rural America**
- ❖ **USDA’s Loan Note Guarantee issued immediately after loan closing (before house is built)**
- ❖ **Single-Close Construction loans save Applicants money over older “two-time” closed loans because there is only 1 loan closing (& 1 set of loan closing costs)!**

# Combination Construction to Permanent Loan - Summary



## Reduced Risk

Escrow up to 10% of purchase price for cost over-runs, and up to 12-months of loan payments during construction



## Loan Note Guarantee at Closing

Issued prior to construction and sellable on secondary market – attractive to Lenders!



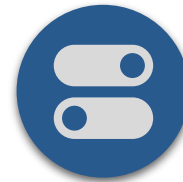
## Reduced Risk

To both lenders and builders



## One Closing

Only one loan closing required, saving borrower from excess closing costs



## Two Products Available

Securitized and Standard



## Realtor Commission

**Paid at time of closing** – prior to construction

# Loan is Guaranteed Immediately After Closing!

## Emphasize:

- ✓ **USDA's Loan Note Guarantee issued upon Lender's request immediately after loan closing (before house is built)**



# Issuance of Loan Note Guarantee

Combination Construction to Permanent Loan

- ✓ Full amount of the loan is guaranteed  
(Max payout: 90% of original loan amount)
- ✓ 30 year, fixed rate loan
- ✓ After closing, funds are disbursed to cover the cost of the land and applicable closing costs



**Construction should be completed within 12 months – Obtain all permits prior to beginning of construction**

# Payments During Construction

Combination Construction to Permanent Loan

## Options

- 1) **Interest-Only: payments made during construction period –or–**
  - 2) **“Securitized” version: full PITI payments made during construction**
- **Reserves may be established from loan funds to cover payments due during construction for either option above (up to 12 months)**





# Combination Construction to Permanent Loan



## Benefits to Lenders:

- Are protected during construction by USDA's guarantee\*
- Securitized version:
  - PITI payments made from reserves
  - No Re-amortization required
  - May be sold immediately on secondary market
- Banks receive CRA credits
- Expand client base by offering no down-payment loan product

# Combination Construction to Permanent Loan



## Benefits to Builders:

- Do not have to put up their own capital or use their line of credit for the construction project
- Expand client base by reaching more home-buyers with no down-payment loan program

# Combination Construction to Permanent Loan



## Benefits to Realtors:

- Get paid BEFORE the house is built (a rare event for Realtors)
- Expand client base by reaching more home-buyers with no down-payment loan program

# Combination Construction to Permanent Loan

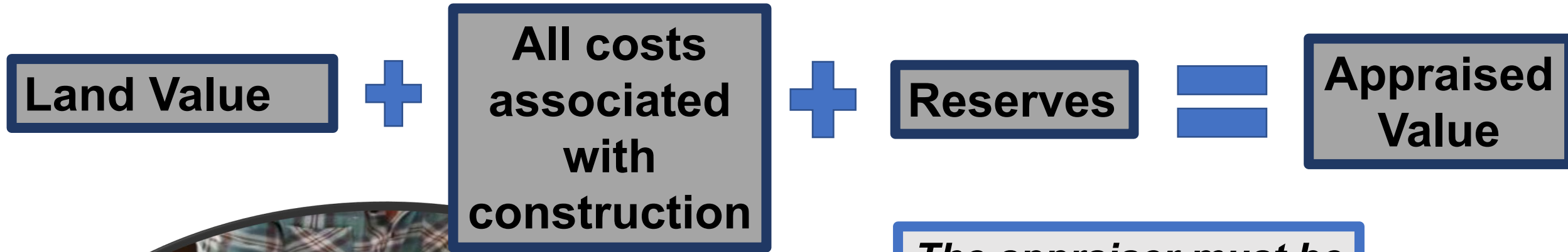


## Benefits to Buyers:

- Only 1 set of loan closing costs (save \$\$)
- Interest or PITI Reserves alleviate need to make payments on new loan and Rent during construction period
- Contingency Reserve protects against cost overrun payments out-of-pocket
- Re-amortization: leftover reserves applied to reduce Principal balance
- Owners of new construction have less maintenance concerns

# Appraised Value

Combination Construction to Permanent Loan



*The appraiser must be given all costs associated with the construction to be included in the final market value*

A yellow arrow points from the right side of the text box towards the underlined phrase 'all costs associated with the construction'.

# Lender Responsibilities

Combination Construction to Permanent Loan

- Oversee Disbursement of Loan Proceeds**
- Monitor the construction of subject property**
- Obtain documentation confirming construction is complete**
- Ensure use of fixed price construction contract (established contingency is ok)**



# Lender Requirements

## Combination Construction to Permanent Loan



- Once Lenders have USDA-approval, by submitting the request for Conditional Commitment, they are Self-certifying staff has two or more years experience making and administering construction loans
- In lieu of the above, a Lender may employ a construction loan management company with two or more years of experience. Lender confirms eligibility of the company employed.
- Confirm the eligibility of contractors/builders (next slide)

# Builder/Contractor Requirements

Combination Construction to Permanent Loan

**LENDER verifies (& documents in their files) the Builder has:**

- 2 or more years of building/construction experience (SFH)**
- State-issued construction or contractor license (as state or local law requires)**
- Commercial general liability insurance (\$500,000 min)**
- Contractors building their own residence are ineligible**

**A key to the success of the CTP loan feature is the financial stability and reputation of the builder constructing the home.**



# Eligible Loan Costs

Combination Construction to Permanent Loan

**Must be common  
and customary  
for similar  
transactions in the  
area**

- ✓ **Land** – Acquisition or payoff of balance
- ✓ **Construction Hard Costs** – costs in contract and detailed in budget; costs outside of the contract paid to others (example well and septic installation, roads/driveways, landscaping, etc...)
- ✓ **Construction Soft Costs** – inspection and survey fees, contingency reserves, permits, lender admin fees, etc.

# Contingency Reserve

Combination Construction to Permanent Loan



- A contingency reserve is not required but may be utilized to cover eligible expenses associated with unplanned problems with construction or change orders.
- Limited to 10% of the cost of construction (including labor, materials and soft costs).
- Funds must be deposited into the construction reserve account

# Loan Closing

## Combination Construction to Permanent Loan

- **Standard industry closing docs are used**
- **Lender ensures Promissory Note signed & valid 1<sup>st</sup> lien obtained at closing**
- **Term of loan at closing is 30-years**
- **Interest rate during construction must be fixed rate**
- **True adjustable rates during construction are not allowed**
- **Annual Guarantee Fee begins to accrue at loan closing & will be due each year at anniversary date**



# Interest-Only Payments During Construction

Combination Construction to Permanent Loan

**From established  
reserve account**

**-OR-**

**Directly from borrower  
(lender to document ability to pay)**



# Securitized -vs- Interest Only

Interest rate, construction contingency, and payment reserves are established at close.

LNG issued at signing and construction begins.

## Securitized Version

Principal, interest, taxes, insurance (PITI) payments are made during construction from the reserve.

Construction complete. No loan mod needed. Excess contingency reserve funds applied as principal curtailment.

## Interest Only Version

Monthly interest is paid from interest payment reserve on construction loan balance.

Construction completed and excess reserves applied to principal. Loan modification to re-amortize the remaining balance.

# Warehouse Line of Credit

Combination Construction to Permanent Loan



- **Warehouse lines may use:**
  - **Dual disclosures (terms of interim; terms of perm)**
  - **Single disclosure that blends interim & perm**

# Interest Only: Re-amortization

Combination Construction to Permanent Loan

**Excess funds from contingency reserve will be applied as a principal reduction**

- When construction is complete, Re-amortization may be utilized to achieve full repayment for the remaining term of loan
- If Loan Mod cause higher PITI payments than those used to underwrite the loan, USDA does not require a re-underwrite
- Interest rate for permanent loan may be lowered with loan modification
- Lender to provide executed Modification Agreement
- Amortization must begin no later than the 1<sup>st</sup> of the month, 60 days from final inspection

# Securitized After Loan Closing

## Combination Construction to Permanent Loan

- PITI payments are made during construction. May lend up to 12-months payments during construction period. Appraised must support this.**
- Lender manages payments**
- No need for loan modification or re-amortization**
- Borrower resumes payments at end of construction period**
- Excess funds will be applied as principal curtailment**





# Construction Draws – Lender Requirements

## Combination Construction to Permanent Loan

- **Draws and disbursements are managed and recorded by the lender (or lender's construction management company)**
- **Borrower and lender are jointly responsible**
- **Retain documentation to confirm work has been completed for the draws disbursed**

**When funds are disbursed, the lender is warranting to Rural Development the work was done as specified.**

# Change Orders and Unplanned Changes

Combination Construction to Permanent Loan

## **UNPLANNED CHANGES DURING CONSTRUCTION**

Should a life change occur with the borrower, such as loss of job or death occurs, the lender remains responsible to work with the builder to complete the home.

- **Change orders must be approved by lender**
- **Borrower is responsible for any costs related to a change order that will exceed available loan funds**
- **Proposed changes should not affect the “scope of the project” or the appraised value**

# Construction Close-Out

Combination Construction to Permanent Loan

**Once construction is complete, Lender obtains/retains in file:**

- ✓ **Appraiser's final inspection**
- ✓ **Certificate of Occupancy**
- ✓ **Final Title Policy clear of all liens**
- ✓ **Construction phase inspections**
- ✓ **Construction contract**
- ✓ **Cost breakdown**
- ✓ **Construction ledger**
- ✓ **Builder's Warranty**
- ✓ **Complete Lender Loan Closing System**



# Builders Warranty

Combination Construction to Permanent Loan

Refer to Chapter 12.9, "Evidence of Construction Inspections" for details pertaining to acceptable documentation

**1 year builder's warranty**  
+  
**Certificate of Occupancy**  
+  
**3 construction phase inspections**

**OR**

**10 year insured Builders Warranty**  
+  
**Final Inspection**

# Cash Back to Borrower

## Combination Construction to Permanent Loan

- Lenders must apply any excess loan funds as a principal reduction
- Reimbursement of funds for costs paid directly by the borrower is permitted
- Funds remaining in the contingency reserve account may be used for an eligible loan purpose –or- applied as a principal reduction



# Certified Plans and Specifications

## Combination Construction to Permanent Loan

### Acceptable evidence of Plans and Specifications include any one of the following:

- Certification from a qualified individual or organization (RD Form 1924-25, “Plans Certification” is acceptable for this purpose)
- Certificate of Occupancy from local jurisdiction
- Building permit from local jurisdiction

USDA  
Form RD 1924-25  
(Rev. 7-99)

U.S. DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
FARM SERVICE AGENCY  
**PLAN CERTIFICATION**

Form Approved OMB  
No. 0575-0042

(Property Name/Applicant Name and Case Number) \_\_\_\_\_

(Property Address) \_\_\_\_\_ (City) \_\_\_\_\_

(County) \_\_\_\_\_ (State) \_\_\_\_\_

**BUILDING TYPE:**  Single Family  Multi-Family

**PLANS:**  Original  Modifications

I, \_\_\_\_\_ being a \_\_\_\_\_  
(type or print) (licensed architect, engineer, or authorized building official, etc.)

in the State of \_\_\_\_\_, hereby certify that I have reviewed:

the plans and specifications dated \_\_\_\_\_ prepared by \_\_\_\_\_  
for the above property

the thermal performance plans, specifications and calculations dated \_\_\_\_\_  
prepared by \_\_\_\_\_ for the above property

the seismic design (plans and specifications) dated \_\_\_\_\_ prepared by \_\_\_\_\_  
for the above property

modifications listed below, that have been clearly indicated on the drawings and specifications  
dated \_\_\_\_\_ prepared by \_\_\_\_\_ and certified by \_\_\_\_\_  
and related to the above property

**MODIFICATIONS**

\_\_\_\_\_

According to the Paperwork Reduction Act (PRA) an agency may not conduct or sponsor, and a person is not 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 0575-0042. The time required to complete this information collection is estimated to average 10 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.

**Optional Form**

# Thermal Certification

## Combination Construction to Permanent Loan

- Thermal standards must meet or exceed the International Energy Conservation Code (IECC) in effect at the time of construction.
- Typically included in the plans and specs



# Manufactured Homes





# Expanding Affordable Homeownership

USDA will guarantee loans on Manufactured homes that meet the standards on the following slides (this is available on brand new units in all 50 states).

The MH Pilot allows for existing units (2006 & newer) to be guaranteed only in 23 states (discussed later). Extended until [Nov 4, 2024](#).



# Manufactured Homes and CTP



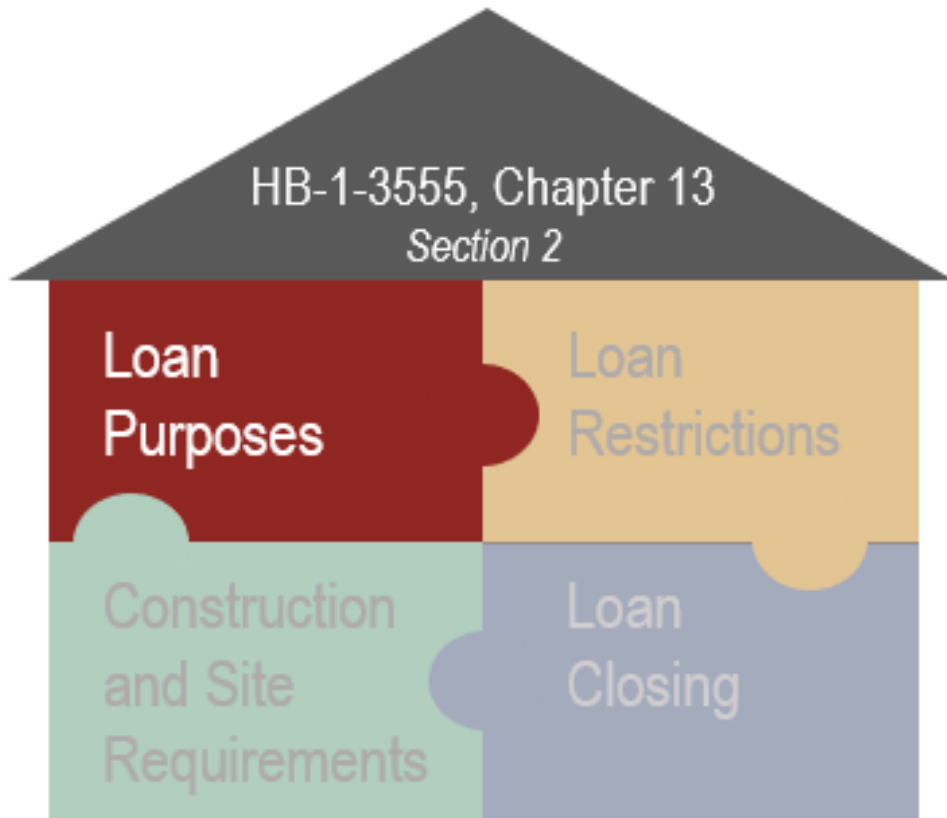
The Single-Close Construction loan feature may certainly be used when financing new Manufactured Homes!

Example of Draw timing:

- 1) Small deposit draw before delivery of unit
- 2) Well/septic installation
- 3) Driveway installation
- 4) Landscaping
- 5) Final draw

# Manufactured Homes

## Combination Construction to Permanent Loan

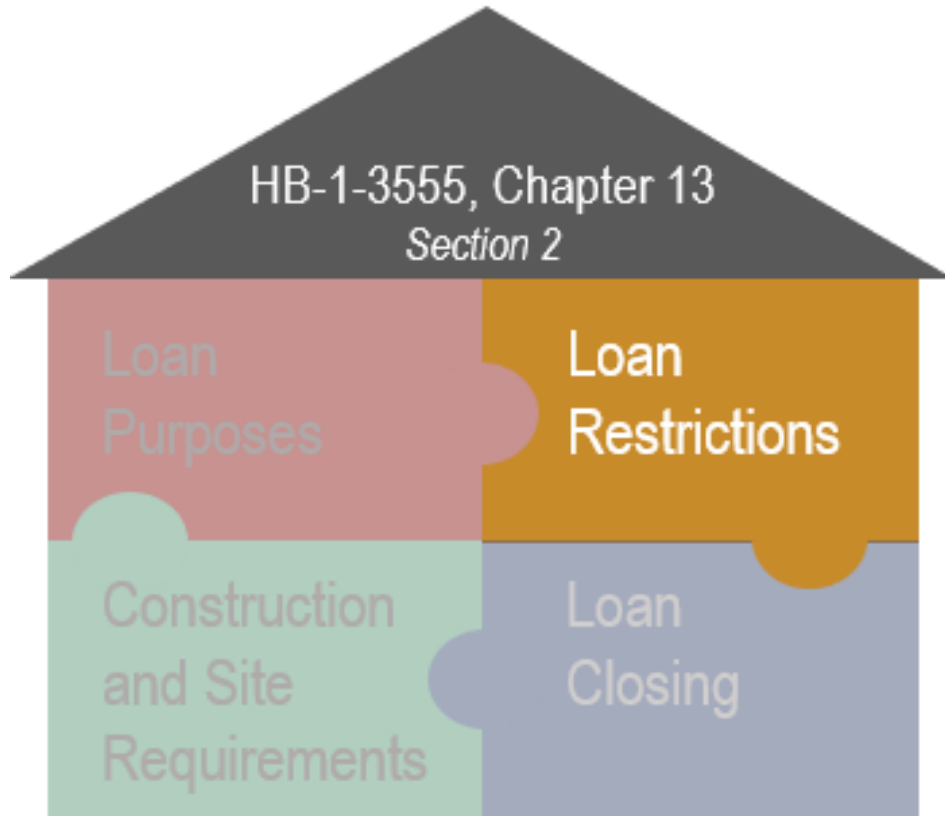


### Units Must:

- Have a site that conforms to state and local standards.
- Be a new unit in stock that has never been installed or occupied at any other site or location.\*
- Have a floor area of not less than 400 square feet.
- Be placed on a permanent foundation.
- Meet or exceed the FMHCSS standards for the geographic area the unit will be placed.

# Manufactured Homes: Loan Restrictions

7 CRF Part 3555.208, HB-1-3555 Chapter 13.7

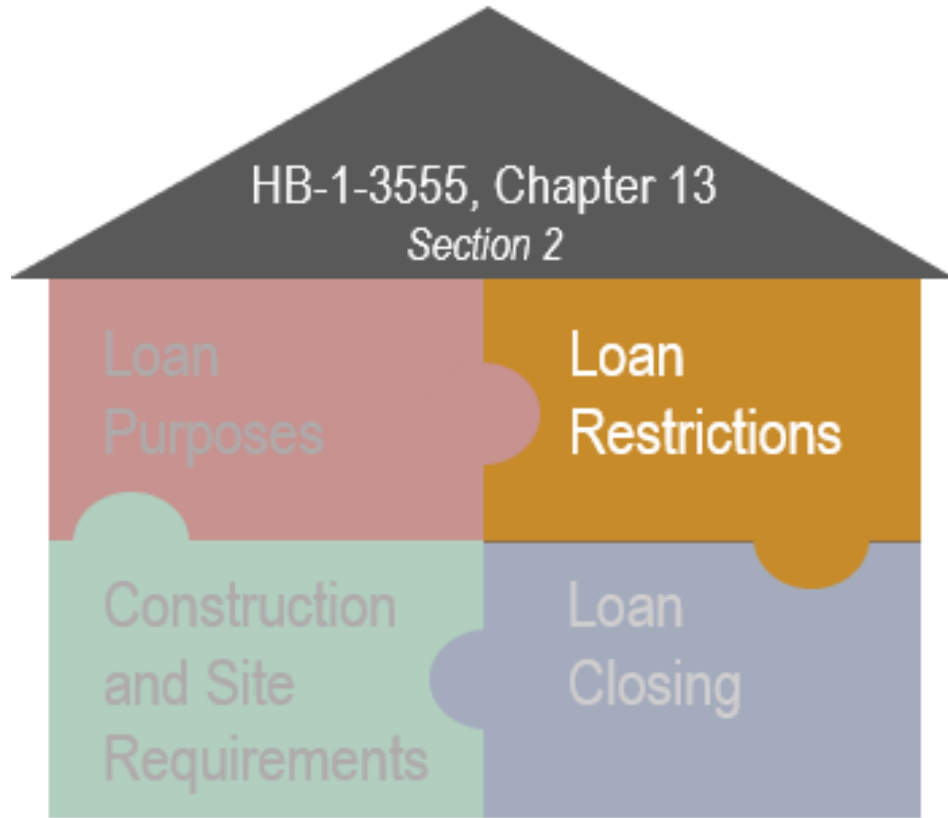


## The Agency Will Not Guarantee:

- The purchase of a unit without an eligible site.
- Repairs associated with a unit not already financed by USDA.
- Furniture or any other movable articles of personal property.
  - Wall to wall carpeting, refrigerators, ovens, washing machines, etc. are allowed.
- Additions or modifications other than structures built to engineered designs.

# Manufactured Homes: Loan Restrictions

7 CRF Part 3555.208, HB-1-3555 Chapter 13.7

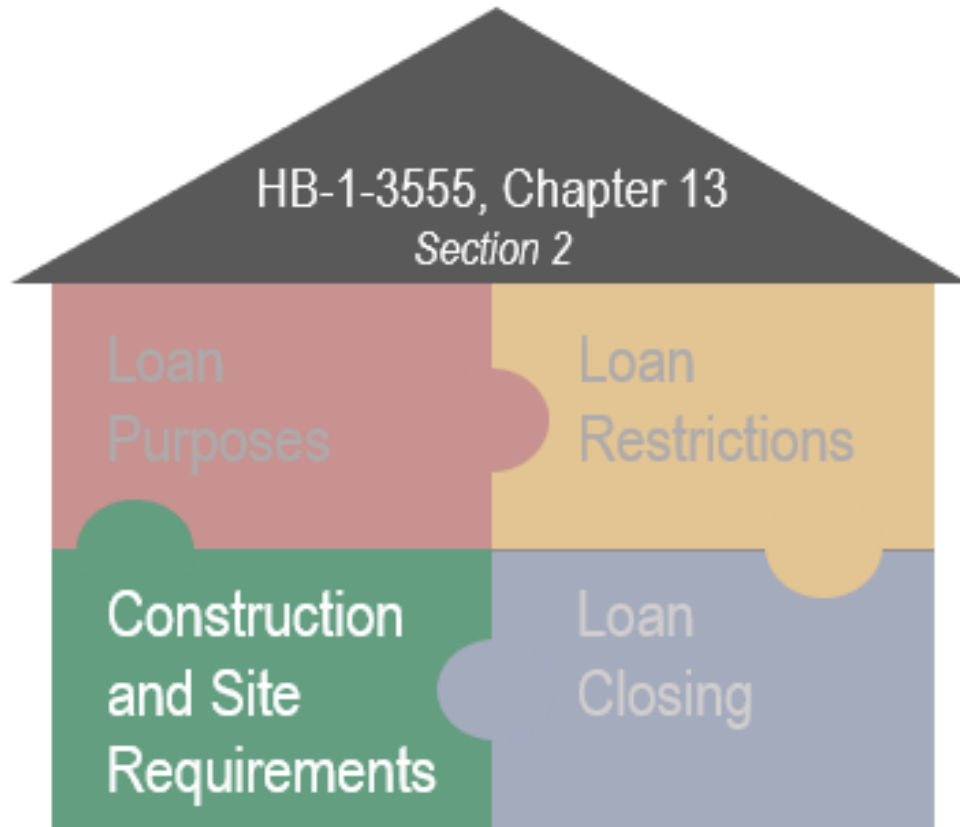


## The Agency Will Not Guarantee:

- The purchase of a unit moved from a site other than a dealer's lot.
- Units older than 12 months from date of purchase agreement.
- A unit with a tow hitch or running gear remaining.

# Manufactured Homes: Construction & Site Requirements

7 CRF Part 3555.208, HB-1-3555 Chapter 13.8

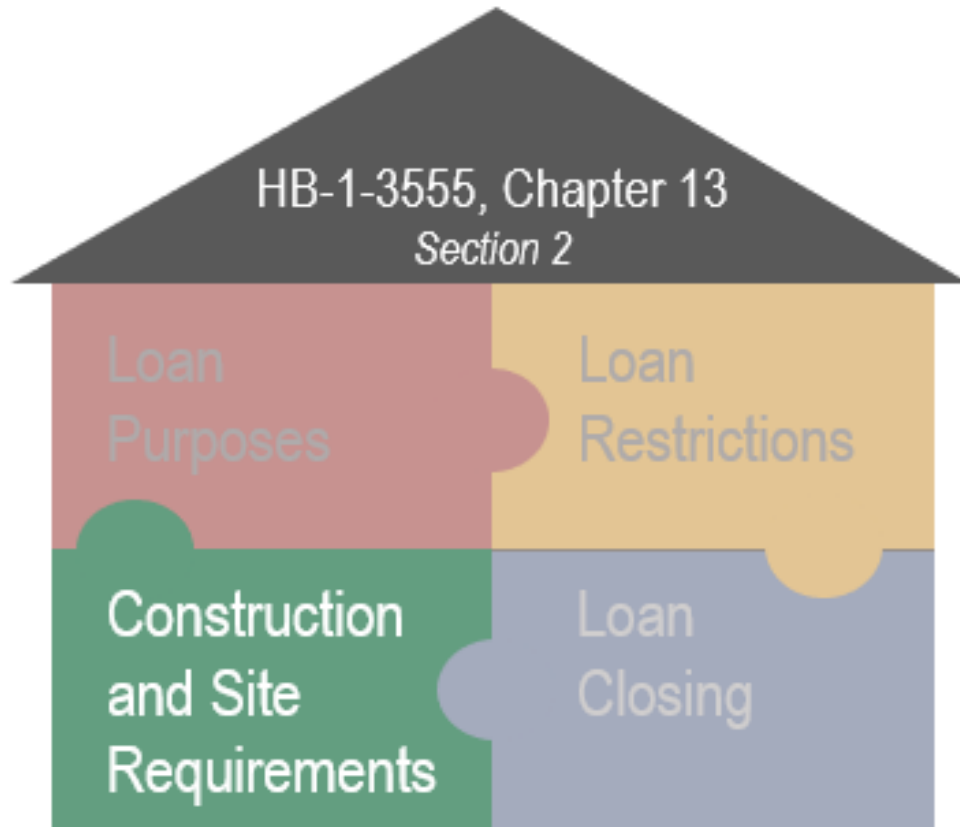


## Lender's Permanent File Must Contain:

- An itemized cost breakdown of the total package.
- Dealer certification that no cash back will be paid directly to the applicant.
- Dealer certification that proposed cost is the full price of the unit.

# Manufactured Homes: Construction & Site Requirements

7 CRF Part 3555.208, HB-1-3555 Chapter 13.8

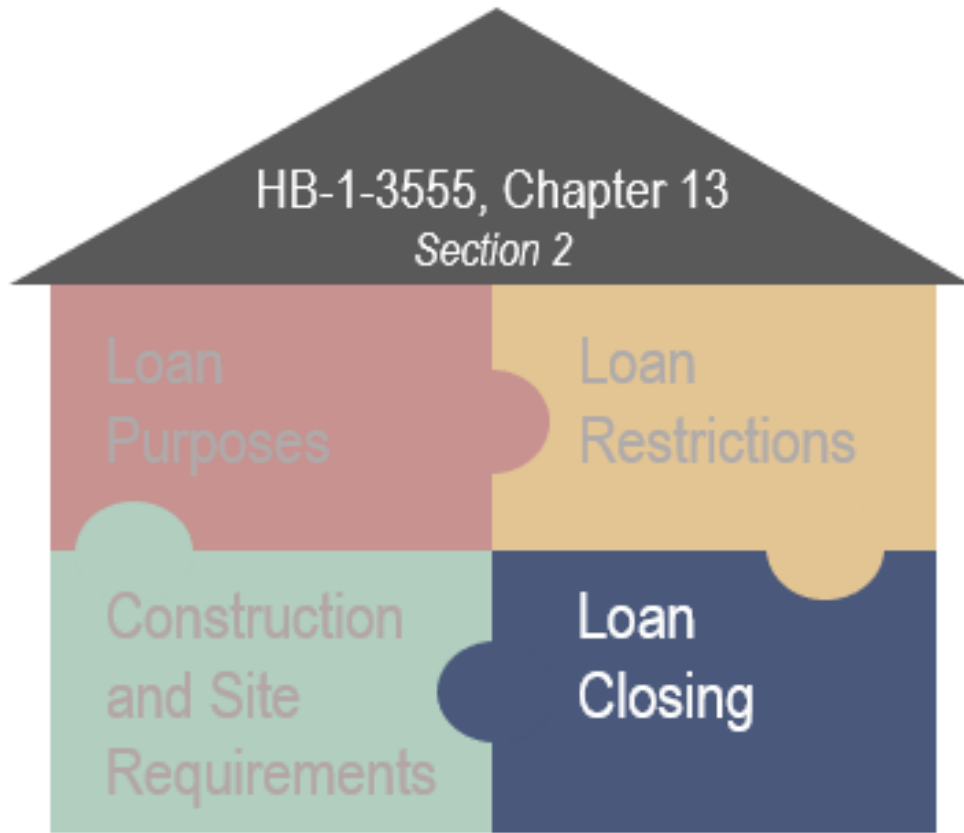


## Lender's Permanent File Must Contain:

- Foundation plan that meets HUD Handbook 4960.3 guidelines.
- Plot and site development plans.
- Inspections required per HB-1-3555, Chapter 12.
- Contractor certification that units were properly joined and sealed and sustained no damage during transportation and set up.

# Manufactured Homes: Loan Closing

7 CRF Part 3555.208, HB-1-3555 Chapter 13.9



## Additional Closing Requirements:

- **Warranty:** Dealer must provide the borrower with a copy of all manufacturer warranties.
- **Certifications:** Attachments 13-A and 13-B may be used to document manufactured dealer and contractor certifications.
- **Real Estate Tax:** Unit and site must be classified, zoned, and taxed as real estate.
- **Title and Lien:** Both the unit and the site must be evidenced by a recorded mortgage or deed of trust.



# Manufactured Homes: Pilot Program

[https://www.rd.usda.gov/sites/default/files/rdul-pilots\\_0.pdf](https://www.rd.usda.gov/sites/default/files/rdul-pilots_0.pdf)



The 23 states included in the pilot are:

CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY.

*Must be processed manually (GUS may be used only to upload documents).*

Guidance: [Federal Register](#) :: [Single Family Housing Section 502 Direct and Guaranteed Manufactured Housing Pilots](#)

# Manufactured Housing Pilot has been renewed

[Link for Pilot in the Federal Register](#)

## Unit must...

- Have been constructed on or after January 1, 2006.
- Not have been previously installed on a different homesite.
- Have a floor area of not less than 400 sq. feet.
- Meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555.
- Have no alterations or modifications since construction in the factory except for...
- Porches, decks, or other structures which were built to engineered designs or were approved and inspected by local code officials are acceptable.

States included in the pilot are: CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WV, WI, and WY.

[Manual File Submission Job Aid](#)

# GUS Screens



# No Sharing of GUS Logins


Each Lender employee who utilizes GUS is required to have their own individual Login



# CTP Coding in GUS

Eligibility Borrower Information Assets and Liabilities Real Estate Loan and Property Information **Lender Loan Information** More...▼

## Lender Loan Information

Property and Loan Information 

Lender Loan Number (F)  
941347393

**2** Community Property State  
 At least one borrower lives in a community property state.  Property is in a community property state

**3** Transaction Detail  
 Conversion of Contract for Deed or Land Contract  Renovation  Construction-Conversion/Construction-to-Permanent

**4** Energy Improvement  
 Mortgage loan will finance energy-related improvements  Property is currently subject to a lien that could take priority over the first mortgage lien, such as a clean energy lien, paid for through property taxes

**5** Project Type (If Applicable)  
Choose One ▼

Is the property located in Planned Unit Development (PUD) ? (P)  
 Yes  
 No

Is the property located in a project? (P)  
 Yes  
 No

Structure Type (F)  
 Attached  
 Detached

Year Built (F)  
YYYY

> Title Information  
> Mortgage Loan Information  
> Qualifying the Borrower - Minimum Required Funds or Cash Back  
> Other Credits (0)

# CTP Coding in GUS

## Transaction Detail

Conversion of Contract for Deed or Land Contract     Renovation

Construction-Conversion/Construction-to-Permanent     Single-Closing (P)  
 Two-Closing (P)

Construction/Improvement Costs (F)

\$0.00

Original Cost of Lot (F)

\$0.00

If "Construction-Conversion/Construction-to-Permanent" is selected, additional fields appear. Choose from the "single-closing" or "two-closing" radio buttons, enter values for "Construction/Improvement Costs" and "Original Cost of Lot."

# After the Issuance of the Loan Note Guarantee

## Closing Out the Loan in LLC (Lender Loan Closing System)

HB-1-3555, Chapter 16



# Lender Loan Closing System (LLC)

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



## Single Family Guaranteed Rural Housing

- [Electronic Status Reporting \(ESR\)](#)
- [Electronic Status Reporting Corrections](#)
- [Guaranteed Annual Fee](#)
- [Mortgage Recovery Advance Receivable Payments](#)
- [Mortgage Recovery Advance Receivable History](#)
- [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](#)



## 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



# 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 the 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

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

# Resources



# WEBSITE: USDA Rural Development

<https://www.rd.usda.gov>

**Access Single Family Housing Programs by clicking the link shown**

The screenshot shows the USDA Rural Development website interface. At the top, the USDA logo and 'Rural Development U.S. DEPARTMENT OF AGRICULTURE' are displayed. A navigation bar includes links for 'ABOUT RD', 'STATE OFFICES', 'PROGRAMS & SERVICES', 'NEWSROOM', 'RESOURCES', and 'CONTACT US'. A search bar is located on the right. The main content area features a large banner for 'Calendar Year Circuit Rider Assistance Grants' with a 'Learn More' button. A dropdown menu is open under 'PROGRAMS & SERVICES', listing various programs. 'SINGLE FAMILY HOUSING PROGRAMS' is highlighted with a yellow mouse cursor. At the bottom, there are three program tiles: 'Calendar Year Circuit Rider Technical Assistance Grants Program', 'Inflation Reduction Act', and 'Rural Energy for America Technical Assistance Grant Program'. The background of the website features a close-up image of hands being washed under a running faucet.

# WEBSITE: USDA Rural Development

<https://www.rd.usda.gov>

USDA Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

HOME ABOUT USDA ASK USDA HELP

ABOUT RD STATE OFFICES PROGRAMS & SERVICES NEWSROOM RESOURCES CONTACT US

HOME PROGRAMS & SERVICES

About RD  
State Offices  
**Programs & Services**  
All Programs  
BioPreferred Program  
Business Programs  
Community Facilities Programs  
Electric Programs  
Energy Programs  
Multifamily Housing Programs  
**Single Family Housing Programs**  
Direct Home Loans ARPA  
Homeowner Assistance Fund FAQs  
Telecommunications Programs  
Water & Environmental Programs  
Cooperative Services  
Services  
Newsroom  
Resources  
Contact Us

## Single Family Housing Programs

Well built, affordable housing is essential to the vitality of communities in rural America. Rural Development's Single Family Housing Programs give families and individuals the opportunity to buy, build, or repair affordable homes located in rural America. Eligibility for these loans, loan guarantees, and grants is based on [income](#) and varies according to the average median income for each area.

Through the program options below, USDA Rural Development offers qualifying individuals and families the opportunity to purchase or build a new single family home with no money down, to repair their existing home, or to refinance their current mortgage under certain qualifying circumstances. There are also programs to assist non-profit entities in their efforts to provide new homes or home repair to qualifying individuals and families.

### For Homebuyers



#### [Single Family Housing Direct Loans](#)

- Purchase or build with no money down in eligible [rural](#) areas
- Low or Very Low [Income](#)
- Typically 33-year term with payment assistance available
- Apply directly with [Rural Development](#)

[More Information](#)



#### [Single Family Housing Guaranteed Loan Program](#)

- Purchase or [build](#) with no money down in eligible [rural](#) areas
- Moderate Household [Income](#)
- 30-year fixed rates. Refinance options available
- Apply through an approved lender

[More Information](#)

Click the link shown



# Also: HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

## Handbooks

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

Consolidated version

Table of Contents

Chapter 1

Overview

Chapter 2

Record Retention

Chapter 3

Lender Approval

Chapter 12

Property and Appraisal Requirements

Origination and Underwriting Overview

Chapter 6

Loan Purposes

Chapter 7

Loan Terms and Conditions

Chapter 8

**Chapter 12: Property and Appraisal  
Requirements**

**Section 6: Combination Construction  
to Permanent & Rehab Loans**  
**{7 CFR 3555.105}**

# USDA LINC Training & Resource Library



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

USDA Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

HOME ABOUT US PROGRAMS & SERVICES NEWSROOM RESOURCES CONTACT US

## USDA LINC Training & Resource Library

**LINC Training Library**

- Guaranteed Underwriting System (GUS)
- Lender Approval
- Lender Training
- Loan Closing
- Loan Origination
- Loan Servicing

### 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:** [SHEGUE, Courtney](#)

Online training modules include guidance on “Combination Construction to Permanent” loans

Documents and Resources include Handbook updates, forms, and checklists

Loan Origination

Loan Servicing

GIS Lender Test Environment

**Lender Approval**

**Loan Origination**

**Lender Training**

**Loan Closing**

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

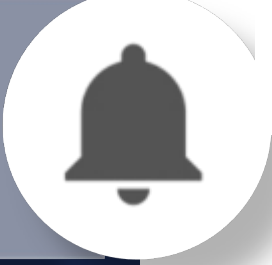
Lender Webpage



Monitor posted turn times daily



Don't forget to sign up for GovDelivery updates



HOME

About RD >

State Offices

**Programs & Services** v

- All Programs
- BioPreferred Program
- Business Programs
- Community Facilities Programs
- Electric Programs
- Energy Programs
- Inflation Reduction Act Programs
- Multifamily Housing Programs
- Single Family Housing Programs >

English

**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 **10-11-23.**

**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

Have a question on a  
**SPECIFIC FILE?**

Contact the Prod teams!



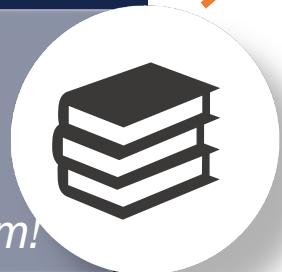
Need **TRAINING?**

Contact the LPA team!



Have a question on  
**POLICY?**

Contact the Program team!



TOPIC	CONTACT
<b>File-Specific Questions</b> Information to include in email: <ul style="list-style-type: none"> <li>Identify the state the application is located; if applicable;</li> <li>Provide applicant's name and USDA borrower ID, if applicable;</li> <li>GUS loan number, if applicable</li> <li>Include contact information; and</li> <li>Indicate if you would like a call back (otherwise you will receive an email reply)</li> </ul> File-Specific Questions by phone:	<b>Production Team One:</b> <a href="mailto:SFHGLPONE@usda.gov">SFHGLPONE@usda.gov</a> AK, AL, AZ, CA, CO, GU, HI, IA, ID, KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WP, WY <b>Production Team Two:</b> <a href="mailto:SFHGLPTWO@usda.gov">SFHGLPTWO@usda.gov</a> AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK <b>Production Team Three:</b> <a href="mailto:SFHGLPTHREE@usda.gov">SFHGLPTHREE@usda.gov</a> CT, DE, GA, IL, MA, MD, ME, MI, NC, NH, RI, SC, VT, WV <b>Production Team Four:</b> <a href="mailto:SFHGLPFOUR@usda.gov">SFHGLPFOUR@usda.gov</a> FL, IN, OH, PA, PR, TN, VA, VI *833-314-0168, ext. 2
<b>Lender Approval/Recertification</b>	<a href="mailto:sfhgld.compliance@usda.gov">sfhgld.compliance@usda.gov</a> or *833-314-0168, ext. 3
<b>Lender Self-Report (e-mail only)</b>	
<b>Program Training</b>	<a href="mailto:sfhgld.lenderpartner@usda.gov">sfhgld.lenderpartner@usda.gov</a>
<b>Program Marketing &amp; Outreach</b>	
<b>General Loan Scenario Questions</b>	<a href="mailto:sfhgld.program@usda.gov">sfhgld.program@usda.gov</a> or *833-314-0168, ext. 4
<b>Loan Policy/Regulation/Handbook</b>	
<b>Turn Times</b>	*833-314-0168, ext. 1
<b>Loan Servicing</b>	<a href="mailto:sfhglpservicing@usda.gov">sfhgldpservicing@usda.gov</a>
<b>Technical Issues: GUS</b>	<a href="mailto:RD.HD@USDA.GOV">RD.HD@USDA.GOV</a> or *833-314-0168, ext. 5
<b>Technical Issues: e-Authentication</b>	E-Authentication FAQs: <a href="https://www.eauth.usda.gov/eauth/b/usda/faq">https://www.eauth.usda.gov/eauth/b/usda/faq</a> E-Authentication Contact Us: <a href="https://www.eauth.usda.gov/eauth/b/usda/contactus">https://www.eauth.usda.gov/eauth/b/usda/contactus</a>
<b>Loss Claims</b>	<a href="mailto:guarantee.svc@usda.gov">guarantee.svc@usda.gov</a>
<b>Monthly &amp; Quarterly Status Reporting</b>	
<b>GUS User Agreements</b>	<a href="mailto:rd.nfaoc.hsb@usda.gov">rd.nfaoc.hsb@usda.gov</a>

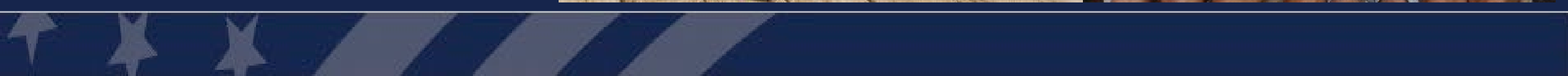
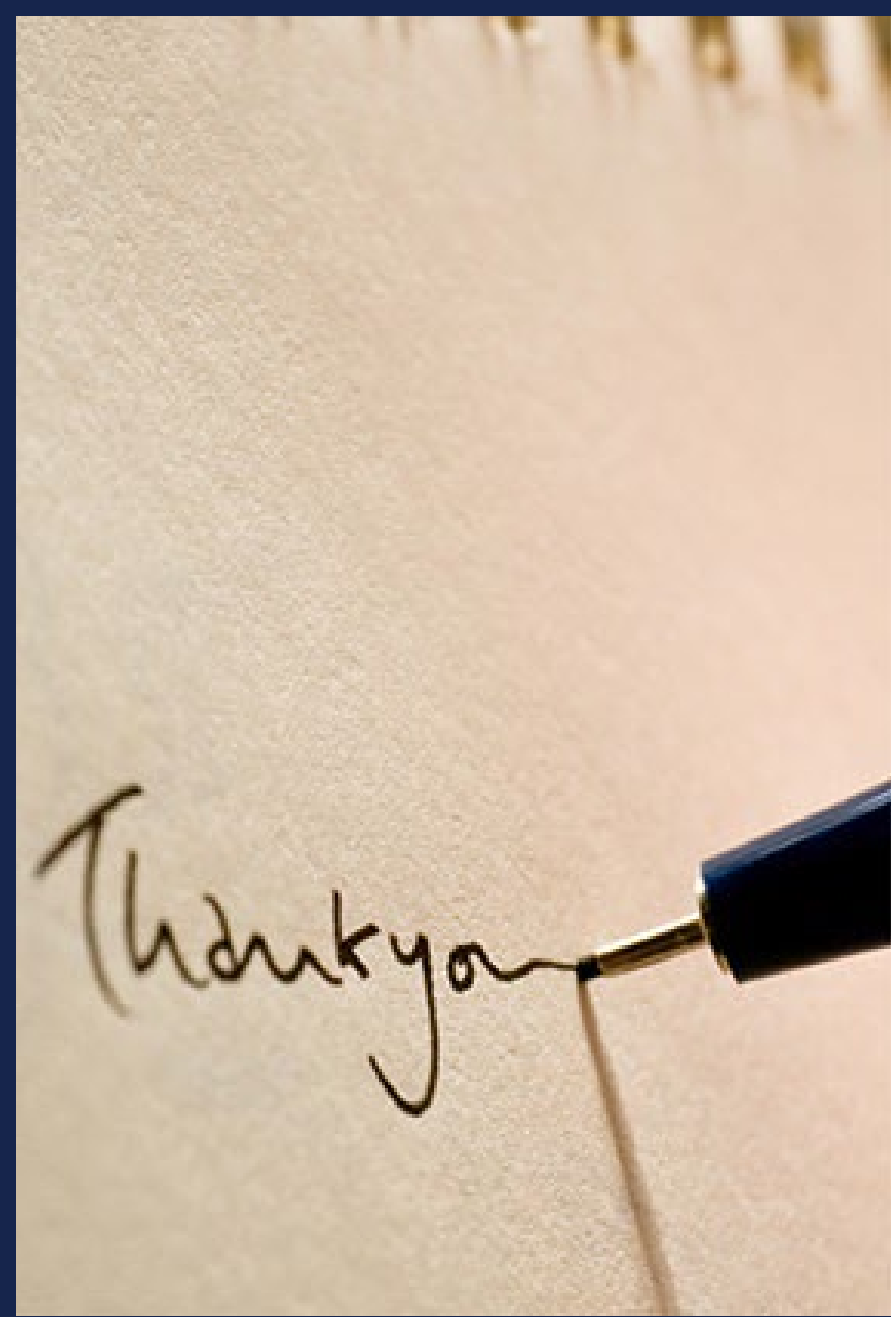
\*Phone System Availability: 9:00 am to 3:30 pm ET

TOOLS & RESOURCES
<b>Regulation and Handbook:</b> <a href="https://www.rd.usda.gov/resources/directives">https://www.rd.usda.gov/resources/directives</a>
<b>Lender Webpage:</b> Turn times, contact information, and helpful links: <a href="https://www.rd.usda.gov/page/sfh-guaranteed-lender">https://www.rd.usda.gov/page/sfh-guaranteed-lender</a>
<b>USDA LINC:</b> Training modules, user guides, and more useful resources: <a href="https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library">https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library</a>
<b>GovDelivery:</b> Receive notifications regarding origination, servicing, and GUS updates: <a href="https://public.govdelivery.com/accounts/USDARD/subscriber/new">https://public.govdelivery.com/accounts/USDARD/subscriber/new</a>

**Live Calls:**

**CALL USDA  
(833)  
314-0168**

	<b>Option:</b>
<b>Turn Time Updates:</b>	<b>1</b>
<b>Specific File Questions:</b>	<b>2</b>
<b>Lender Recertifications/Approvals:</b>	<b>3</b>
<b>Policy &amp; Scenario Questions:</b>	<b>4</b>
<b>GUS Technical Questions:</b>	<b>5</b>





USDA is an equal opportunity provider, employer, and lender.