

SFH Origination and GUS News From the National Office in Washington DC

Single Family Housing Guaranteed Loan Program

November 25, 2008

Financing Discount Points

Recent questions regarding financing loan discount points as an eligible loan purpose has prompted the following guidance:

Many incidental expenses associated with the acquisition of a dwelling as a primary residence can be financed in a mortgage loan request as outlined in section 1980.310 of RD Instruction 1980-D. Loan discount points which reduce the note interest from the rate authorized under section 1980.320 is an eligible loan purpose for **LOW-INCOME** applicants only. In such cases, loan discount points financed will not exceed 2 percentage points of the loan amount.
