



# WHOLESALE ANNOUNCEMENT 2023-18

April 18, 2023

USDA/RD

Guideline Update

---

## **Effective Date**

Effective immediately

## **Lender Responsibilities**

- Paragraph 4.2 was revised to add guidance on Conflicts of Interest, clarifying that employees that have an impact on the mortgage transaction are prohibited from having multiple roles or multiple sources of compensation, either directly or indirectly, from a single Rural Development transaction. In addition, guidance was added clarifying that employees who are also the applicant may not participate in any part of the loan process on behalf of the lender.

## **Loan Purpose**

- Environmental inspections have been added as an eligible loan cost.
- The term “seller concessions” is now being replaced with “interested party concessions,”
- Funds provided by the seller for repairs are not included in the 6% interested party concession limitation but must be held in an escrow account.
- Paragraph 6.2D was revised to clarify that existing borrowers on the current mortgage note must remain on the refinanced loan.

To view the full guidelines, go to the USDA/RD link on FCM’s  
[\*\*Wholesale Knowledge Center\*\*](#)

Should you have any questions, please reach out to your Account Executive or Client Manager