

July 23, 2025

## USDA Update

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### Effective Date

Effective August 5, 2025

### Update:

#### **Advance Notice: Revisions to HB-1-3555**

The Single Family Housing Guaranteed Loan Program (SFHGLP) announced upcoming revisions to technical Handbook 1-3555. Below are the highlighted revisions:

- Form RD 3555-21, Request for Single Family Housing Loan Guarantee
  - Streamlined the form to remove information captured elsewhere, while maintaining the required certifications.
- Chapter 4 – Lender Responsibilities
  - Revised the conflict of interest guidance to clarify that only employees that have a direct impact on the mortgage transaction are prohibited from having multiple sources of income from a single Rural Development transaction.
- Chapter 5 – Origination and Underwriting Overview
  - Clarified all loan applications should be submitted through GUS and referenced the Manual File Submission Job Aid.
  - Clarified lenders must use a login.gov account to access GUS.
- Chapter 8 – Applicant Characteristics
  - Clarified that upon submission of the application, the lender will ensure a SAM check was performed by documenting the date in GUS.
  - Referenced the Manual File Submission Job Aid, which should be used for the submission of files not supported by GUS.
- Chapter 9 – Income Analysis
  - Clarified taxable income for housing allowances should be included in annual income.
  - Added guidance for verifying previous employment.
  - Clarified IRS Form 8821 is an acceptable method to request IRS tax transcripts.
  - Clarified the number of household members must be identified in GUS.
  - Added direct third-party verifications to the options for verifying assets.
  - Clarified reserves entered into GUS must not exceed the balance on the most recent official monthly bank statement, however lenders may choose to use a lower balance at their discretion.
- Chapter 10 – Credit Analysis
  - Clarified multiple Verifications of Rent may be combined to make up the required 12 month history when no gaps exist.
  - Combined the disputed accounts guidance into one section.
  - Clarified the credit report for a non-purchasing spouse is maintained in the lender's permanent loan file.
  - Revised the list of community property states and territories.
- Chapter 15 – Submitting the Application Package
  - Clarified all loan applications should be submitted through GUS and referenced the Manual File Submission Job Aid.
  - Revised checklists to correspond with the applicable chapter revisions.

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- Chapter 16 – Closing the Loan and Requesting the Guarantee
  - Clarified attorney opinions letters are acceptable alternatives to title insurance in some instances and provided a chart to clarify the requirements of each.
  - Updated the email address for self-reports.

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