

**SUBJECT: USDA GRH – Funding Update and Other Changes**

**BULLETIN 19SEP26**

**September 26, 2019**

**\*\* IMPORTANT NOTICE \*\***

<p><b>Summary:</b></p>	<p>Towne Mortgage Company is issuing this communication to inform our valued partners of changes/updates to the USDA GRH Loan program and that Towne will be purchasing loans with valid "Subject to" Conditional Commitments.</p>
<p><b>Effective Date:</b></p>	<p>October 1, 2019</p>
<p><b>Fiscal Year 2020 USDA Guarantee and Annual Fees:</b></p>	<p>For Fiscal Year 2020 (which begins October 1, 2019), USDA will be charging the following fees:</p> <p><b>Up-Front Guarantee Fee:</b> Will remain 1.00% for FY2020.  <b>Annual Fee:</b> Will remain at 0.35% for both purchases and refinances for FY2020.</p>
<p><b>"Subject to" Conditional Commitments:</b></p>	<p>During the beginning of each fiscal year there is a brief period of time, usually no more than two weeks, during which commitment authority is unavailable. Commitment authority for the Single-Family Housing Guaranteed Loan Program is anticipated to be available in early October 2019.</p> <p>As announced by USDA on September 12, 2019 USDA will issue modified conditional commitments (3555-18) that are "subject to the availability of commitment authority". Towne Mortgage Company will purchase loans with these modified approvals allowing our partners to close loans as scheduled.</p>
<p><b>Maximum Interest Rate Calculation:</b></p>	<p>On July 22, 2019 Rural Development published their final rule in the Federal Register with regards to impact of the maximum interest rate calculation.</p> <p>This change eliminates the maximum interest rate cap for all SFHGLP loans to allow lenders the increased ability to extend credit to applicable applicants.</p> <p>3555-104(a)(2) will be amended as follows:</p> <p style="text-align: center;"><i>"Shall be negotiated between the lender and the borrower to allow the borrower to obtain the best available rate in compliance with all applicable laws."</i></p>



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<b>Changes to Construction to Permanent Loan Program:</b>	<p>On July 22, 2019 USDA published changes to the existing Single Close Construction Program that will allow for utilization of the program to rehabilitate a home on a purchase to meet program standards.</p> <p>Stay tuned for further announcements from Towne Mortgage Company specific to this program and its coming availability.</p>
<b>Contact Us:</b>	<p>If you have questions regarding the information contained within this bulletin, please contact your <a href="#">Account Executive</a>.</p>

Thank you,  
Operations Group  
**Towne Family of Companies**



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