



Conditional Commitment Form RD 3555-18/18E

Single Family Housing Guaranteed Loan Program

1

Welcome to Conditional Commitment Form RD 3555-18 and 18E, presented by USDA's Single Family Housing Guaranteed Loan Program!



Training Objectives

- Where is the topic located?
 - * 7 CFR Part 3555 and HB-1-3555
- Learning Checks
- Resources

2

The objectives of the training include:

1. Demonstrating where the training topic is located in the program regulation, 7 CFR Part 3555 and the technical handbook, HB-1-3555.
2. Providing learning checks to help you gain a working knowledge of the topic, and
3. Links to online resources to assist in locating program information.



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Things change!

- Every effort has been made to ensure training references are accurate at the time of publication.
- Always reference the most recent USDA publications available online.

3

Every effort has been made to ensure this training and all references are accurate, however, new program revisions and clarifications may occur. Therefore, please ensure you always reference the most recent USDA publications available online.

This training module is not intended to replace the need to reference the regulation, technical handbook, and additional USDA published documents regarding the Guaranteed Loan Program.



Guaranteed Loan Program Regulation
7 CFR Part 3555

- The regulation is the rule!
- 8 Subparts: A – H
- Appendix 1

4

7 CFR Part 3555 is the program regulation. It is the first place users should look for the answers to their questions.

The regulation is the rule and it cannot be overridden by the technical handbook.

The 7 CFR Part 3555 is comprised of 8 subparts, A through H.

You can access the full regulation online as Appendix 1 from the Regulations and Guidelines website.

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7 CFR Part 3555

<http://www.rd.usda.gov/publications/regulations-guidelines>

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Home About RD Programs & Services Browse by State Newsroom Publications Contact Us

Home / Publications / Regulations & Guidelines

Publications

- Overview
- Fact Sheets
- Regulations & Guidelines**
- Reports
- Dispute Appeals
- Publications for Cooperatives
- Rural Cooperatives Magazine
- Strategic Plan
- Congressional Testimony
- Transcripts and Speeches

Regulations & Guidelines

All Federal regulations can be found at Regulations.gov and customers can search, review and submit comments on Federal documents that are open for comment and published in the Federal Register.

As a service to our customers, we post Rural Development's Instructions, Administrative Notices, and forms. The Instructions are available in three file formats: Adobe Acrobat (PDF), Microsoft Word 6.0 (doc) and Text (txt). To the extent possible, all documents have been made available in either Adobe Acrobat Ver 5.0 and higher, or Text and are 508 compliant. If you should have accessibility issues and need a hard copy, please send an e-mail to comments@wdc.usda.gov.

If you are having problems with this page, need a hard copy of any of the documents due to accessibility issues or would like to be added to the Regulations Update distribution list (available for Rural Development employees only with a valid Rural Development e-mail address, please e-mail comments@wdc.usda.gov).

Rural Development

- Administrative Notices
- Instructions
- Forms
- Spanish Forms, Form Letters and Guide Letters
- Handbooks**
- Procedures Notices
- Significant Guidance Documents
- Unnumbered Letters
- Federal Register Publications

5

The Regulations and Guidelines website is located from the link shown on the slide.

Under “Rural Development” there are many items available from this home page.

To access the regulation, select “Handbooks.”

The screenshot displays the USDA Rural Development website interface. At the top, there is a header with the USDA logo and 'Rural Development' text. Below this is a large banner image of a rural landscape. The main heading is '7 CFR Part 3555'. A navigation bar includes links for Home, About RD, Programs & Services, Browse by State, Newsroom, Publications, and Contact Us. A search bar is also present.

On the left side, there is a 'Publications' sidebar with categories like Overview, Fact Sheets, Regulations & Guidelines, Reports, Dispute Appeals, Publications for Cooperatives, and Rural Cooperatives Magazine. The main content area is titled 'Handbooks' and lists several documents, with 'HB-1-3555 SFH Guaranteed Loan Program Technical Handbook' highlighted in yellow.

On the right side, there is a 'Table of Contents' for the selected handbook, listing chapters from 1 to 20 and appendices from 1 to 10. Appendix 1 is highlighted in yellow.

At the bottom right of the page, the number '6' is displayed.

A list of all USDA Rural Development handbooks will display.

Be sure to select the correct technical handbook: HB-1-3555.

Once HB-1-3555 is selected, the entire handbook, including all appendix will display for selection.

Appendix 1 is the full regulation, 7 CFR Part 3555.



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7 CFR Part 3555

Subpart C: Loan Requirements

- .101: Loan Purposes
- .102: Loan restrictions
- .103: Maximum loan amount
- .104: Loan terms
- .105: Combination construction and permanent loans
- **.107: Application for and issuance of loan guarantee**
- .108: Full faith and credit

7

Conditional Commitment guidance is located in Subpart C, Section 3555.107.

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7 CFR Part 3555

3555.107 Application for and issuance of the loan guarantee.

- (a) Processing of applications.
- (b) Automated underwriting.
- (c) Manual underwriting.
- (d) Appraisals.
- (e) Environmental requirements.
- (f) Issuance of a conditional commitment.**
- (g) Loan guarantee fee.
- (h) Annual fee.
- (i) Proper closing and requesting the loan note guarantee.
- (j) Issuance of the guarantee.

8

The regulation Table of Contents provides a quick view of the individual topics included under this Section.



7 CFR Part 3555: 3555.107(f)

(f) Issuance of a conditional commitment. The lender must demonstrate that all the general loan, applicant, and site eligibility requirements of this part are met before Rural Development will issue a conditional commitment. The lender, however, may obtain any required property inspection reports, such as a well test or construction phase inspections, if applicable and not needed for environmental compliance, after the issuance of the conditional commitment, but prior to loan closing.

9

3555.107(f) states that the issuance of a conditional commitment from USDA will occur after the approved lender has submitted required documentation for Agency review. The commitment may be issued with conditions the lender will be required to meet as applicable.



7 CFR Part 3555: 3555.107(f)

- (1) The conditional commitment will expire in 90 days from issuance, unless new construction is involved.
- (2) The expiration of a conditional commitment may coincide with projected completion of new construction.
- (3) An extension may be granted if the loan cannot be closed due to circumstances beyond the lender's control.
- (4) Lenders may accept or decline the conditional commitment, or submit requests for changes with adequate support and documentation to be reviewed by the Agency.

10

3555.107(f) also lists additional facets of the issued commitment which includes:

1. Conditional commitments expire 90 days from the date of issuance. New construction commitments will have longer expiration timeframes.
2. The expiration date may coincide with the projected completion date of a new construction property.
3. Extensions may be granted to the commitment upon lender request.
4. Lenders should review the commitment and either accept or decline the stated terms. Requests for changes should be submitted to USDA from the approved lender with supporting documentation.



Guaranteed Loan Program Technical Handbook
HB-1-3555

- Provides guidance to support the regulation
- HB is not the rule
- 20 Chapters

11

The 7 CFR Part 3555 regulation cannot cover every topic and every potential scenario, therefore a technical handbook has been published to support the regulation and provide additional clarification. HB-1-3555 has 20 chapters.

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HB-1-3555

HB-1-3555 SFH Guaranteed Loan Program Technical Handbook

Table of Contents

- Chapter 1** - Overview
- Chapter 2** - Record Retention
- Chapter 3** - Lender Approval
- Chapter 4** - Lender Responsibilities
- Chapter 5** - Origination and Underwriting Overview
- Chapter 6** - Loan Purposes
- Chapter 7** - Loan Terms and Conditions
- Chapter 8** - Applicant Characteristics
- Chapter 9** - Income Analysis
- Chapter 10** - Credit Analysis
- Chapter 11** - Ratio Analysis
- Chapter 12** - Property and Appraisal Requirements
- Chapter 13** - Special Property Types
- Chapter 14** - Funding Priorities
- Chapter 15** - Submitting the Application Package
- Chapter 16** - Closing the Loan and Requesting the Guarantee
- Chapter 17** - Regular Servicing-Performing Loans
- Chapter 18** - Servicing Non-Performing Loans - Accounts with Repayment Problems
- Chapter 19** - Custodial and Real Estate Owned Property
- Chapter 20** - Loss Claims - Collecting on the Guarantee

Acronyms

Glossary

- Appendix 1** - 7 CFR part 3555
- Appendix 2** - Forms and Instructions
- Appendix 3** - Review and Appeals
- Appendix 4** - Agency and Employee Addresses
- Appendix 5** - Income Limits
- Appendix 6** - Interest Assistance
- Appendix 7** - Calves Access Instructions
- Appendix 8** - EDI Documentation
- Appendix 9** - Penalties
- Appendix 10** - Unnumbered Letter and State Supplements

12

The handbook may be accessed from the Regulations and Guidelines website. Conditional Commitments are located in Chapters 15 and 16.



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HB-1-3555: Chapter 15

- 15.7 AGENCY PROCESSING OF AN APPROVED REQUEST
- 15.8 LENDERS RESPONSE TO CONDITIONAL COMMITMENT
 - A. Accepting the conditions
 - B. Declining the Conditions for Loan Guarantee
 - C. Requesting Changes in Conditions

13

This screen shot displays the Table of Contents of Chapter 15. This helps the user to locate specific topics more quickly. Chapter 15 provides guidance for approved lenders to obtain the Conditional Commitment before the loan is closed.



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HB-1-3555: Chapter 16

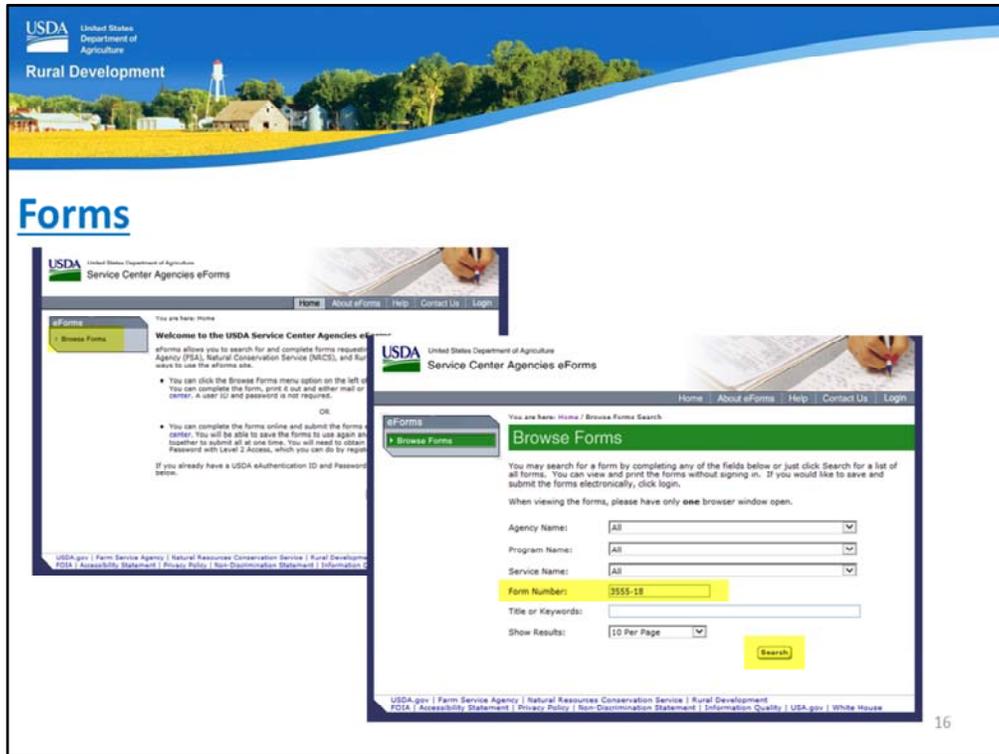
CHAPTER 16: CLOSING THE LOAN AND REQUESTING THE GUARANTEE
16.1 INTRODUCTION
16.2 CLOSING THE LOAN

14

This screen shot displays the Table of Contents of Chapter 16. Chapter 16 will address questions regarding the loan closing and compliance within the commitment.

The screenshot shows the USDA Rural Development website. At the top left, the USDA logo and 'Rural Development' text are visible. Below this is a banner image of a rural landscape. The main content area is titled 'Forms' in a large blue font. Below the title is a navigation bar with links for Home, About RD, Programs & Services, Browse by State, Newsroom, Publications, and Contact Us. A search bar is located in the top right corner. The main content area is divided into two columns. The left column is a sidebar with a 'Publications' header and a list of categories: Overview, Fact Sheets, Regulations & Guidelines (highlighted), Reports, Dispute Appeals, Publications for Cooperatives, Rural Cooperatives Magazine, Strategic Plan, Congressional Testimony, and Transcripts and Speeches. The right column is titled 'Regulations & Guidelines' and contains text about finding federal regulations and a list of 'Rural Development' resources, including Administrative Notices, Instructions, Forms (highlighted), Spanish Forms, Handbooks, Procedures Notices, Significant Guidance Documents, Unnumbered Letters, and Federal Register Publications. A 'Back to Previous Page' link is located at the bottom right of the main content area.

To view Form RD 3555-18, “Conditional Commitment for Single Family Housing Loan Guarantee” return to the Regulations and Guidelines home page and select “Forms.”



In the top screen shot, select “Browse Forms.”

In the second lower screen shot, enter the “Form Numbers” as “3555-18” and then select “Search.”

The screenshot displays the USDA Rural Development eForms interface. At the top left, the USDA logo and 'Rural Development' text are visible. The main heading is 'Forms'. Below this, a sub-header reads 'Service Center Agencies eForms'. A navigation bar includes links for 'Home', 'About eForms', 'Help', 'Contact Us', and 'Login'. The page content shows a search result for 'Browse Forms'. A message states: 'We have found 1 forms which satisfy your search criteria. You may now view any of the forms below by clicking on the form number. To see the instructions on how to complete the form, click on the instruction button in the Help column.' Below this, instructions mention the need for Adobe Acrobat Reader and that only one browser window should be open. A table lists the search results:

Form Number	Form Title	Help
RD 3555-18	Conditional Commitment for Single Family Housing L	

A 'New Search' button is located below the table. The footer contains links for 'USDA.gov', 'Farm Service Agency', 'Natural Resources Conservation Service', 'Rural Development', 'FOIA', 'Accessibility Statement', 'Privacy Policy', 'Non-Discrimination Statement', 'Information Quality', 'USA.gov', and 'White House'.

Form RD 3555-18 will be available for selection. Click on the “Form Number.”



Form RD 3555-18/18E

USDA-RD
Form RD 3555-18
(Rev 02-16)

FORM APPROVED
OMB NO. 0575-0179

**CONDITIONAL COMMITMENT FOR
SINGLE FAMILY HOUSING LOAN GUARANTEE**

TO: Lender's Name and Address	Borrower ID: (USDA 9 digit ID, not SSN)	
	State:	County:
	State Code:	County Code:
Borrower:	Principal Amount of Loan:	
Borrower SSN:	\$	

19

The top of the commitment includes the following:

- Approved Lender's information
- Borrower Name
- Masked Borrower SSN, only the last four digits will appear
- Borrower ID: A randomly generated nine digit number. No part of the borrower's Social Security Number is included in this randomly assigned ID.
- The State, County, State Code, and County Code of where the property will be located.
- The Principal Amount of the Loan requested by the approved lender. If the lender can close the loan for this loan amount or below, the commitment remains valid. If the loan amount will increase a new conditional commitment must be issued by USDA prior to loan closing. An increase in the loan amount may negatively affect qualifying ratios or other eligibility requirements.



Form RD 3555-18/18E

From an examination of information supplied by the Lender on the above proposed loan, and other relevant information deemed necessary, it appears that the transaction can be properly completed.

Therefore, the United States of America acting through the Rural Housing Service (RHS), or its successor (herein referred to as Agency) hereby agrees that, in accordance with applicable provisions of the Agency regulations published in the Federal Register at 7 CFR part 3555, Agency handbook procedures, and related forms, it will execute Form RD 3555-17, "Loan Note Guarantee," subject to the conditions and requirements specified in said regulations and below.

The up-front Loan Note Guarantee fee payable by the Lender to Agency is \$ _____.

The interest rate for the loan is _____ %.¹

The annual fee for the first year of the loan, based upon the above stated principal amount of loan and stated interest rate of this commitment is \$ _____.²

20

Approved lenders and all parties that will be responsible to ensure the loan is closed under the terms of the issued and accepted commitment must **READ THE ENTIRE COMMITMENT**. The only way to ensure all parties can meet the stated terms, is to read all of the terms.

The body of the commitment includes these highlights:

- A Loan Note Guarantee will be issued to the approved lender when the loan is closed under the requirements of 7 CFR Part 3555, HB-1-3555, and related forms (that includes this commitment).
- The correct upfront guarantee fee must be paid to USDA. The correct amount based on the total loan request will be completed.
- The interest rate for the loan will not exceed the rate displayed. If the lender closes the loan at this interest rate or below, the commitment remains valid. If an increase in the interest rate is required, a new conditional commitment must be issued by USDA prior to loan closing. An increase in the interest rate may negatively effect qualifying ratios or other eligibility requirements.
- The annual fee due for the first year of the loan will also be displayed.



Form RD 3555-18/18E

A Loan Note Guarantee will not be issued until the Lender meets all regulatory requirements certifies to the attached "Lender Certification" for SFH Guaranteed Loan, confirming that there has been no adverse change(s) in the Borrower's financial condition, property condition, nor any other adverse change in the Borrower's condition during the period of time from Agency's issuance of this conditional commitment to issuance of the Loan Note Guarantee. The Lender's certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors not more than 30 days old at the time of certification.

This conditional commitment becomes null and void unless the Lender submits their request for Loan Note Guarantee in accordance with 7 CFR § 3555.107(i) of within 30 days from date of loan closing. Except as set out below, the purposes for which the loan funds will be used and the amounts to be used for such purposes are set out on Form RD 3555-21. "Request for Single Family Housing Loan Guarantee." Once this instrument is executed and returned to the Agency, no major change of conditions or approved loan purpose as listed on these forms will be considered.

21

- The lender must meet all additional requirements listed in the "Lender Certification."
- When the lender signs the Lender Certification they are stating that all requirements of 7 CFR Part 3555, HB-1-3555, GUS Underwriting Findings (if applicable), and all applicable forms have been met.
- There have also been no adverse changes to the borrower or collateral since the commitment was issued and the loan closed.
- Lenders should submit their loan closing package within 30 days of the loan closing in order to receive a Loan Note Guarantee from USDA.


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 Rural Development



Form RD 3555-18/18E

Additional Conditions and Requirements including source and use of funds:
 See Attachment to this form for conditions and requirements.
 The attached "Lender Certification" for SFH Guaranteed Loan must be certified by the Lender prior to issuance of a Loan Note Guarantee.
 Subject to conditions of the final official "GUS Underwriting Findings Report."

This conditional commitment will expire on _____³ unless the time is extended in writing by the Agency, or upon the Lender's earlier notification to the Agency that it does not desire to obtain an Agency guarantee.

UNITED STATES OF AMERICA

By: _____

(Title)

Date: _____

1 Insert fixed interest rate.
 2 The annual fee is calculated each year at _____% of unpaid balance. The annual fee for the first year will be calculated when the loan is closed based upon the loan amount. Thereafter, the annual fee is calculated every 12 months based upon the average scheduled amortized unpaid principal balance. Billing for the annual fee will begin 12 months from the date of loan. The amount on this Commitment is based upon the stated principal loan amount and interest stated. Changes to either element will change the annual fee amount.
 3 The Agency will determine the expiration date of this contract. This date will not exceed 90 days from the date of issuance. The Agency may grant one (1) 90 day-extension. Consideration will be given to the date indicated by the Lender in the acceptance of conditions. If construction is involved the expiration date will correspond with the projected completion of the project.

According to the Paperwork Reduction Act of 1995, no persons are 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 0575-0179. The time required to complete this information collection is estimated to average 1 hour 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.

22

The first page of the commitment will also include:

- Notice to the lender about attachments and other requirements that must be met.
- Commitments are valid for 90 days or up to 12 months for new construction. The expiration date of the commitment will be displayed. Commitments may be extended upon request from the approved lender.
- The signature of the USDA approval official.
- The date the Conditional Commitment was issued.



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Form RD 3555-18
Rev. (02-16)
Lender Certification - Page 1 of 3

Borrower ID

LENDER CERTIFICATION FOR SFH GUARANTEED LOAN

LENDER CERTIFICATION:
Instructions to Lender: For use by lenders closing loans under 7 CFR part 3555. Submit an original (a true and accurately represented unaged document) to the Rural Development office who issued Form RD 3555-18, "Conditional Commitment for Single Family Housing Loan Guarantee". Retain a duplicate of the executed certification in the Lender's permanent case file.

In connection with the request for Loan Note Guarantee for: _____ (Borrower), Borrower ID _____ (Lender), I, the undersigned Lender certify that:

the following certifications are made by _____ (Borrower), Borrower ID _____ (Lender), I, the undersigned Lender certify that:

- 1) No major changes have occurred since the issuance of the Conditional Commitment for Single Family Housing Loan Guarantee that affect the subject loan request, except any that have been approved by the Agency in writing.
 - a) The loan closed in accordance with the amount (equal to or less than) and conditions set forth in Form RD 3555-18. The lender will be subject to additional criteria if the loan is closed for an excessive loan amount. An excessive loan amount occurs when the lender closes a loan in an amount higher than permitted by Form RD 3555-18. To obtain a Loan Note Guarantee, the lender may choose to reduce the loan to the guarantee amount as reflected on the Form RD 3555-18, or request a revised Form RD 3555-18. A revised Form RD 3555-18 is subject to continued eligibility as set forth in 7 CFR part 3555 and the availability of funding.
 - b) If the interest rate was not fixed at the time the Conditional Commitment for Single Family Housing Loan Guarantee is issued, and the interest rate increased between issuance of the Conditional Commitment for Single Family Housing Loan Guarantee and loan closing, the change is noted and documentation of the fixed rate at lock is submitted.
 - i) If either or both of the underwriting ratios are exceeded as a result of an interest rate increase, compensating factors that demonstrate sufficient repayment resources to exist is required. Documentation supporting the increase must be included in the Loan Note Guarantee request.
 - c) No default exists.
- 2) The lender has not imposed any charges or fees against the borrower in excess of those permissible as set forth in 7 CFR part 3555.
- 3) The information submitted to the Agency is true, accurate and complete.
- 4) The information obtained in the loan application was obtained directly from the borrower by an employee of the undersigned lender or the lender's duly authorized agent and is true to the best of the lender's knowledge and belief.
- 5) The credit report submitted on the subject borrower (and co-borrower(s), if any) was obtained by the undersigned lender or the lender's duly authorized agent directly from the credit bureau which prepared the report and was received directly from said credit bureau. The lender represents credit documentation has been re-verified since issuance of the Conditional Commitment, if the verification at closing was in excess of 120 days of the loan closing. Updated documentation is retained in the lender's permanent loan file.
- 6) The verification(s) of employment and verification(s) of deposits, if applicable were requested and received by the lender of the lender's duly authorized agent without passing through the hands of any third persons and are true to the best of the lender's knowledge and belief. The lender represents employment and/or asset documentation has been re-verified since issuance of the Conditional Commitment, if the verification at closing was in excess of 120 days of loan closing. Updated documentation is retained in the lender's permanent loan file.
- 7) The loan to the named borrower(s) meets the income and credit requirements of 7 CFR part 3555 and other applicable regulations concerning guaranty of loans.
- 8) The loan conforms to the applicable provisions of 7 CFR part 3555.

23

- The "Lender Certification For SFH Guaranteed Loan" is three pages long.
- The certification will list all applicable requirements and conditions.
 - READ ALL OF IT BEFORE IT IS SIGNED!
 - Conditional Commitments are issued electronically to all lenders.


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Form RD 3555-18/18E

Lender Certification

Page 2 of 3

9) All planned property requisites (construction, repairs, alterations or improvements) has been completed upon which the market value of the property is predicted sales:
 a) An escrow account has been established in accordance with 7 CFR 3555.202(c) and Chapter 12 of the Single Family Housing Guaranteed Loan Program Handbook (5B-1-3555).
 b) Lender confirms development/repair work for which an escrow account was established has been completed or will be completed within 180 days of loan closing. If incomplete, the lender agrees to confirm development/repairs are complete in writing or presentation of the final inspection to Rural Development. Note: Confirmation development/repair work is finished is not required for issuance of a Loan Note Guarantee, but is required upon completion of the work. Remaining escrow funds that represent loan funds must be applied to the principal loan amount.
 10) The required hazard insurance coverage is in effect. Flood insurance has been obtained, as applicable, if the structure is located in 100 year special flood hazard areas.
 11) All Truth-in-Lending requirements have been met.
 12) All equal employment opportunity and nondiscrimination requirements have been met.
 13) The loan has been properly closed and the required security instruments, including acceptance of subsidy (as applicable) have been obtained.
 14) The borrower(s) have marketable title to the collateral now owned by the borrower subject to the instrument securing the loan to be guaranteed and any other exceptions approved in writing by the Agency.
 15) Lien priorities are consistent with the requirements of the Conditional Commitment for Single Family Housing Loan Guarantee. The security instrument has been recorded and is a good and valid first lien on the property described.
 16) The loan proceeds have been disbursed for purposes and in amounts consistent with the Conditional Commitment for Single Family Housing Loan Guarantee.
 17) There has been no adverse change in the borrower's financial condition or any other adverse change in the borrower's situation since the Conditional Commitment for Single Family Housing Loan Guarantee was issued by the Agency.
 18) All inspections in accordance with 7 CFR 46 3555.203 and 3555.203 and Chapter 17 of 5B-1-3555 have been obtained. Evidence of inspections has been retained in the lender's permanent loan file.
 19) All other requirements listed in the Conditional Commitment for Single Family Housing Loan Guarantee have been met.
 20) Copies of the credit and security instruments submitted herewith are true and exact copies as executed and filed for record.
 21) If the sale of the note or transfer of servicing occurs subsequent to this certification, the lender agrees to notify Rural Development in accordance with 7 CFR 9 3555.54.

At this time, the loan will be:

retained sold concurrently as follows: (Purchasing Lender must be an approved FSNMA, FHLMC, FHA, VA or GOMA lender)

Servicing Lender (The lender that will be servicing the loan(s))	
Lender Tax ID: _____	Agency Assigned Branch Number: _____
Lender Name: _____	
Address: _____	
City: _____	State: _____ Zip Code: _____

24

- Page Two includes a space for the lender to report if the loan will be retained or sold.
- If the loan will be sold the lender may complete the servicing lender information.
- Lenders who submit files to USDA through the electronic lender loan closing system will execute this form and complete all data fields online. There will not be a paper Conditional Commitment utilized.



Form RD 3555-18/18
Lender Certification
Page 3 of 3

Holding Lender (For ARI approved Lender who will be holding/reversing the mortgage to a 1-a Family Use, Private Use, etc., see Owner Use)
 Lender Tax ID: _____ Agency Assigned Branch Number: _____
 Lender Name: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____

Borrower Information
 Borrower's Social Security Number: _____ This Loan was securitized into a Ginnie Mae Pool (Mark as X in the box if loan is securitized into a Ginnie Mae pool)
 Borrower's USDA ID Number: _____
 Borrower's Name: _____
 Address: _____
 City: _____ State: _____ Zip Code: _____

The following are to accompany the Loan Note Guarantee request:

- Promissory Note
- Final HUD - 1 Settlement Statement
- Guarantee Fee [Not applicable to lenders who electronically close loans and process the fee through a pre-authorized debit]
- Government Loan Closing Report, Form RD 1980-10 [Not applicable to lenders who electronically close loans]
- Lender Certification [Not applicable to lenders who electronically close loans]
- Any other conditions as recorded on the Conditional Commitment for Single Family Housing Loan Guarantee, Form RD 3555-18/18E or Attachment 3555-18A.

The lender certifies (statements made in this request for Loan Note Guarantee are true and correct; I/we have personally reviewed the mortgage loan documents, closing statements, requests for guarantees, and all accompanying documents; At the lender's office or transferring the servicing of the above loan(s), we certify that the information in this submission is true and correct, and that all loans sold were sold to an ARI approved lender.

LENDER'S AUTHORIZED REPRESENTATIVE SIGNATURE _____ TITLE _____ DATE SIGNED _____

25

- Page Three continues with new Holding Lender information if applicable.
- The Borrower Information will also display.
- A list of items that may be required in the loan closing package to request a Loan Note Guarantee will be checked if applicable.
- The Lender's Authorized Representative that may certify to all conditions listed will sign the form, provide their title, and the date the form is signed. Again, lenders that utilize the electronic lender loan closing system will sign and submit all documents through this online portal.

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TIPS

- Underwriter = USDA Approved Lender
- USDA = not an underwriter
- Research Rule & HB questions: Table of Contents
- Research Rule & HB questions: Control + F

26

A few helpful tips:

1. The underwriter of the loan is the approved lender's underwriter.
2. USDA is NOT the underwriter of the loan.
3. When researching topics, it is helpful to begin with the Table of Contents for the regulation and the handbook.
4. A great best practice when searching for information is to open the regulation or a handbook chapter, select the "Control" button on the keyboard, hold it down, and then also select the "F" key. A keyword search box will appear. Enter a keyword or phrase to locate information more quickly.



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**7 CFR PART 3555 / HB-1-3555
LEARNING CHECKS**

27

The best way to learn information is to test your knowledge!



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Question Slide

“Topic”

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed

28

Each question slide will list:

- the topic
- A question or scenario, and
- potential responses.



ANSWER SLIDE

“Topic”
ANSWER: 7 CFR Part 3555 and HB-1-3555 references provided

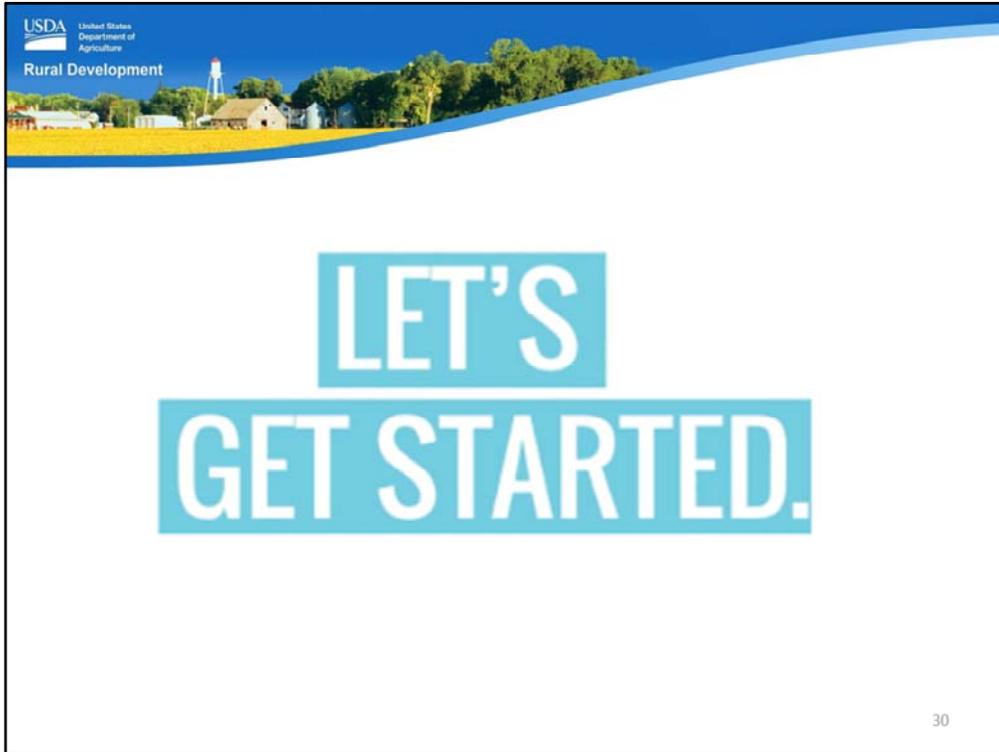
X. Correct Response

- Additional guidance for clarification may be provided

29

The answer slide will list:

- The topic
- The reference to the answer from the regulation and handbook
- The correct response, and
- Any additional clarification that may be helpful.



Let's get started!



Conditional Commitment

A Conditional Commitment is typically valid for ____ days.

A. 60 B. 90

31

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f)1 and HB 16.2
B. 90

- Commitments are valid for 90 days
- New construction commitments may be for longer terms
- Lenders may request extensions as applicable

32

Response: B

Commitments are valid for 90 days.

They may be valid for 12 months when issued for new construction dwellings.

Approved lenders may request extensions to issued commitments from USDA to extend the commitment expiration date.



Conditional Commitment

A Conditional Commitment for new construction is only valid for only 180 days.

A. TRUE B. FALSE

33

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f)1 and HB 16.2
B. FALSE

New construction Commitments may:

- Coincide with projected date of construction completion
- Not exceed one year from date of issuance
- Lenders may request extensions as applicable

34

Response: FALSE

New construction commitments may coincide with the projected date of the new construction completion, or they may be issued for one full year.

Approved lenders may request extensions when the project cannot be completed before the new construction will be available.



Conditional Commitment

Once issued by USDA, a Conditional Commitment cannot be extended past the authorized date.

A. TRUE B. FALSE

35

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f)3 and HB 16.2
B. FALSE

- Lenders may request extensions
- Extensions must be reasonable
- Lenders must ensure all loan documentation retained meets Agency required timeframes

36

Response: FALSE

Approved lenders may request extensions. It happens all of the time!

Sometimes the lender needs a few more days to close, complete repairs, complete new construction due to weather delays, etc.

Lenders must continue to ensure that all documentation they retain with the loan file continues to be compliant with applicable eligibility dates, etc.

The extension is only granted for the validity of the commitment and to retain the funding obligation. It is not granted to allow an appraisal, credit report, income documentation, etc. to be expired at the time of loan closing.



Conditional Commitment

- USDA issues Commitment
- Lender reviews and questions a condition to require a termite inspection on an existing dwelling
- Lender may contact USDA to discuss validity of this condition

A. TRUE B. FALSE

37

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f)4 and HB 15.8 C
A. TRUE

- Lenders may request explanation for USDA conditions
- USDA must supply evidence of decision with 7 CFR Part 3555 citation
- Invalid conditions will be removed from Commitment by USDA

38

Response: TRUE

- When the commitment is issued to the approved lender they should review all conditions and ensure they accept all of them.
- Lenders may request an explanation of a required condition.
- USDA must be able to support each condition with evidence from 7 CFR Part 3555.
- Conditions that are found to be erroneous or not applicable will be removed from the commitment by USDA.



Conditional Commitment

- Approved lender signs the “Lender Certification”
- The certification applies to the issued Form RD 3555-18/18E and Commitment Attachment 18-A if applicable

A. TRUE B. FALSE

39

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f) and HB 15.7
A. TRUE

- Lender certification is part of Form RD 3555-18/18E (three pages long)
- If additional conditions are required, USDA may elect to also include Commitment Attachment 18-A
- Lender’s signature is binding to all conditions, documentation, etc.

40

Response: TRUE

- The “Lender Certification” is three pages long and is part of the issued Form RD 3555-18/18E. The 18”E” notes the form was issued electronically.
- If additional conditions are required that are not listed on the main four pages of the commitment, Attachment 18-A of the commitment may also be utilized.
- When the approved lender signs the Lender Certification, they are certifying to ALL conditions, documents, and requirements of each page of the commitment. This includes Attachment 18-A.



Conditional Commitment

- ABC Lending is a Third Party Originator (TPO) for Bixby Bank
- USDA can issue the Conditional Commitment to ABC Lending

A. TRUE B. FALSE

41

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f) and HB 15.7
B. FALSE

- Conditional Commitments can only be issued to approved USDA lenders
- TPO's are not eligible to receive commitments in their name

42

Response: FALSE

USDA may only issue Conditional Commitments to approved USDA lenders.

Third Party Originators are not eligible to receive a commitment in their name. The TPO may close the loan in their name if they wish, but the loan must be underwritten by an approved USDA lender. After loan closing the TPO must immediately transfer the loan to the approved lender.



Conditional Commitment

- Approved lender signs the Lender Certification of Form RD 3555-18/18E
- Their signature certifies all USDA conditions listed have been met

A. TRUE B. FALSE

43

Read the question on the slide and select a response.



Conditional Commitment
ANSWER: 3555.107(f) and HB 15.7
A. TRUE

- Lender certification is verified through signature
- Lenders also certify that all required documentation is retained as applicable

44

Response: TRUE

The approved lender will verify all conditions have been met when they sign the Lender Certification portion of Form RD 3555-18/18E.

The Lender Certification includes the statement that all documentation has been retained in the lender's permanent loan file.



Way to go! You have completed the learning checks!

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46

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47

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48

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49

This will conclude the training module. Thank you and have a great day!