



SFH Origination Updates From the National Office in Washington DC

Single Family Housing Guaranteed Loan Program

August 26, 2013

2010 Census Data Implementation-Eligible Rural Area Change Reminder (**Revised**)

This update reminds readers about AN 4711 that was updated on March 28, 2013 and provided guidance on eligible rural areas for RHS housing programs. On March 26, 2013, the President signed "H.R.933 -- Consolidated and Further Continuing Appropriations Act, 2013" which provided funding through September 30, 2013. The Bill also extended the eligible rural areas that were in effect as of September 30, 2012 until September 30, 2013 for Rural Housing Service (RHS) housing programs.

Administrative Notice (AN) 4711 that communicated this policy was issued on March 27, 2013 and was updated on March 28, 2013 (<http://www.rurdev.usda.gov/SupportDocuments/an4711.pdf>). This AN is a replacement of AN 4679, "Implementation of 2010 Census Data for Rural Development Programs", which was issued on September 27, 2012. Additionally, a stakeholder announcement was released on March 28, 2013 <http://www.rurdev.usda.gov/RD-StakeholderAnnouncements.html>.

Barring any Congressional actions, implementation of the 2010 Census Data is on schedule for October 1, 2013, which will modify the eligible rural areas for the RHS housing programs. The future eligibility area maps can be viewed on the USDA Eligibility web site at: <http://eligibility.sc.egov.usda.gov>. (Please note that a few changes of maps in several states will be published in the Future Maps section on September 2nd. These changes are due to a change in the Metropolitan Statistical Area (MSA) definition).

Below further clarifies AN 4711 as to what constitutes a complete application for the Single Family Housing Guaranteed Loan Program.

Loan Guarantee Processing

A complete loan guarantee request received by Rural Development on or before September 30, 2013, will not be subject to the new rural area designations that will take place on October 1, 2013, barring any Congressional action that extends current eligibility areas. Applications received by close of business on September 30, 2013 and processed on/after October 1, 2013, due to state loan processing times, will be subject to the newly designated rural areas **if the application is incomplete**. A **complete loan guarantee request** represents the following documents.

Transaction Type: Purchase and Standard Non-Streamlined Refinance

- ▶ **Guaranteed Underwriting System (GUS) Accept Underwriting Recommendation**
 - Form RD 1980-21, “Request for Single Family Housing Loan Guarantee.”
 - Final GUS Underwriting Findings and Analysis Report.
 - Income Calculation Worksheet for Calculating Income ([AN 4714](#), Attachment A)
 - Evidence of qualified alien, as applicable.
 - FEMA Form 81-93, “*Standard Flood Hazard Determination Form.*”
 - Uniform Residential Appraisal Report (URAR) with Market Condition Addendum (MC 1004).

Transaction Type: Purchase and Standard Refinance*

- ▶ **Manually Underwritten, without assistance of the GUS**
- ▶ **GUS Refer or Refer with Caution Underwriting Recommendation**
- ▶ **GUS Accept Underwriting Recommendation Receiving Lender Message 31063 or 31113**
 - Form RD 1980-21, “*Request for Single Family Housing Loan Guarantee.*”
 - Final GUS Underwriting Findings and Analysis Report (for GUS Loans)
 - Evidence of the lenders loan underwriting analysis. (FNMA 1008/FHLMC 1077 or similar)
 - Uniform Residential Loan Application (URLA). (FNMA 1003/FHLMC 65)
 - Income Calculation Worksheet for Calculating Income ([AN 4714](#), Attachment A)
 - Evidence of qualified alien, as applicable.
 - Credit report and any credit documentation (explanation/compensating factors/credit waiver documents) supporting the underwriter’s decision. (Explanation of credit, compensating factors or credit waiver documents is not required to be submitted to Rural Development for a GUS Accept underwriting recommendation receiving lender message 31063 or 31113.)
 - Full income documentation of all adult household members to verify eligible household income. Include asset verification, if applicable.
 - Documentation verifying the stable, dependable income to support the lender’s determination of repayment income.
 - Asset Verification Documentation: (For all household members, See [AN 4714](#))
 - Ratio waiver request and documentation of compensating factors, if applicable. (Explanation of credit, compensating factors or credit waiver documents is not required to be submitted to Rural Development for a GUS Accept underwriting recommendation receiving lender message 31063 or 31113).
 - Purchase contract and any addenda, as applicable.
 - FEMA Form 81-93, “*Standard Flood Hazard Determination Form.*”
 - Uniform Residential Appraisal Report (URAR) with Market Condition Addendum (MC 1004). (A URAR is not required for a streamlined refinance transaction).

*Refinance transactions for the rural refinance pilot will follow AN 4634 or replacement guidance for a list of complete documents.

To assist Rural Development in processing your loan guarantee request expeditiously, lenders should ensure only the documentation noted above is submitted to Rural Development for review. Excessive documentation will cause delays in reviewing your loan guarantee request.

Lenders must retain in their permanent origination files all documents required by RD Instruction 1980-D.

Questions regarding this notification may be directed to the Single Family Housing Guaranteed Loan Division at 202.720.1452.

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