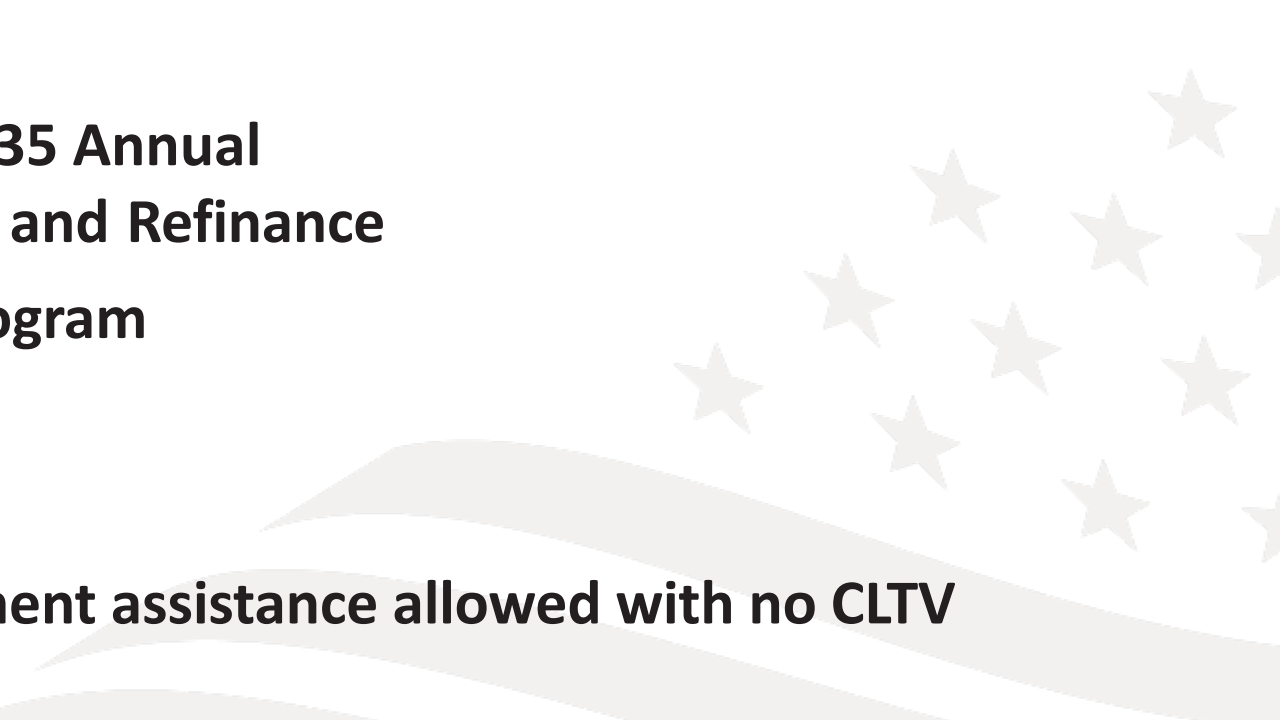


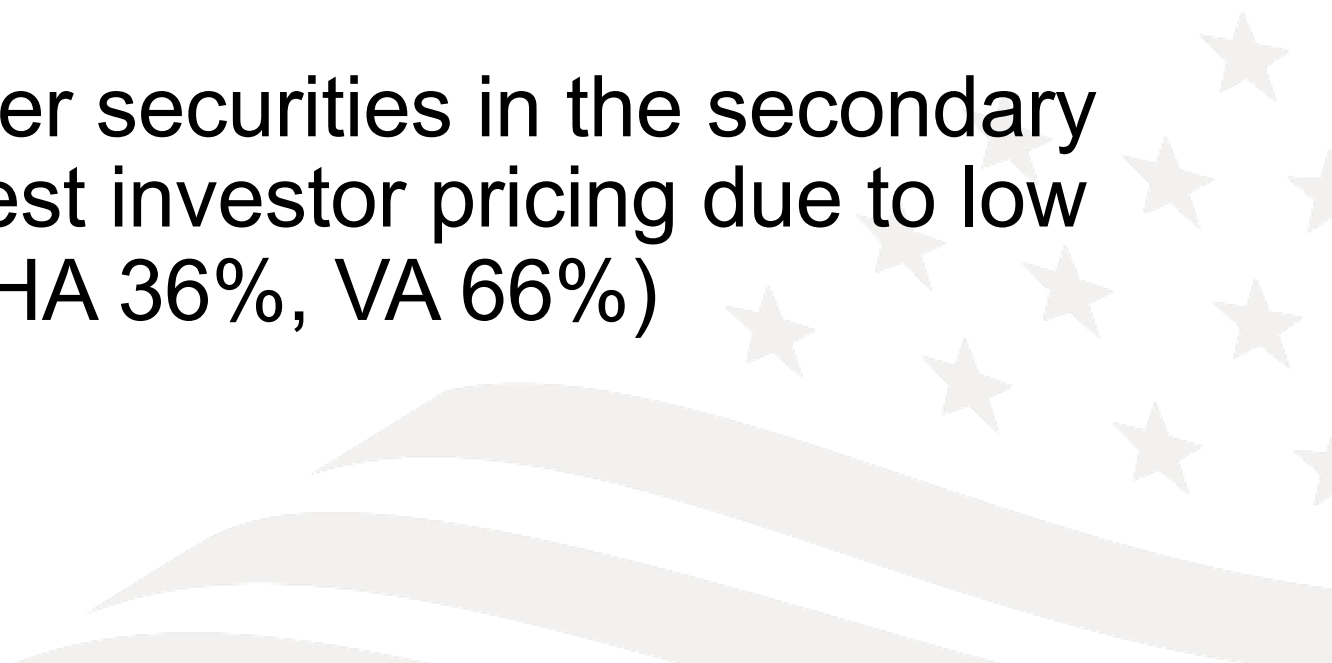


USDA Single Family Housing Guaranteed Loan Program

Guaranteed Loan Program Applicant Benefits

- **100% financing of appraisal value**
 - **Alternate credit allowed**
 - **No Cash Reserve requirements**
 - **No limit on loan purchase price**
 - **No limit on size of lot**
 - **Low fees – 1% Upfront and .35 Annual**
 - **Purchase, New Construction, and Refinance**
 - **Single Close Construction Program**
 - **Escrow for Repairs**
 - **Seller concessions to 6%**
 - **Gifts, grants, and down payment assistance allowed with no CLTV**
- 
- A decorative background on the right side of the slide featuring a pattern of light gray stars of varying sizes and orientations, set against a backdrop of soft, wavy, light gray lines that suggest a stylized horizon or water.

Guaranteed Loan Program Lender Benefits

- 90% Loan Note Guarantee
 - Earn Community Reinvestment Act (CRA) credits
 - USDA loan are sought after securities in the secondary market and receive the best investor pricing due to low prepayment rate ~7% (FHA 36%, VA 66%)
- 

Eligibility Requirements

Determination of Applicant Eligibility



- 1. Property located in an eligible rural area**
- 2. Total Household Income Within Program Limits - 115% of MHI**

Single Family Housing Guaranteed Loan Program

Eligible Loan Purposes

Acquiring a Site and Dwelling

- Existing (Stick built and manufactured thru pilot)
- New Construction (End-loan or Single-Close Construction)
- Land Trusts and Leaseholds allowed

Reasonable and Customary Expenses

- Associated with the purchase of a dwelling such as closing costs

Repairs and Rehabilitation

- In combination with a purchase

Refinance

- Current RD Direct or GRH loans only



Single Family Housing Guaranteed Loan Program

Pilots Programs

Appraisals – making accommodations for the lack of availability of appraisers with knowledge and experience of trust land property

Repair/Rehab – making allowance for properties currently owned without liens to be treated as “purchases” for the sake of utilizing the program



Single Family Housing Guaranteed Loan Program



Memorandum of Understanding (MOU)

The Agency can make special accommodations to our delinquency and default procedures and processes to provide a lender with the flexibility they desire to provide loans on trust lands.

The first one has been signed with 1st Tribal Lending, opening their origination nationally and potential for secondary market investment for Native CDFIs.

LENDER APPROVAL CRITERIA [7 CFR 3555.52]

A. Approval from Another Recognized Source

- State Housing Finance Agency (SFHA)
- Department of Housing and Urban Development (HUD)- Federal Housing Administration (FHA)
- Government National Mortgage Association (Ginnie Mae)
- Department of Veterans Affairs (VA)
- Fannie Mae
- Freddie Mac

B. Approval by Demonstrated Ability

C. Federal Oversight

- The Federal Reserve System, the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA)
- The Federal Housing Finance Board regulating lenders within the Federal Home Loan Bank (FHLB) system.

D. Experience with a USDA Program or Farm Credit System

- An FCS lender with direct lending authority; or
- A lender participating in other Rural Housing Service, Rural Business Service, Rural Utilities Service, or Farm Service Agency guaranteed loan programs

Single Family Housing Guaranteed Loan Program GovDelivery

www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library

www.rd.usda.gov/resources/usda-linc-training-resource-library

HOME > RESOURCES > USDA LINC TRAINING & RESOURCE LIBRARY


LINC Training Library

- Guaranteed Underwriting System (GUS)
- Lender Approval
- Lender Training
- Loan Closing
- Loan Origination
- Loan Servicing
- GUS Lender Test Environment

USDA LINC Training & Resource Library


The Single Family Housing Guaranteed Loan Program has prepared a comprehensive library of resources for all lending partners. In the categories below you have access to all of the training, resources, and important forms for program participation.

If you have questions or need additional information, please contact us. **Contact Information:** [SFHGLP Contact List](#)




Lender Approval

[Learn More](#)




Loan Origination

[Learn More](#)



Lender Training



Loan Closing

Single Family Housing Guaranteed Loan Program

For Program Training

sfhgld.lenderpartner@usda.gov

Toll free line

833-314-0168






Housing Opportunities USDA Rural Development

Single Family Housing Direct Programs, June 2024

Overview

- Program Funding Levels
 - Section 502 Direct Home Loans
 - Packaging
 - Section 504 Repair Loan and Grant program
 - Section 533 Housing Preservation Grants
 - Section 523 Self-Help Housing
 - Section 524 Site Loan Program
- 
- The background of the slide features a stylized American flag motif. The bottom right corner is filled with a pattern of white stars on a dark blue field, with wavy horizontal stripes in shades of blue extending across the bottom of the slide.

FY 23 SFH Funding

- Direct Loans – 7,128 loans for **\$1.706 billion**
 - 9 loans for **\$9 million NCDFI Relending Demo**
- Repair Grants – 3,949 for **\$31.8 million**
- Repair Loans – 1,973 for **\$15.1 million**
- Self-Help Housing- 56 grants for **\$33.2 Million**
- Site Loans- 2 loan for **\$2 million**
- Housing Preservation Grants – 152 grants for **\$20.6 million**



Direct Home Loans

- RD makes direct loan to homebuyers.
- Benefits of program:
 - Fixed low interest rate with subsidy as low as 1%,
 - Extended payback term (33-38 yrs.),
 - No down payment required, and
 - Loans up to 100% of value of home.
- Applicants adjusted household income must meet low or very low-income eligibility.
- Home must meet property requirements; and
- Home must be in eligible rural area.



Certified Packaging

| 502 Direct Program | Packaging Type | Permissible Packaging Fee |
|-----------------------------------|---|--|
| | Certified Packaging Body Via an Intermediary | Up to \$2,000 split between certified packager and intermediary. |
| | Certified Packaging Body <u>without</u> an Intermediary | Up to \$1,750 |
| 504 Direct Loan and Grant Program | Packaging Type | Permissible Packaging Fee |
| | Public and private non-profit organization (tax exempt) | Up to \$750 Disaster Grants \$1,000 |

- Certified packagers increase awareness of RD homeownership opportunities and assist with the application process.
- Packaging high quality application files to submit to RD local offices for review/approval.
- Assisting applicants to assemble the property information for submittal.



How do you become a certified packager?



Have at least one year of affordable housing loan origination and/or affordable housing counseling experience; and be employed by a qualified employer



Complete an Agency approved 3-day classroom or virtual training course and pass the corresponding test



Packagers have one year from the date of being added to the certified packaging process to complete the course and pass the test. They may charge the full fee and submit applications during this time, provided they are submitting via an intermediary

504 Rehabilitation Loans & Grants



Loan Program: This program assists very low-income homeowners with a loan to repair, improve or modernize their home.

- Loans less than \$7,500 - note only
- 1% Fixed, 20 years repayment
- Maximum Loan: **\$40,000**

Grant Program: Grants to individuals (62+) very low-income homeowners to remove health and safety hazards in their home.

- Maximum Grant: **\$10,000**

Rural Disaster Home Repair Grants: Grants to individuals at or below the low-income limit with damage from a presidentially declared disaster in calendar year 2022

- Maximum Grant: **\$42,920**

Housing Preservation Grant (HPG) Program

- Grants for the repair or rehabilitation of housing occupied by low and very low-income people.
- Project must be in eligible rural area.
- Applications are accepted on annual basis through a Notice of Funding Availability published in the Federal Register.



<https://www.rd.usda.gov/programs-services/single-family-housing-programs/housing-preservation-grants>

Self-Help Grant & Site Loans

Self-Help Grant Program

- Grant recipient supervises very-low and low-income individuals and families to construct/repair their own homes.
- Purchase price of home reduced by owner/builder's labor aka "sweat equity"- building cost of home typically covered by 502 loan.

Site Loan Program

- Loans made to acquire and develop sites for low- or moderate-income families.
- Loan applicant may be private or public non-profit organization or a Federally Recognized Indian Tribe.
- Can be used on Tribal Trust Lands.
- Benefits: Lower cost of construction and working with one lender that is invested in the success of the project.



502 Native CDFI Relending Demonstration Program

FY 2023 Appropriation

- \$7.5 million to expand the demonstration program
- A Notice of Funding Availability was published in the [Federal Register](#) on May 18, 2023, and outlines the competitive application process
- Applications were due by July 17, 2023
- All funds were obligated before September 30, 2023



NCDFI Relending Demonstration Program

| State | NCDFI Name | Amount |
|-------|-----------------------|----------------|
| AK | Haa Yakaawu Fin. Corp | \$1,000,000.00 |
| HI | Hawaii Comm. Lending | \$2,400,000.00 |
| MI | Lake Superior CDC | \$ 500,000.00 |
| MN | White Earth | \$ 800,000.00 |
| MT | NACDC Fin. Services | \$1,000,000.00 |
| NM | Native Comm. Capital | \$ 800,000.00 |
| SD | Mazaska | \$ 500,000.00 |
| SD | Four Bands | \$1,000,000.00 |
| WI | WINLF | \$1,000,000.00 |

NCDFI Relending Demonstration Program

FY 2024 Appropriation

- \$5 million to expand the demonstration program
- Notice of Funding Availability will be published in the Federal Register in early June.
- Application will be due in August.
- All funds must be obligated by September 30.
- [NCDFI Relending Demonstration Program Website](#)
- [Section 502 Relending Demonstration Program Training](#)



Thank you for supporting Tribal communities!

Andria Hively

Branch Chief

Special Programs & Initiatives

Direct Loan Division

360-999-0252

andria.hively@usda.gov

