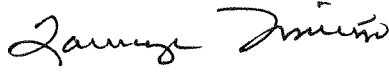




**United States Department of Agriculture
Rural Development**

SEP - 7 2010

TO: Participating Lenders

FROM: Tammy Treviño 
Administrator
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program
Funding Notice

Rural Development's interim systems enhancements will be complete on September 8, 2010, at which time the Agency will begin obligating Section 502 Single Family Housing Guaranteed Loans. The systems enhancement will:

- Phase out the old 2 percent fee structure for purchase loan guarantees;
- Allow for a new up-front fee of 3.5 percent as authorized by Congress in *Public Law 111-212, sec. 102 (7/29/10)*;
- Enable lenders with access to Rural Development's Guaranteed Underwriting System (GUS) to begin submitting new loan requests through GUS.

The first priority on September 8, 2010, will be for Rural Development to fund the backlog of approximately \$1.6 billion in Conditional Commitments that were issued after May 26, 2010, with the proviso "subject to the availability of funds" language. Beginning September 8, lenders may submit their final closing packages and guarantee fees. After those commitments have been processed, Rural Development will begin processing new Conditional Commitment requests. Sufficient funds will be available for all requests during the remainder of the fiscal year (FY).

Requests for refinance will remain at the present fee structure of .5 percent for the remaining of the FY. However, the system has been enhanced to accommodate the increased refinance fee of 2.25 percent which will be effective October 1, 2010.

We appreciate your continued support of the Single Family Housing Guaranteed Loan Program (SFHGLP). Questions regarding this notice may be directed to the SFHGLP division at 202.720.1452.

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Web: <http://www.rurdev.usda.gov>

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