

June 16, 2015

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors,
Guaranteed Loan Coordinators,
Area Directors and Area Specialists

FROM: Tony Hernandez /s/ *Tony Hernandez*
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Upfront Guarantee Fee and Annual Fee Schedule
Effective October 1, 2015

PURPOSE/INTENDED OUTCOME:

The purpose of this unnumbered letter (UL) is to announce a change in the upfront guarantee fee for Single Family Housing Guaranteed Loan Program (program) loans obligated during fiscal year (FY) 2016. The upfront guarantee fee will change from 2 percent of the loan amount to 2.75 percent of the loan amount. The annual fee will remain unchanged.

EXPIRATION DATE:
June 30, 2016

FILING INSTRUCTIONS:
Housing Programs

Program loans obligated on October 1, 2015, through September 30, 2016, will be subject to the following fee schedule:

Purchase and Refinance Transactions:

Upfront Guarantee Fee: 2.75 percent

Annual Fee: 0.50 percent

A loan is obligated when USDA has approved a complete loan application package and issued Form RD 3555-18 “Conditional Commitment for Single Family Housing Loan Guarantee” to the USDA approved lender. Loan guarantee requests submitted to USDA prior to September 30, 2015, in which a Conditional Commitment has not been issued before close of business that day, will be subject to the FY 2016 fee structure.

A “Guarantee Fee and Annual Fee Calculator” is available online from the USDA LINC “Training and Resource Library”:

<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do#GAF>.

If you have any questions, please contact Kristina Zehr of the Guaranteed Loan Division at (202)713-8779, or via email: kristina.zehr@wdc.usda.gov. The Single Family Housing Guaranteed Loan Division may also be contacted at (202)720-1452.