TO: All State Directors  
Rural Development  
ATTENTION: Rural Housing Program Directors,  
Guaranteed Loan Specialists,  
Area Directors and Area Specialists  
FROM: Tammye Treviño  
(Signed by Kath McEntee)  
for Administrator  
Housing and Community Facilities Programs  
SUBJECT: Single Family Housing Guaranteed Loan Program  
Guaranteed Underwriting System  

PURPOSE/INTENDED OUTCOME:  
The purpose of this Administrative Notice (AN) is to elaborate and clarify guidance on the availability and use of the Single Family Housing Guaranteed Loan Program’s (SFHGLP) automated underwriting system, known as the Guaranteed Underwriting System (GUS). GUS is available, at no cost, to all approved lenders. At this time, approved lenders cannot allow access to GUS for agents acting on their behalf such as loan correspondents or mortgage brokers.  

Although use is not required at this time, lenders are encouraged to fully utilize GUS in their SFHGLP activity.  

COMPARISON WITH PREVIOUS AN:  
This AN replaces RD AN No.4423 (1980-D), dated March 26, 2009, which expired on March 31, 2010. Greater emphasis on the approved lenders role in the final underwriting decision is expanded upon in this release.  

EXPIRATION DATE: March 31, 2012  
FILING INSTRUCTIONS: Preceding RD Instruction 1980-D
**BACKGROUND:**

The GUS was developed to automate the process of credit risk evaluation for the SFHGLP. Automated underwriting (AU) systems are an efficient, consistent, objective and accurate method of mortgage underwriting compared with traditional manual methods. GUS is a tool that helps evaluate the credit risk of the loan request. It compliments, but DOES NOT replace the considered judgment of experienced underwriters.

GUS incorporates applicant eligibility and underwriting requirements of RD Instruction 1980-D and associated AN’s by utilizing a modified version of the Federal Housing Administration (FHA) mortgage scorecard known as Technology Open To Approved Lenders (TOTAL) concurrently with a rules based engine. GUS is accessed through a secure web-based automated underwriting environment at: [https://usdalinc.sc.egov.usda.gov/](https://usdalinc.sc.egov.usda.gov/). GUS considers mortgage loan application data entered by the originator, credit repository data, and property information to evaluate a potential borrower’s ability to meet a proposed mortgage obligation. GUS evaluates select components in a mortgage loan application and provides a credit evaluation and underwriting recommendation within seconds. GUS is not designed to evaluate the dependability of an applicant’s income proposed for repayment. This remains the underwriter’s responsibility to determine. Refer to RD Instruction 1980-D, Sections 1980.345(b) and 1980.345(c), to determine adequate and dependable income for repayment ability. Lenders are reminded that data entered into GUS must coincide with that of the lender’s permanent case file.

Incorporated within the functionality of GUS are the following components:

**Property and Income Eligibility**

- The dwelling offered as collateral for the proposed mortgage loan is located in an eligible rural area; and
- The applicant’s annual household income meets the adjusted income limits in accordance with size of household, county and State in which the applicant(s) will reside.

**GUS Rules Based Engine**

- The Engine incorporates the guidelines found in RD Instruction 1980-D, supplemented by AN regarding originating SFHGLP loans, that are published to clarify RD Instruction 1980-D.
- Periodically new rules may be created to respond to issues analyzed within the SFHGLP portfolio.
TOTAL Scorecard

- GUS uses a modified version of the Federal Housing Administration (FHA) mortgage scorecard known as Technology Open to Approved Lenders (TOTAL) exclusive to Rural Development.
- The scorecard has been validated and adjusted for SFHGLP use.
- The TOTAL scorecard, including the modified version validated for SFHGLP use, is intellectual property that is proprietary to HUD.
- Factors considered under the scorecard include credit history, payment-to-income ratios, and loan-to-value ratios.
- The scorecard allows favorable consideration to applicants that exhibit positive compensating factors such as available reserves for housing payments after loan closing, which expands upon guidance provided in RD Instruction 1980-D and associated ANs.
- Periodically the scorecard may be modified to react to the changing lending market. When modifications occur, loans remaining as a preliminary recommendation may not receive the same underwriting results upon a final submission.

Credit Bureau Interface

- GUS links with hundreds of credit providers nationwide. Users may link to a full list of credit providers at: https://www.efanniemae.com/sf/refmaterials/creditproviders/index.jsp
- An interface occurs between GUS and the credit bureaus through a platform known as the Fannie Mae Credit Interface Service.
- The interface is seamless to lenders and only acts as a conduit. An attempt to access information from all national credit repositories will occur, but GUS can complete its credit risk evaluation with information from only one repository.
- New or re-issued credit can be pulled through GUS.
- Credit reports pulled through GUS are valid for 180-days. Credit providers may expire the report earlier.
- Lenders are not required to be a Fannie Mae subscriber or partner to utilize the credit report interface in GUS.

IMPLEMENTATION RESPONSIBILITIES:

Gaining Access to GUS

Approved lenders who have executed a Lender Agreement with a State may request an electronic “Starter Package” which includes all relative documentation required to gain access to the system. Included in the “Starter Package” is information regarding mandatory GUS training for all appointed Security Administrators for your organization and any user that will be issued final submit authority once roles are assigned. Typically a user who is issued “final submit” authority is an underwriter or senior processor who assists the underwriter. Approved lenders will request the “Starter Package” through
their State SFHGLP Coordinator. A list of SFHGLP Coordinators may be obtained from the following website: [http://eligibility.sc.egov.usda.gov/eligibility/](http://eligibility.sc.egov.usda.gov/eligibility/). Look for “Contact Us” in the navigation menu.

The SFHGLP Coordinator will collect vital lender point of contact information, which in turn can initiate the “Starter Package.” SFHGLP Coordinators may access the “Starter Package” spreadsheet at the Rural Development internal SharePoint website. Completed spreadsheets may be forwarded to the National Office point of contacts (POC) to initiate a “Starter Package” to the lender. The POCs are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debbie Terrell</td>
<td>(918) 534-3254</td>
<td><a href="mailto:debra_terrell@wdc.usda.gov">debra_terrell@wdc.usda.gov</a></td>
</tr>
<tr>
<td>Kristina Zehr</td>
<td>(309) 452-0830, x 111</td>
<td><a href="mailto:kristina.zehr@wdc.usda.gov">kristina.zehr@wdc.usda.gov</a></td>
</tr>
<tr>
<td>Josh Rice</td>
<td>(304) 253-9597, x 112</td>
<td><a href="mailto:joshua.rice@wdc.usda.gov">joshua.rice@wdc.usda.gov</a></td>
</tr>
</tbody>
</table>

Nationally approved lenders may request a “Starter Package” directly from the POC.

Once the approved lender receives the “Starter Package,” the lender must assign a SA, who will create a Level 1 e-Authentication account at the following website: [http://www.eauth.egov.usda.gov/eauthCreateAccount.html](http://www.eauth.egov.usda.gov/eauthCreateAccount.html).

The lender completes and executes the User Agreement recording the SA user ID created at the e-Authentication website.

Once our centralized office in St. Louis, Missouri receives the approved lender’s complete request for access to GUS and verifies information, the SA will receive an email notification confirming activation. A complete package includes the following and must be forwarded in one package:

1. A fully executed User Agreement by an individual in the organization who can legally bind the lender. Typically - the same individual who executed the Lender Agreement to participate in the SFHGLP. The SA e-Authentication account identification (ID) must be recorded on the front page of the agreement. The SA must activate their e-Authentication ID, prior to recording it on the agreement and forwarding the package to our St. Louis office.
2. A Transmittal Cover which confirms if the lender is seeking to utilize GUS for all branch authority or a specific identified branch location. It also identifies what states the lender presently conducts business in.
   a. Lenders may request, through completion of the User Agreement, to approve only the location identified on the User Agreement or all locations of the organization. When a lender requests only the location noted on the User Agreement, only that particular branch has approved access to GUS. When a lender requests all locations, all branches created under the taxing identification number assigned to the approved lender are approved to utilize GUS.
b. If the lender is a State approved lender, the lender is approved only to perform business within the State in which a Lender Agreement has been executed. This applies to lenders seeking GUS approval also.

3. Certification of mandatory training completion. Mandatory training is applicable to each SA and underwriter or individual assigned “final submit” authority.

The requesting lender must send all of the above information in one package to our St. Louis, Missouri office. Once the lender is activated to use GUS, users within the lender’s organization will create a Level 1 e-Authentication account. It remains the lender’s responsibility to assign roles and responsibilities to lender users.

Authorized users will access GUS at the following website: https://usdalinc.sc.egov.usda.gov/. Select “Guaranteed Underwriting System (GUS)”.

Assist Lenders with Assigning Correct Lender Roles and User Types

States are encouraged to be familiar with the guidance provided in the GUS Lender User Guide. The GUS Lender User Guide may be accessed online by any lender at the USDA LINC website https://usdalinc.sc.egov.usda.gov/ by selecting Rural Housing Service followed by Training and Resource Library. Approved GUS lenders can also access the GUS Lender User Guide from any page within the GUS application.

Lender roles define the level of functionality and capability a user has in GUS. Lender roles are assigned by the lender’s SA. Lenders may not allow access to GUS to any third party, either directly or indirectly.

There are four roles that can be assigned – as Lender or Branch in GUS. Assigning a role as a “Lender” user allows access to all lender branches. Assigning a role as a “Branch” user restricts the user to the specific branch assigned. The lender’s branch locations are assigned in GLS by the Agency. Additions, deletions, and modifications can be requested of your state coordinator when a lender is approved to participate in the SFHGLP in a specific state. If a lender is nationally approved to participate in the SFHGLP, a request for branch additions, deletions and modifications to the GLS system can be requested of our St. Louis, Missouri representative - Penny Nowak at penny.nowak@stl.usda.gov.

The following minimal information is required to update the Agency’s GLS lender database:

1. Lender Identification Number (recorded on the Lender Agreement)
2. Lender Name (as it appears on the Lender Agreement)
3. Doing Business As
4. Address of Branch Location (include Suite or mail-code location, as applicable)
5. City of Branch Location
6. State of Branch Location
7. Zip Code
8. Zip + 4 Code (Obtain unknown zip + 4 codes from the following website: 
9. Telephone Number
10. Fax Number
11. Lender Representative Name
12. Lender Representative Telephone Number
13. Lender Representative e-mail address
14. Is this a branch that underwrites?
15. Is this a branch that services?
16. Is this a branch that holds the note?

Lender Roles and User Types:

**Security Administrator (SA)** – This type of user has been identified by the lending institution as the point of contact within the lender’s organization. The SA is responsible for accurately assigning the roles and responsibilities of other users within their organization in the Application Authorization Security Management System (AASM). The AASM is accessed either from the SA’s main menu of GUS or the USDA LINC website noted above by selecting Application Authorization. The SA has full authority in GUS, which includes performing a final submission. It is recommended that the organization have multiple SAs to account for separations in employment and illnesses, etc. To replace or modify an organization’s SA, state coordinators should forward the request by email to the National Office POCs with the name of the new security administrator(s), their phone/fax numbers, their e-mail address and their assigned Level 1 e-Authentication ID.

**Representative With Final Submit Authority** – This type of user is typically an underwriter. The lender may assign other users this authority provided their desk procedures support authority to act on behalf of an underwriter in performing this action. This user may enter applications through a final submission to the Agency. This user certifies the data entered in GUS is true, correct and accurately represented.

**Representative** – This type of user is typically a processor or originator who creates the application to the point of underwriting. This user may perform a preliminary submission; however final submission authority is restricted.

**Viewer** – This user may view all loans associated with the tax ID, or if assigned as branch viewer, with that branch. This user may not enter applications, nor perform preliminary or final underwriting.

Entering and Submitting Data

**Data Integrity with GUS** - The responsibility of loan data integrity remains with the lender. The data provided for a loan guarantee request must correspond to the loan application and underwriting documentation. GUS no longer captures a complete Fannie
Mae Form 1003/Freddie Mac 65 loan application. Limited data elements are captured in GUS. A complete loan application must be maintained in the lender’s permanent case file. Upon submission to the Agency, the lender represents that all information submitted is true, complete and accurate.

- GUS evaluates the credit risk of mortgage loan requests based upon information provided by the credit repositories and the data input by the lender.
- The responsibilities associated with producing loans of acceptable quality for loan guarantees by Rural Development remains the same for GUS evaluated mortgages or manually underwritten mortgages.
- As noted earlier, GUS is intended to compliment and not replace the judgment of experienced underwriters. A GUS decision is NOT the basis for granting or denying credit and is not a replacement for a lending decision by the lender. The decision to grant or deny credit to a potential borrower remains with the lender.
- For all GUS underwriting recommendations, including ACCEPT/ELIGIBLE, lenders must apply due diligence when reviewing the documentation in the loan file to determine if there is potential derogatory or contradictory information that is not part of the data submitted to GUS or if there is erroneous information in the data submitted to GUS. Underwriters must take action of known contractions of data.

*The GUS Process (direct data entry)* - The following table provides a high-level overview of direct data entry the GUS process:

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Obtain borrower information by completing a mortgage loan application.</td>
</tr>
<tr>
<td>2.</td>
<td>Enter the borrower, property and mortgage loan information directly into GUS.</td>
</tr>
</tbody>
</table>
| 3.   | Submit the mortgage loan request to GUS for a loan underwriting recommendation. The evaluation is based upon:  
  - Data entered directly by the lender.  
  - Credit information obtained from national credit repositories.  
  - Risk evaluation through use of the modified TOTAL scorecard, adjusted for SFHGLP use.  
  - Application of rules that apply to RD Instruction 1980-D and related AN releases. |
| 4.   | The lender must review the GUS Findings and Underwriting Analysis for feedback messages regarding the results of the GUS underwriting recommendation and the credit report(s). |
| 5.   | The lender will document the mortgage loan request according to Rural Development guidelines. |
| 6.   | The lender will make a lending decision using the GUS Underwriting Findings Report, credit report(s), the lender’s independent analysis of stable and dependable income, employment, assets, collateral and other file documentation. The lender will submit, through a final submission, the GUS file to Rural Development for Conditional Commitment. Documentation for Conditional Commitment will be based upon the rendered underwriting recommendation by GUS. |
**The GUS Process (file import)** - The following table provides a high-level overview of the GUS process when a file has been imported through a lender’s loan origination system:

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Obtain borrower information by completing a mortgage loan application.</td>
</tr>
<tr>
<td>2.</td>
<td>Import the loan in an approved XML format from the menu or navigation menu of GUS. A list of LOS/POS vendors whom have successfully tested import in GUS can be located at the USDA LINC website <a href="https://usdalinc.sc.egov.usda.gov/">https://usdalinc.sc.egov.usda.gov/</a>. Select <strong>Rural Housing Service</strong> followed by <strong>Training and Resource Library</strong>.</td>
</tr>
<tr>
<td>3.</td>
<td>Update GUS with property and income eligibility. The user will be provided with a “Data Modified by GUS During Import” page if data cannot be recognized or was modified during import. Imported files will also receive the “Submit Application Errors” page if errors exist that would prevent preliminary or final underwriting submissions.</td>
</tr>
<tr>
<td>4.</td>
<td>Make any changes to the imported GUS application. Note: Any changes made in the lender’s LOS/POS following import to GUS will not be reflected in GUS.</td>
</tr>
</tbody>
</table>
| 5.   | Submit the mortgage loan request to GUS for a loan underwriting recommendation. The evaluation is based upon:  
  - Data imported and directly modified by the lender.  
  - Credit information obtained from national credit repositories.  
  - Risk evaluation through use of the modified TOTAL scorecard, adjusted for SFHGLP use.  
  - Application of rules that apply to RD Instruction 1980-D and related AN releases. |

**Documenting and Underwriting a Mortgage Loan Request through GUS**

When a lender enters mortgage loan data into GUS and requests a loan underwriting evaluation, a two part underwriting summary is delivered to the lender through a GUS Underwriting Findings Report. The first portion of the underwriting summary will render an underwriting recommendation of **ACCEPT**, **REFER** or **REFER WITH CAUTION**. An **INELIGIBLE** or **UNABLE TO DETERMINE** may also be delivered. The underwriting recommendation is followed by a risk evaluation of **ELIGIBLE**, **INELIGIBLE**, or **UNABLE TO DETERMINE**. The second portion represents a combined analysis of property, income, loan eligibility and borrower eligibility. An example of the display on the Underwriting Findings Report is as follows:
**ACCEPT/ELIGIBLE Underwriting Recommendation**

If GUS renders an underwriting recommendation of ACCEPT and ELIGIBLE, based on the analysis of the credit, capacity and other loan characteristics, the loan is eligible for Rural Development’s loan guarantee. This is provided the data entered in GUS by the lender is true, complete and accurate.

Minimal documentation provisions apply to GUS underwriting recommendations that receive an ACCEPT. The lender may submit the following three completed documents to obtain a Conditional Commitment, unless a quality control message on the GUS Underwriting Findings Report indicates a full documentation file is required, when the GUS underwriting recommendation is ACCEPT upon final submission:

1. “Uniform Residential Appraisal Report” (URAR) for single family dwelling units or its equivalent, or condominiums or manufactured homes [FNMA Form 1004 or Freddie Mac Form 70].
2. “Standard Flood Hazard Determination Form” [FEMA Form 81-93].
3. “Request for Single Family Housing Loan Guarantee” [Form RD 1980-21]. This form must be fully executed by the lender or their representative, and all applicants. The form must represent the request of the lender. If an interest rate is floating at commitment request, the lender should include the lock in date for confirmation by Rural Development.

If the loan applicant is a qualified alien, a buydown is involved, or there is a non-purchasing spouse located in community property state additional documents may be required.

Accurate data is the responsibility of the approved lender. By submitting the mortgage loan application request through GUS, the lender is representing that the data input is true, complete and accurate. Underwriting is the responsibility of the approved lender. Lenders are required to review the results of the GUS findings and credit reports. If necessary, make data changes and resubmit the loan to GUS. Approved lenders then make a lending decision using the Findings Report obtained from GUS, credit report(s), stable and dependable income, employment, assets, collateral and other file documentation.
Only a nominal amount of time by Agency personnel should be spent on GUS mortgage loan applications receiving an ACCEPT. During the review process, should data appear to be questionable, Rural Development reserves the right to request further supportive information. Files may be selected for full file review if the lender is a new user to GUS, has demonstrated a disregard for Rural Development policies and procedures, has a high first year delinquency rate, or loss payments in excess of the national average. Randomly, full documentation of a file in lieu of minimal documentation noted above will be requested when receiving an underwriting recommendation of ACCEPT. This random selection is for quality control purposes. A message on the lender’s final pass of underwriting will confirm when a full documentation file is required. Full file documentation reviews are to confirm the data input into the GUS file accurately reflects that of the lender’s file and documentation.

Mortgage loan documents may be photocopied, scanned, emailed, faxed or delivered by regular or express mail. All documents must be clear and legible. The necessity to collect an original Form RD 1980-21, is not required. A photocopy, scanned, emailed or faxed Form RD 1980-21 is acceptable.

ACCEPT/INELIGIBLE Underwriting Recommendation
Loans receiving this recommendation have been determined as meeting Rural Development’s risk standards for loan guarantee; however do not meet certain eligibility guidelines. Typical reasons for an ACCEPT/INELIGIBLE recommendation may include:

- Property not located in a rural area
- Program eligible income exceeds Rural Development guidelines
- Non-owner occupied transaction
- Not a qualified alien

Loans that receive a recommendation of ACCEPT/INELIGIBLE may still be eligible for a Rural Development loan guarantee. To achieve eligibility, the lender’s underwriter should analyze the findings report and determine the basis for the ineligibility and determine if the reason for ineligibility can be resolved in order to comply with Rural Development guidelines. Issues that caused the loan to be ineligible may be resubmitted to obtain a correct underwriting recommendation.

REFER or REFER WITH CAUTION Underwriting Recommendation
GUS loans receiving an underwriting recommendation of REFER or REFER WITH CAUTION will require further review by the lender. Risk factors have been identified based upon the data entered into GUS. The credit risk evaluation represented by a REFER WITH CAUTION is greater than the credit risk of loans that receive a REFER. Lenders should practice extreme care in their underwriting analysis and decisions when underwriting a loan file receiving a REFER or REFER WITH CAUTION recommendation. The lender’s underwriter must perform a manual underwriting evaluation of the mortgage loan application to determine if the borrower is creditworthy.
in accordance with Rural Development standard credit policies and guidelines found at RD Instruction 1980-D and supplemental ANs. Full documentation provisions, as required for present manual underwritten mortgage loan applications apply to GUS underwriting recommendations of REFER or REFER WITH CAUTION. Credit documentation, mitigating circumstances, and compensating factors considered in the manual underwriting analysis should be recorded in the lender’s permanent case file. It is recommended that compensating factors considered in the evaluation of the mortgage loan application be documented on the underwriting analysis and summary [typically the Uniform Underwriting Transmittal Summary – FNMA Form 1008/Freddie Mac Form 1077 or equivalent].

Loans should not be denied solely on the basis of a risk evaluation generated by GUS. Mitigating circumstances according to Rural Development standard guidelines may be considered.

**Documentation Requirements – Lender’s Permanent Case File**

As instructed in RD Instruction 1980-D, and keeping with the standards of the loan mortgage industry, lenders permanent case files will include documents verifying:

- Credit history
- Annual Income – determined for program eligibility
- Stable and Dependable Income – determined for repayment and qualifying purposes. GUS does determine stable and dependable income. It remains the responsibility of the approved lender to determine stable and dependable income outside of the GUS evaluation.
- Assets – for income calculation and compensating factor analysis
- Collateral requirements
- Any other documentation supporting the mortgage loan request

Stable and dependable income will be documented in accordance with Section 1980.345(c), of RD Instruction 1980-D. Assets are not required for the SFHGLP. However, the presence of assets and cash reserves after closing, if disclosed on the GUS mortgage loan application, can influence the outcome of the GUS underwriting recommendation. If assets are considered in a GUS transaction, the lender’s permanent case file will document the borrower’s assets.

Assets may influence program eligible income. Assets meeting the requirements of Section 1980.347(d)(3), of RD Instruction 1980-D, require verification documentation for the lender’s permanent case file.

**Data Modification/Loan Resubmission Requirements**

The lender is responsible for the integrity of the data used to obtain an underwriting evaluation in GUS. Data entered in GUS must correspond to documentation retained in the lender’s case file. If data changes during the loan application stage, after Conditional
Commitment or prior to loan closing, the GUS underwriting recommendation could be compromised. Lenders are responsible for resubmitting the loan to GUS when material changes are discovered. Under the following conditions, lenders must resubmit the loan through GUS for an updated evaluation:

- Borrowers were either added or deleted from the loan application or critical information has changed.
- A decrease in the borrower’s income and/or cash assets/reserves.
- An increase in loan amount or interest rate on the mortgage loan request.
- Any changes that would negatively affect the borrower’s ability to repay the mortgage.
- Information regarding the property changes – such as a change in sales price or value.

The lender must request the loan be released from Rural Development to the lender. The lender should modify the data and resubmit the loan through GUS for an updated final evaluation underwriting recommendation.

Some data changes do not affect the outcome of an underwriting recommendation. Once a mortgage loan has been sent to the Agency as a “Final Submit,” the following data changes do not require that the GUS loan application be updated:

- A decrease in loan interest rate
- A decrease in loan amount
- A decrease of mortgage or personal liabilities
- An increase of assets

**Established Tolerances for Property Tax Escrow Accounts**

Approved lenders must ensure that an accurate estimate for the property tax/insurance component of an applicant’s monthly mortgage payment is utilized when submitting loan applications for Conditional Commitment. Care must be taken to assure a realistic estimate is used for computing the monthly escrowed amount. The escrowed amount for real estate taxes is based on the assessed value of improved land (i.e. value of both the property and completed dwelling) for new construction and the actual taxes assessed for existing properties. The lender may contact the taxing authority which has jurisdiction over the property to obtain an estimate of the taxes to be assessed for newly constructed dwellings.

Minor changes to the escrow portion of the monthly housing expense do not require the mortgage application to be reconsidered. It is not necessary to perform an updated underwriting analysis when monthly tax and insurance estimates do not increase the payment-to-income principal, interest, taxes and insurance and debt-to-income total debt ratios by more than two-percentage points at loan closing. A small increase to monthly tax and insurance payments would not typically cause a substantial change in risk classification of the proposed real estate loan. This tolerance only applies to situations
where tax and insurance data provided on the loan application at the time of commitment differs from the amount recorded at loan closing.

This threshold policy should not be construed to allow lender manipulation of escrow variables to obtain approvals.

**Documentation of Underwriting Recommendation**

Lenders who utilize GUS to obtain their underwriting recommendation, do not need to prepare a Uniform Underwriting Transmittal Summary (FNMA Form 1008/Freddie Mac Form 1077), or equivalent, to document the underwriting analysis and decision if the underwriting recommendation is an ACCEPT. The final Underwriting Findings and Analysis report produced by GUS (regardless of the underwriting recommendation) will be maintained in the lender’s permanent loan file, in accordance with standard mortgage industry guidelines.

**Encourage Full Utilization of GUS**

It is anticipated that lenders who enter into a User Agreement to access the GUS system will utilize GUS for all future SFHGLP applications. While lenders cannot be required to submit applications through GUS, strong encouragement and positive support from states can result in a willingness to utilize the system.

Lenders who create electronic applications in GUS with preliminary decisions and later submit a full documentation paper file to Rural Development should be encouraged to transfer the file electronically to the agency as a final submission, regardless of the underwriting decision. All decisions – ACCEPT, REFER, and REFER WITH CAUTION can and should be pushed to the agency with a final submission, once created in GUS.

Loan applications created in GUS without a final submission to the agency can lead to inaccurate data reporting. This data collection assists the agency in determining if GUS is working properly, and if any adjustments may be necessary to ensure the integrity of the GUS portfolio.

Promote the beneficial use of GUS to lenders. GUS offers fast and objective risk assessments, enhanced loan quality, reduced data entry requirements, reduced documentation to the agency for conditional commitments, and a comprehensive GUS Underwriting Findings Report to guide the lender and underwriter through the SFHGLP submission process.

**Education and Training**

States should educate staff on the role and duties of USDA Rural Development in the implementation, training and marketing of GUS. Learn the GUS application system (as a lender and employee) by taking advantage of valuable online training provided at the
USDA LINC website located at https://usdalinc.sc.egov.usda.gov/. Select Rural Housing Service followed by Training and Resource Library for valuable courses regarding e-Authentication and utilization of GUS. Also access the internal USDA training website, AgLearn, for Rural Development employee training regarding GUS. Become your lenders point of contact for questions regarding GUS.

Help Center

A Centralized Help Desk (CHD) is available to assist employee and lender users regarding functionality of GUS and GUS e-authentication questions:

Contact the CHD at: 1-800-457-3642. To reach the help desk, choose Option 2 on the 1st menu item (USDA Applications) and Option 2 on the 2nd menu (RD) to obtain assistance from a Rural Development representative. Or, by email: RD.HD@stl.usda.gov.

Program related questions will continue to be referred to Rural Development SFHGLP State Coordinators or National Office.

Additional Resources

Lenders may access the GUS Lender User Guide from the navigation toolbar while online with GUS or at the USDA LINC website at: https://usdalinc.sc.egov.usda.gov/. Select Rural Housing Service followed by Training and Resource Library.

RD Instruction 1980-D and related AN that supplement standard guidelines are available online at: http://www.rurdev.usda.gov/regs/. To navigate the regulation website easily, it is suggested that users utilize the search capability of the website and request documents related to RD Instruction 1980-D.

Automatic Notification of GUS Changes

To remain informed of changes to GUS and origination of the SFHGLP, we encourage lenders to sign up for an automated notification by accessing the following website: http://www.rdlist.sc.egov.usda.gov/listserv/mainservlet.

Questions

Any questions concerning this AN should be addressed to:

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone Number</th>
<th>Email Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debbie Terrell</td>
<td>(918) 534-3254</td>
<td><a href="mailto:debra.terrell@wdc.usda.gov">debra.terrell@wdc.usda.gov</a></td>
</tr>
<tr>
<td>Kristina Zehr</td>
<td>(309)452-0830, x 111</td>
<td><a href="mailto:kristina.zehr@wdc.usda.gov">kristina.zehr@wdc.usda.gov</a></td>
</tr>
<tr>
<td>Josh Rice</td>
<td>(304) 872-1731, x 101</td>
<td><a href="mailto:joshua.rice@wdc.usda.gov">joshua.rice@wdc.usda.gov</a></td>
</tr>
<tr>
<td>Joaquin Tremols</td>
<td>(202) 720-1465</td>
<td><a href="mailto:joaquin.tremols@wdc.usda.gov">joaquin.tremols@wdc.usda.gov</a></td>
</tr>
</tbody>
</table>

or, contact the National Office division at (202) 720-1452.