

August 31, 2017

Reminder – Lender Responsibility Prior to Loan Closing in the Event of Natural Disasters

In response to the Hurricane Harvey we have received inquiries from lenders on their responsibilities for loan applications which may have been affected by this natural disaster. Lenders should conduct due diligence to ensure that potential damage to the security property or changes to borrower eligibility such as a loss or reduction of income has not occurred.

7CFR 3555, section 3555.107(i)(2) states “The lender will certify the loan closed in accordance with the conditional commitment and no major changes have taken place since the issuance of a commitment, except any changes specifically approved by the Agency”. When the lender submits the loan closing within the electronic “Lender Loan Closing” system the lender certifies that the loan was closed in accordance with the conditional commitment, which contains the previously noted certification. Additionally, section 16.2 of HB-1-3555 states in part “In the event there are any changes in the loan terms, characteristics of the applicant, or characteristics of the property, between the issuance of Form RD 3555-18/18E and loan closing, or if any conditions or requirements imposed by the Agency will not be met, the lender must notify the Agency in writing”.

Questions regarding this announcement may be directed to the National Office Division at (202) 720-1452.

Help Resources

USDA ITS Service Desk Support Center

For e-Authentication assistance

Email: eAuthHelpDesk@ftc.usda.gov

Phone: 800-457-3642, option 1 (USDA e-Authentication Issues)

Rural Development Help Desk

For GUS system, outage or functionality assistance

Email: RD.HD@STL.USDA.GOV

Phone: 800-457-3642, option 2 (USDA Applications); then option 2 (Rural Development)