

USDA Fiscal Year 2020 Conditional Commitment Notice

EFFECTIVE DATE: 10-01-2019

At the beginning of each fiscal year, funding for the Single-Family Housing Guaranteed Loan Program (SFHGLP) is not available for a short period of time – approximately two weeks. This will not change in FY 2020, which starts October 1, 2019. During the temporary lapse in funding, Rural Development will issue Conditional Commitments (Form RD 3555-18/18E) “subject to the availability of commitment authority” for purchase and refinance transactions.

Revised 10-11-2019: FGMC will purchase loans in which the Conditional Commitment is **subject to** the availability of commitment authority.

Per the [Fiscal Year 2020 Conditional Commitment Notice](#):

- Rural Development will continue to accept complete guaranteed loan applications for purchase and refinance loan transactions from approved lenders;
- Rural Development will process, approve, and issue Conditional Commitments for those applications that are eligible “subject to the availability of commitment authority”;
- Lenders may then close loans as scheduled;
- When funds become available, Rural Development will utilize the Electronic Customer File (ECF) system to advance the file to “Obligate Application” for Conditional Commitments that were issued for loans subject to the availability of commitment authority;
- Once loans are obligated, Rural Development will process lender’s Loan Note Guarantee requests when the loan closing is verified, and all conditions of the Conditional Commitment are satisfied;
- Lenders assume all loss default risk for the loan until Rural Development is able to obligate the loan and issue the Loan Note Guarantee.

Fee Amounts for FY 2020: An upfront guarantee fee of 1.00 percent and an annual fee of 0.35 percent will apply to both purchase and refinance transactions for FY 2020.