

SFH Guaranteed Origination

September 8, 2023

Changes to the Eligibility of Certain Rural Areas Effective October 1, 2023

The new ineligible areas, resulting from the rural area review process, will become effective on October 1, 2023.

On October 1, 2023, the new ineligible area maps for the Rural Development Single Family Housing (SFH) and Multi-Family Housing programs will be updated to the USDA Income and Property Eligibility Site at <https://eligibility.sc.egov.usda.gov>. The current maps will be moved to the "Previous Eligibility Areas" tab.

Single Family Housing Loan Guarantee Processing

On October 1, 2023, all properties for new applications must be located in an eligible rural area based on the new eligibility maps. However, a property that is located in an area being changed from rural to non-rural may be approved if all of the following conditions are met:

1. The application is dated and received by the lender prior to October 1, 2023, and the Loan Estimate was issued by the lender within 3 days of application receipt.
2. The applicant has a signed/ratified sales contract on a property that is dated prior to October 1, 2023.
3. Applicant meets all other loan eligibility requirements.

If the property is located in an area being changed from rural to non-rural, lenders must provide Rural Development all of the following information in addition to all other required documentation. For loans submitted via the Guaranteed Underwriting System (GUS), the documentation must be uploaded into the system.

- Copy of the signed/ratified and dated sales contract.
- Copy of the Loan Estimate issued to the applicant.
- Verification that the property was located in an eligible rural area prior to October 1, 2023. **Note:** Maps of the "Previous Eligible Areas" (eligibility maps prior to October 1, 2023) will be available on the Eligibility site beginning October 1, 2023. A printout of the map indicating the property address was previously eligible is acceptable.

GUS underwriting recommendations will display an INELIGIBLE property determination for property that is no longer located in an eligible rural area. The INELIGIBLE property determination is the second half of the GUS underwriting recommendation. For example, an ACCEPT/INELIGIBLE underwriting recommendation will apply to a request where the applicant's credit and capacity assessment is an ACCEPT (first part of the underwriting recommendation) however the property is located in an INELIGIBLE area (second part of the underwriting recommendation). This does not prevent the lender from completing the final submission to Rural Development. The Rural Development reviewer will be able to override the property eligibility determination when the lender has uploaded the required documentation noted above.

To assist Rural Development in processing your loan guarantee request expeditiously, lenders should ensure the documentation noted above is submitted to Rural Development for review when requesting the guarantee.