

USDA Eligibility Changes to Certain Rural Areas

Impacted Channels and Roles

- Retail Sales and Operations
- Wholesale Sales and Operations

Determining Property Eligibility by Application Date

On March 16, 2018, the proposed ineligible area maps for the Rural Development Single Family Housing (SFH) and Multi-Family Housing programs were posted to the USDA Income and Property Eligibility Site at <https://eligibility.sc.egov.usda.gov>. Users will need to select the “Proposed Ineligible Areas” tab after choosing the appropriate program (e.g. Single-Family Housing Guaranteed) to view the new ineligible area maps. The “Proposed Ineligible Areas” maps show all ineligible, non-rural areas and not only the new non-rural areas. In some cases, previously ineligible areas will now become eligible rural areas.

The new ineligible areas will become effective on June 4, 2018.

Loan Guarantee Processing

On June 4, 2018, all properties for new applications must be located in an eligible rural area based on the new maps. However, a property that is located in an area being changed from rural to non-rural may be approved if all of the following conditions are met:

1. The application is dated and received by the lender prior to June 4, 2018 and the Loan Estimate was issued by the lender within 3 days of application receipt.
2. The applicant has a signed/ratified sales contract on a property that is dated prior to June 4, 2018.
3. Applicant meets all other loan eligibility requirements.

If the property is located in an area being changed from rural to non-rural, lenders must provide Rural Development all of the following information in addition to all other required documentation. For loans submitted via the Guaranteed Underwriting System (GUS), the documentation must be uploaded into the system.

- Copy of the signed/ratified and dated sales contract.
- Copy of the Loan Estimate issued to the applicant.
- Verification that the property was located in an eligible rural area prior to June 4, 2018. **Note:** Maps of the “Previous Eligible Areas” will be available on the Eligibility site beginning June 4, 2018. A printout of the map indicating the property address was previously eligible is acceptable.

Please see your respective manager with any questions.