



USDA TECHNOLOGY FEE: WHOLESALE, NDC AND DC CHANNELS

We were recently informed by USDA of a new technology fee being implemented January 1, 2020 for each loan closed with USDA where the loan is submitted in the Guaranteed Underwriting System (GUS). Below are some FAQ's that will help with this implementation and hopefully answer any questions you may have. If you have a question not listed below, please email your Account Executive.

How much is the new technology fee?

The technology fee is in the amount of \$25.00.

Will FCM be charging this fee to the borrower?

Yes. We will be passing this fee to the borrower.

Is this fee considered an APR fee?

Yes - this is an APR fee.

How will we handle current loans in the pipeline where this fee is not disclosed?

If you have a USDA/RD loan in your current pipeline that has been ran thru GUS and will not receive a conditional commitment from USDA/RD prior to their new fee effective date of January 1, 2020, a CIC will need to be done to add this fee to the disclosures and charge it to the borrower. The CIC should be done no later than December 27, 2019. Pipelines will be pulled toward the end of December to ensure all applicable loans have been disclosed with this fee and in a timely manner that meets FCM compliance requirements.

Can this fee be waived?

No. Since this is a pass-thru fee charged by USDA, FCM will not be able to waive this fee.

If the fee is not disclosed on the LE/CD by the NDC or DC partner, will it be waived by FCM or how will this be handled?

The fee will not be waived and will be part of the purchase transaction. The fee will be netted on the purchase advice to FCM whether disclosed or not.

Does this fee apply to all USDA loans?



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This fee applies to all USDA loans using the GUS system, including manually underwritten loans using the GUS system. RD Streamlined Assist loans do not use the GUS system, so this fee would not apply to these loans.

What if the fee is disclosed on the Loan Estimate and/or Closing Disclosure, but I receive my conditional commitment prior to the effective date of 1/1/2020?

FCM's closing department will remove this fee on the Closing Disclosure and the borrower(s) will not be charged.

Where will this fee be listed on the Loan Estimate?

The fee will be listed in the section "services you cannot shop for" in accordance with Loan Estimate 12 CFR 1026.37(f)(2).

Where will this fee be listed on the Closing Disclosure?

The fee will be listed in the section "services borrower did not shop for" in accordance with the Closing Disclosure section 1026.38(f)(2).

Can this fee be included in the loan amount?

Yes. The fee can be included in the loan amount subject to maximum loan-to-value thresholds.

This is the official verbiage from USDA:

On January 1, 2020, the USDA Single Family Housing Guaranteed Loan Program will begin to assess and collect a one-time \$25 technology fee from lenders on each closed loan that is submitted via the Guaranteed Underwriting System (GUS). The technology fee must be remitted with a lender's loan closing package at the same time the upfront guarantee fee is paid.

Again, if you have additional questions regarding this change, please contact your Account Executive.

Thank you for your VALUED partnership!

FCM Compliance Team