



## STAKEHOLDER ANNOUNCEMENT

### Proposed Changes to Eligibility of Certain Rural Areas

WASHINGTON, March 21, 2018 – The proposed ineligible area maps for the Rural Development Single Family Housing and Multi-Family Housing programs have been posted to the USDA Income and Property Eligibility Site at <https://eligibility.sc.egov.usda.gov>. Select the “Proposed Ineligible Areas” tab after choosing the appropriate program (e.g. Single Family Housing Guaranteed) to view the new ineligible area maps. The “Proposed Ineligible Areas” maps show *all* ineligible, non-rural areas, not only the new non-rural areas. In some cases, previously ineligible areas will now become eligible rural areas.

The new ineligible areas will become effective on June 4, 2018.

#### Loan Guarantee Processing

On June 4, 2018, all properties for new applications must be located in an eligible rural area based on the new maps. However, a property that is located in an area being changed from rural to non-rural may be approved if all of the following conditions are met:

1. The application is dated and received by the lender prior to June 4, 2018, and the loan estimate was issued by the lender within three days of application receipt.
2. The applicant has a signed/ratified sales contract on a property that is dated prior to June 4, 2018.
3. The applicant meets all other loan eligibility requirements.

If the property is located in an area being changed from rural to non-rural, lenders must provide Rural Development all of the following information in addition to all other required documentation. For loans submitted via the Guaranteed Underwriting System (GUS), the documentation must be uploaded into the system.

- Copy of the signed/ratified and dated sales contract.
- Copy of the loan estimate issued to the applicant.
- Verification that the property was located in an eligible rural area prior to June 4, 2018. Note: Maps of the “Previous Eligible Areas” will be available on the Eligibility site beginning June 4, 2018. A printout of the map indicating the property address was previously eligible is acceptable.

GUS underwriting recommendations will display an INELIGIBLE property determination for property that is no longer located in an eligible rural area. The INELIGIBLE property determination is the second half of the GUS underwriting recommendation. For example, an ACCEPT/INELIGIBLE underwriting recommendation

will apply to a request where the applicant's credit and capacity assessment is an ACCEPT (first part of the underwriting recommendation) however the property is located in an INELIGIBLE area (second part of the underwriting recommendation). This does not prevent the lender from completing the final submission to Rural Development. The Rural Development reviewer will be able to override the property eligibility determination when the lender has uploaded the required documentation noted above.

To assist Rural Development in processing a loan guarantee request expeditiously, lenders should ensure the documentation noted above is submitted to Rural Development for review when requesting the guarantee.

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