

BULLETIN #2016-46

TO: Distribution

DATE: September 28, 2016

RE: CMG Financial Correspondent Lending Updates

EFFECTIVE: As noted below

CMG FINANCIAL CORRESPONDENT LENDING UPDATES

Topics Covered in this Announcement:

- From USDA –Conditional Commitment Updates & Fee Changes Reminder

FROM USDA- CONDITIONAL COMMITMENT UPDATES & FEE CHANGES REMINDER

With the start of fiscal year 2017 (FY17) just around the corner, please take a few minutes for a timely review of the Single Family Housing Guaranteed Loan Program (SFHGLP) conditional commitment process.

Issuance of Conditional Commitments: At the beginning of each fiscal year, funding for the SFHGLP is not available for a short period of time – approximately two weeks. This will not change in FY 2017, which starts October 1, 2016. **During the temporary lapse of funding, Rural Development will issue Conditional Commitments “subject to the availability of commitment authority” for purchase and refinance transactions.**

The application processing workflow is as follows:

- Rural Development will continue to accept complete SFHGLP applications for purchase and refinance loan transactions from lenders;
- Rural Development will process, approve, and issue Conditional Commitments (Form RD 3555-18) for those applications that are eligible “subject to the availability of commitment authority;”
- **An upfront guarantee fee of 1.00 percent and an annual fee of 0.35 percent will apply to both purchase and refinance transactions in FY 2017.**
- Lenders may then close loans as scheduled;
 - When funds become available, Rural Development will obligate funds for Conditional Commitments issued for loans subject to the availability of commitment authority;
 - Once loans are obligated, Rural Development will process lenders’ Loan Note Guarantee requests as soon as the loan closing is verified and all conditions of the Conditional Commitment are satisfied;

Please refer to the [Conditional Commitments Issued During the Beginning of Fiscal Year 2017’s Unnumbered Letter](#) for more information.

***Please contact your Correspondent National Sales Manager
or your Correspondent Liaison with any questions.***

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