



SFH Guaranteed Underwriting System Updates

From the National Office in Washington DC

Single Family Housing Guaranteed Underwriting System

December 5, 2011

UPDATE - FISCAL YEAR 2012 COMMITMENT NOTICE!

UPDATE – INCREASE TO REFINANCE UPFRONT GUARANTEE FEE

EFFECTIVE Wednesday, December 7, 2011: The upfront guarantee fee for all refinance transactions will increase from 1 percent to 1.5 percent at this time. This increase to the upfront guarantee fee for refinance transactions will make over \$1.1 billion dollars in refinance commitment authority available to eligible homeowners. Interest rates continue to remain at very low levels affording responsible homeowners the opportunity to refinance their existing Single Family Housing Guaranteed loan, resulting in lower monthly payments.

Conditional Commitments for refinance transactions that have previously been issued by the Agency “subject to the receipt of commitment authority” at the 1 percent upfront guarantee fee structure will be honored by the Agency once the commitment authority becomes available. We expect the commitment authority to become available on Wednesday, December 7, 2011.

Refinance funds for new fiscal year 2012 Conditional Commitments will not be available until the fiscal year 2012 (FY12) commitment authority is posted to the Single Family Housing Guaranteed Loan Program account. Until such funds are posted, Rural Development will issue Conditional Commitments, “subject to the receipt of commitment authority.” Lenders will be notified when commitment authority is available for FY12 refinance requests.

Effective Wednesday, December 7, 2011, new Conditional Commitment requests for a refinance transaction will be issued by the Agency utilizing a 1.5 percent upfront guarantee fee and a 0.3 percent annual fee. The new fee structure for FY12 is as follows:

- 2 percent upfront guarantee fee for purchase transactions;
- 1.5 percent upfront guarantee fee for refinance transactions; and
- 0.3 percent annual fee for both purchase and refinance transactions.