

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 and related forms, it will execute Form RD 1980-17, "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 certifies as required in 7 CFR part 1980, Subpart D, section 1980.360 that there has been no adverse change(s) in the Borrower's financial 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 60 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 part 1980, Subpart D, section 1980.361 within 60 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 1980-21, "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 completed and executed by Lender prior to issuance of a Loan Note Guarantee.
- Subject to conditions in the final official GUS Underwriting Finding 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 of this Commitment is based upon the stated principal loan amount and interest rate. 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:

Instructions to Lenders: For use by lenders closing loans under 7 CFR part 1980, subpart D. Submit an original (or true and accurately represented imaged document) to the loan closing representative of Rural Development. Electronic delivery is the preferred delivery method. 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 the following statements are true and correct:

- 1) No major loan changes have occurred since the issuance of the Conditional Commitment for Guarantee that effect the subject request, except any that have been approved by the Agency in writing.
 - a) The closed loan in accordance with the amount (equal to or less) and conditions set forth in Form 1980-18. 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 1980-18. To obtain a Loan Note Guarantee, the lender may choose to reclose the loan to the guarantee amount as reflected on the commitment, or request a revised Form RD 1980-18. A revised Form Rd 1980-18 is subject to continued eligibility as set forth in 7 CFR part 1980, subpart D and funding availability.
 - b) If the interest rate was not fixed at the time Form RD 1980-18 is issued, and the interest rate increase between issuance of Form RD 1980-18 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 1980, subpart D.
- 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 (180 days from new construction). 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 or 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 9180 days for new constructions). 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 1980, subpart D.

Borrower: _____ Borrower ID: _____

- 8) The loan conforms to the applicable provisions of 7 CFR part 1980, subpart D and the other applicable regulations concerning guaranty of loans.
- 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 part 1980, subpart D, section 1980.315.
 - b) Lender confirms development/ repair work for which an escrow account was established has been: completed or will be completed within 120 days of loan closing. If incomplete, lender will confirm development/repairs are complete by email or presentation of the final inspection to Rural Development. Confirmation not required for issuance of Loan Note Guarantee, but is required upon completion of the work. Remaining escrow funds that are 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 flood plain.
- 11) All Truth-in-Lending requirements have been met.
- 12) All equal employment opportunity and nondiscrimination requirements have been met at the appropriate time.
- 13) The loan has been properly closed and the required security instruments, including any required recapture instruments, 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 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 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 Guarantee was issued by the Agency.
- 18) All inspections in accordance with Section 1980.341 of 7 CFR part 1980, subpart D 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 Guarantee have been fulfilled.
- 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 section 1980.309(e) of 7 CFR part 1980, subpart D.

At this time, the loan will be:

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

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

Borrower: _____

Borrower ID: _____

Holding Lender (The RHS approved Lender who will be holding the mortgage note- i.e. Fannie Mae, Freddie Mac, etc., not Gimmie Mae):

Lender Tax ID: _____ Agency Assigned Branch Number: _____

Lender Name: _____

Address of Property: _____

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 documents are to accompany the Lender Certification:

- Guaranteed Loan Closing Report, Form RD 1980-19 [Not applicable to lenders who electronically close loans]
- Guaranteed Fee [Not applicable to lenders who electronically close loans and process the fee through a pre-authorized debit]
- Promissory Note
- Final Statement of Loan Disbursements and Costs or HUD- 1 Settlement Statement

Other Necessary Documents, as applicable:

- Interest Rate: If the rate was not locked at issuance of the commitment, evidence the date the interest rate was locked in accordance with section 1980.320 of 7 CFR part 1980, subpart D, if the rate was floating at issuance of Form RD 1980-18.
- Escrow accounts: If development work, as a result of an escrow account developed in accordance with 7 CFR part 1980, subpart 1980-D, is complete at Loan Note Guarantee request, provided confirmation work has been performed. This may be by certification and/or final inspection. If development work is pending (incomplete) at guarantee request the Agency can issue a Loan Note Guarantee, subject to confirmation by the lender once the development work is complete. The responsibility to notify Rural Development the work is complete remains with the lender. Confirmation may be by email or presentation of the final inspection to Rural Development.
- As applicable, additional conditions noted on the Attachment to Form RD 1980-18, "Conditional Commitment for Single Family Housing Loan Guarantee."

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 all loans sold were sold to an RHS approved lender.

LENDER'S AUTHORIZED
REPRESENTATIVE SIGNATURE

TITLE
LENDER'S REPRESENTATIVE

DATE
SIGNED