



WHOLESALE ANNOUNCEMENT 2026-53

June 15, 2026

USDA Update

Effective Date

Effective June 17, 2026

Update:

USDA Final Rule and Pilot Notification – Delegated Approval Authority

- The RHS is issuing a Final rule to amend the SFHGLP regulation, 7 CFR part 3555, by adding § 3555.55 which provides the requirements for delegated approval authority.
- The changes being implemented through the Final rule will accelerate approval processing timeframes to the benefit of applicants, Delegated Lenders, and the Agency. Lenders meeting the defined criteria will be able to apply for delegated lender status that allows the Delegated Lender to approve SFHGLP loans and obtain Loan Note Guarantees with limited-to-no Agency involvement.
- The updates align the SFHGLP with other Federal Agencies that have already moved to the delegated process to leverage the processing power and expertise of private-sector lenders.

Summary of Rule Changes

- Upon implementation of the Final rule, loan approval and issuance of the Loan Note Guarantee will be delegated to the Delegated Lender. Delegated Lenders will be required to use Agency automated loan underwriting and closing systems to originate, process, close, and service loan applications in accordance with the published regulations and handbook guidance. In this respect, the Delegated Lender will act as the Agency and will require limited-to-no Agency involvement in the pre-closing loan approval process and post-closing issuance of the Loan Note Guarantee. The Delegated Lender will approve the loan in the Agency's automated system for all supported loan types. With delegated authority, Conditional Commitments will not be required, and the provisions of § 3555.107(f) for issuance of the Conditional Commitment will not be applicable. After loan closing, Delegated Lenders will continue to adhere to the proper loan closing procedures under § 3555.107(i) and (j) for issuance of the Loan Note Guarantee. The Agency will remove § 3555.107(i)(5) which provides lenders a self-certification option in lieu of submitting full documentation. Delegated Lenders will retrieve the Loan
- Note Guarantee from the Agency's automated system, which will have the same force and effect as a Loan Note Guarantee issued directly by the Agency. The Loan Note Guarantee will be supported by the full faith and credit of the United States, as provided in § 3555.108, regardless of whether the Loan Note Guarantee is obtained by a Delegated Lender through the Agency's automated system, or from the Agency directly. Therefore, unless provided otherwise or inapplicable, the Delegated Lender will be responsible for ensuring that both the applicant and the property meet the eligibility requirements and certification for the loan guarantee under subparts C, D, and E of 7 CFR part 3555 and the environmental requirements in § 3555.5. The Agency is modifying the procedures for Delegated Lenders as follows: Environmental Reviews—SFHGLP loans are generally considered to meet the requirements for a categorical exclusion from the environmental review process described in 7 CFR 3555.5 and 7 CFR part 1970, absent any extraordinary circumstances. If there is an extraordinary circumstance, the Delegated Lender must notify the Agency to decide the appropriate course of action.

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