

Rural Housing Announcement

May 30, 2018

RH 18-11 Changes to Eligibility of Certain Rural Areas

Summary Freedom Mortgage Corporation Rural Housing is issuing this communication to remind Sellers of changes to eligibility of certain rural areas.

On June 4, 2018, the new ineligible area maps for the Rural Development Single Family Housing (SFH) and Multi-Family Housing programs will be updated to the USDA Income and Property Eligibility Site at <https://eligibility.sc.egov.usda.gov>.

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

Areas Changing from Rural to Non-Rural

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

- 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.
- The Applicant has a signed and ratified sales contract on a property that is dated prior to June 4, 2018.
- Applicant meets all other loan eligibility requirements.

Additional Documentation Requirements Lenders must provide Rural Development all 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 the property was in an eligible rural area prior to June 4, 2018.
 - Maps of the “Previous Eligible Areas” (eligibility maps prior to June 4, 2018) 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 Ineligible Property Determination

GUS underwriting recommendations will display an INELIGIBLE property determination for property that is no longer located in an eligible rural area.

- For transactions complying with the previously noted date requirements, the INELIGIBLE property determination 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 additional documentation requirements provided in this communication.

Contact Us

As always, for standard program questions or scenarios, please contact your Freedom Mortgage Rural Account Executive. We appreciate your continued support of the home financing needs of rural America.