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## USDA Elimination of Interest Rate Cap

**EFFECTIVE DATE: 10-01-2019**

This communication is to advise that FGMC will follow the guidance of the Federal Register ([84 FR 35003](#) and [84 FR 42799](#)) for the Single Family Housing Guaranteed Loan Program as it relates to the elimination of the interest rate cap:

*The final rule will update the regulation to eliminate the maximum interest rate cap for all SFHGLP loans to allow lenders the increased ability to extend credit to eligible applicants. This change is based on comments received in response to the proposed rule as well as the Request for Information (RFI) on August 17, 2018 (83 FR 41056) reduction or elimination of the interest rate cap.*

This change is effective for loans with USDA Commitments issued on or after 10/1/2019.

As FGMC does not offer the 1X Close product, those references within the Federal Register are not applicable.