

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:	\$	

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

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.

Additional Conditions and Requirements including source and use of funds:³

- 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."
- No additional conditions.
- Additional conditions and requirements:

This conditional commitment will expire on _____⁴ 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: _____

Date: _____ (Title)

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 Insert any additional conditions or requirements in this space or on an attachment referred to in this space; otherwise select "No additional conditions."

⁴ The Agency will determine the expiration date of this contract. This data 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.

**LENDER CERTIFICATION
FOR SFH GUARANTEED LOAN**

LENDER CERTIFICATION:

Instruction to Lenders: For use by lenders closing loans under 7 CFR part 3555. Submit an original (or true and accurately represented imaged 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 _____
the following certifications are made by _____ (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 reclose 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 continues 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-borrowers(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.

Borrower: _____ Borrower ID: _____

- 9) All planned property acquisition (construction, repairs, alterations or improvements) has been completed upon which the market value of the property is predicated unless:
 - 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 (HB-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 area.
- 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 recapture 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 §§ 3550.201 and 3555.202 and Chapter 12 of HB-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 § 3555.54.

At this time, the loan will be:

retained sold concurrently as follows: [Purchasing Lender must be an approved FNMA, FHLMC, FHA, VA or GNMA 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: _____

Borrower ID: _____

Holding Lender (The RHS approved Lender who will be holding/owning the mortgage no e- i.e. Fannie Mae, Freddie Mac, etc., not Ginnie Mae):

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 an 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]
- Guaranteed Loan Closing Report, Form RD 1980-19 [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 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, request for guarantee, and all accompanying documents. As the lender selling 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 RHS approved lender.

LENDER's AUTHORIZED
REPRESENTATIVE SIGNATURE

TITLE
LENDER's REPRESENTATIVE

DATE
SIGNED