Committed to the future of rural communities.

GUS Lender User Guide
December 2010

➢GUS User Guide➢

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Section 1 ➔ GUS Page Orientation

GUS PAGE ORIENTATION

Each GUS page contains features that assist the user in navigating through an application with ease. Navigation buttons specific to each page, scroll bars, and system messages are available to provide a user friendly experience.

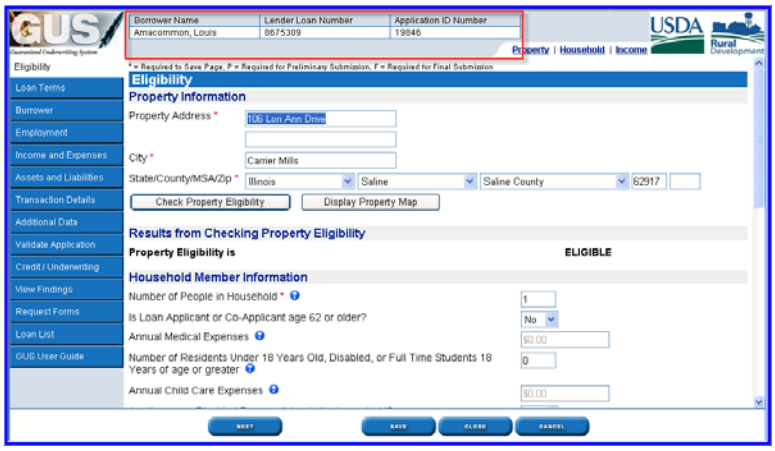
THE OPTIMAL SCREEN RESOLUTION FOR VIEWING GUS IS 1024 x 768

Page Frames:
Each page includes a primary frame (bars above and around the screen). The header, footer, and left navigation menu bars remain fixed while scrolling through pages.

Scroll Bars:
GUS pages feature a scroll bar on the right side of the application page to view entire application pages from top to bottom.

Users should scroll through each GUS application page to ensure all data fields are completed before advancing to a new page.

Some pages feature a scroll bar at the bottom of the application page which allows the user to view the entire page from left to right, as some data fields extend across the application page.

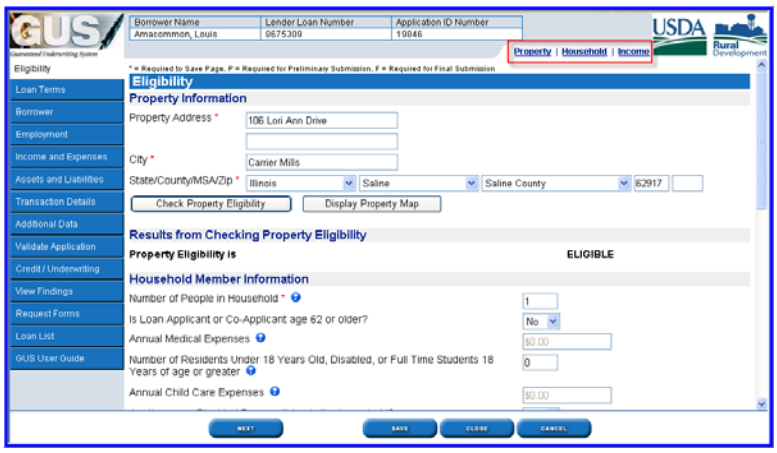


Page Header:
The page header will appear at the top of each GUS application page.

"Borrower Name" will display the **primary** borrower, Lender Loan Number, and Application ID Number once the "Borrower" page has been saved.

"Lender Loan Number" populates from the loan number entered by the user on the "Loan Terms" page.

"Application ID Number" is a unique number assigned to the GUS application, NOT the borrower. It will populate a random number assigned by GUS once the "Borrower" page is saved.



Navigation Bookmarks:

"Page Navigation Bookmarks" allow the user to navigate to sections within a specific application page. This can eliminate the need to utilize the vertical scroll bar to advance through a page.

The example displays three page navigation bookmarks. The user may click on "Property," "Household," or "Income" to quickly advance to these portions of the GUS application page.

Navigation Links:

The GUS Navigation Bar is located on the left side of the GUS application page.

When a user selects **New Application** from the GUS home page, the "Eligibility" screen will be the first accessible screen. Users must complete the "Eligibility," "Loan Terms," and "Borrower" pages before they may enter data onto other application pages. Until the "Borrower" page is saved, access to remaining pages will be blocked.

Once the first three GUS pages have been completed and saved, the user may click on any GUS page to view and/or complete.

The GUS Navigation Bar appears on all GUS application pages.

Activating Additional Navigation Links:
Once the first three GUS application pages have been saved, the GUS Navigation Bar will allow additional application pages to be selected.

Action Buttons:
Buttons in the left navigation bar and on pages within the application perform a function specific to that page. Accessibility to certain action buttons is affected by the user role and status of the application.

"Validate Application" is an example of an action button located on the navigation bar and can optionally be utilized by a user. It is recommended the user choose the "Validate Application" function **prior** to a final underwriting submission. It will return any errors found, for user correction, prior to requesting a final underwriting determination from GUS.

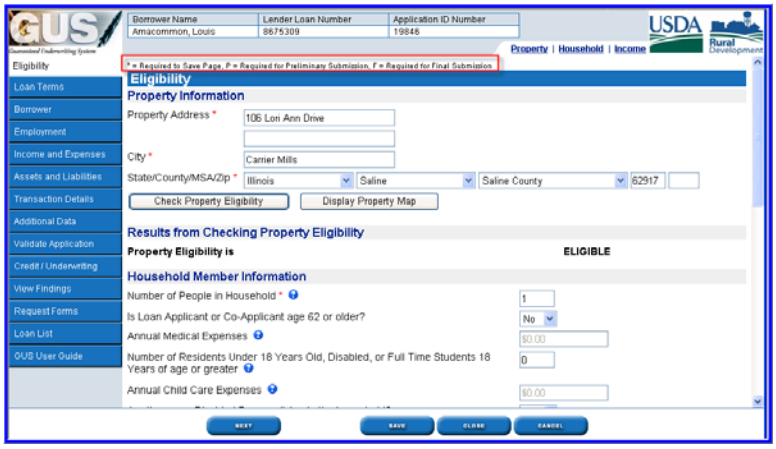
"Check Property Eligibility" is an example of an action button located within the GUS application page and can optionally be utilized by a user. When this action button is selected on the "Eligibility" application page, GUS will determine whether the address entered is eligible for the Guarantee Loan Program.

"Request Forms" allows the user to print two origination forms populated with data entered in GUS:

- Uniform Residential Loan Application
- Form RD 1980-21, "Request For Single Family Housing Loan Guarantee"

"Loan List" will display a list of active loans for the previous seven days. Users may modify the date to capture applications entered prior to the past seven day list default.

"GUS User Guide" is a valuable resource designed to assist users with GUS applications.



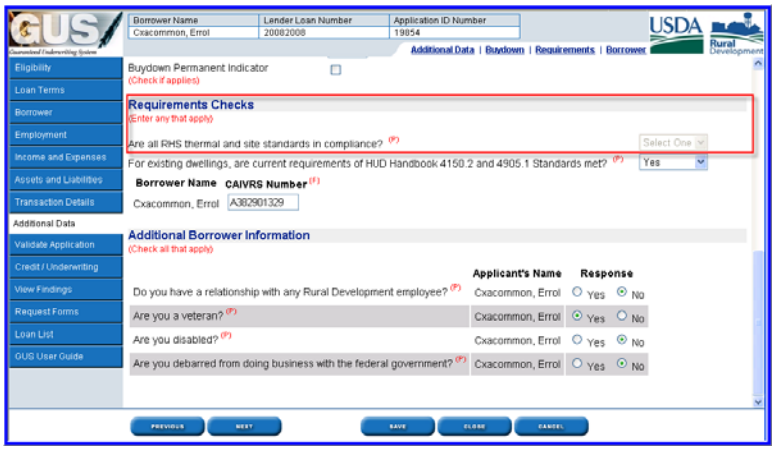
Required Fields:

The system message at the left alerts the user of data fields that must be completed to save an application page, **or** submit preliminary or final underwriting submissions. The symbols represent:

*** Required to Save Page**

P Required for Preliminary Submission

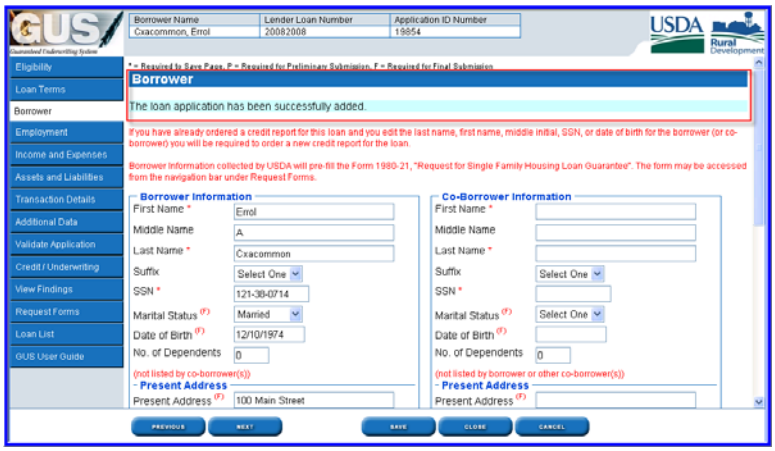
F Required for Final Submission



Inaccessible Fields:

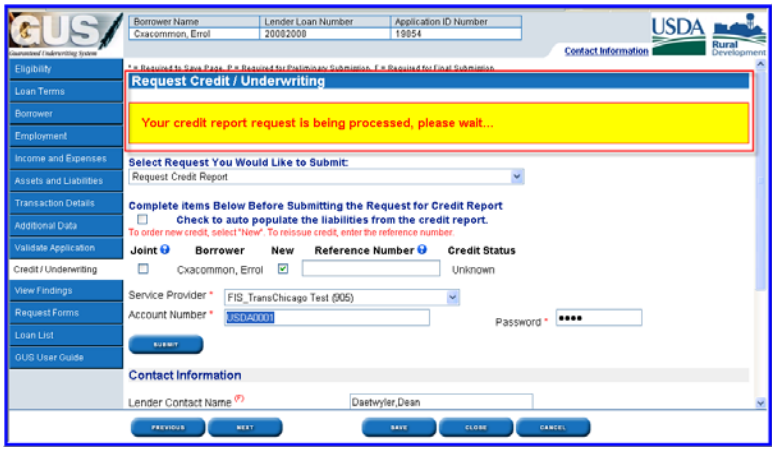
Some data fields on GUS application pages will be inaccessible to the user or "grayed out." Data fields are dynamically accessible or inaccessible based upon data entered throughout GUS, and whether or not the information is necessary per USDA Rural Development guidelines.

In this example, under "Requirements Checks" on the "Additional Data" application page, the question "Are all RHS thermal and site standards in compliance?" is inaccessible; therefore this information is not necessary for this GUS application.

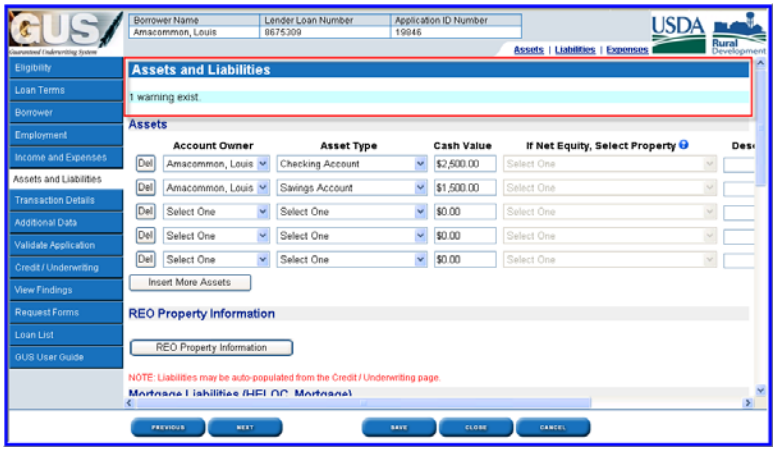


GUS provides four types of messages regarding the condition of data entered by the user. A user may receive informational, processing, warning, or error messages to assist in navigating the system and completing the task.

Messages are displayed at the top of the frame. Warning and error messages also identify the relevant data field.

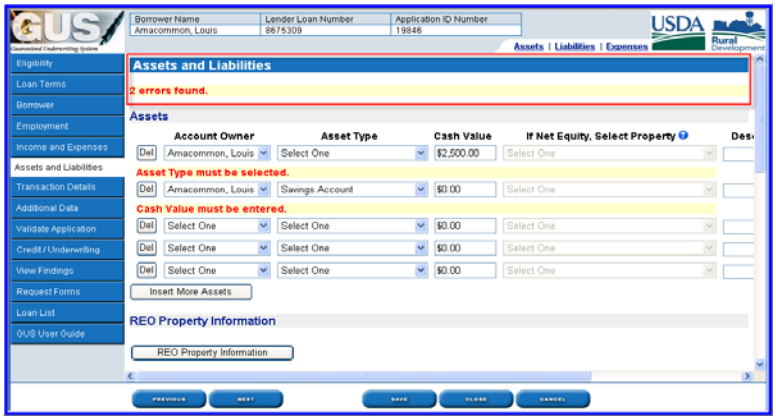


Processing messages indicate the system is processing a task and the response has not been received.



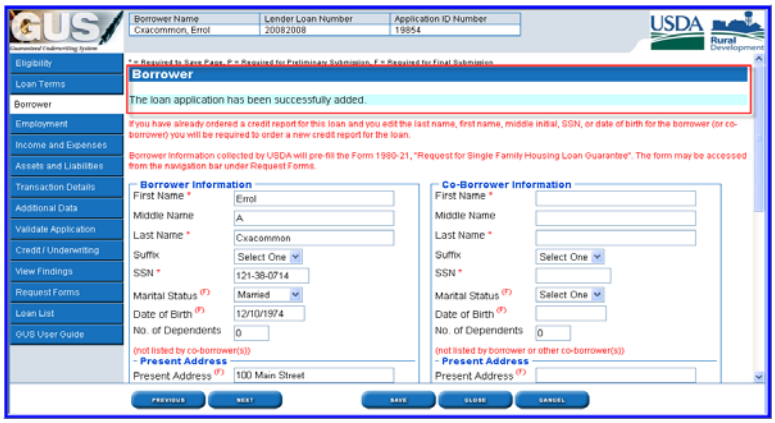
"Warning" messages alert the user the application is incomplete but may be saved and completed later. Warning messages are displayed in black text and aqua background.

Users should scroll through the GUS application page to locate the warning and its accompanying message which identifies the data field(s) that requires correction.



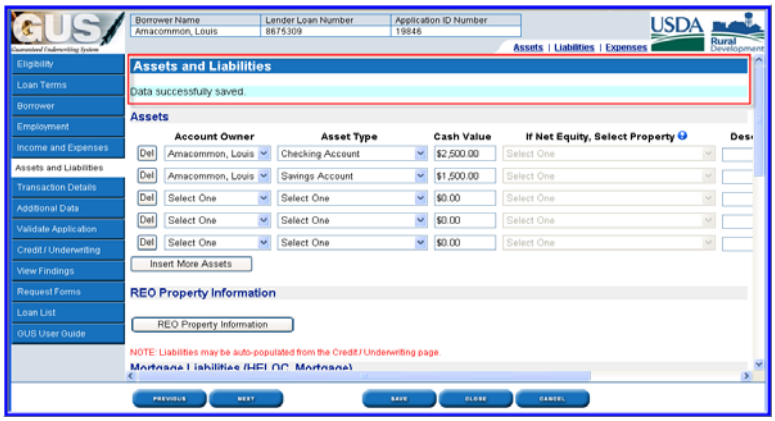
"Error" messages indicate problems exist with the data that will prevent the system from saving the GUS application page. Errors will display with red text and yellow background.

Users should scroll through the GUS application page to locate the error and its accompanying message which identifies the data field(s) that requires correction.



Informational Messages provide general information or task confirmation.

An example of an information message is: **"The loan application has been successfully added."**



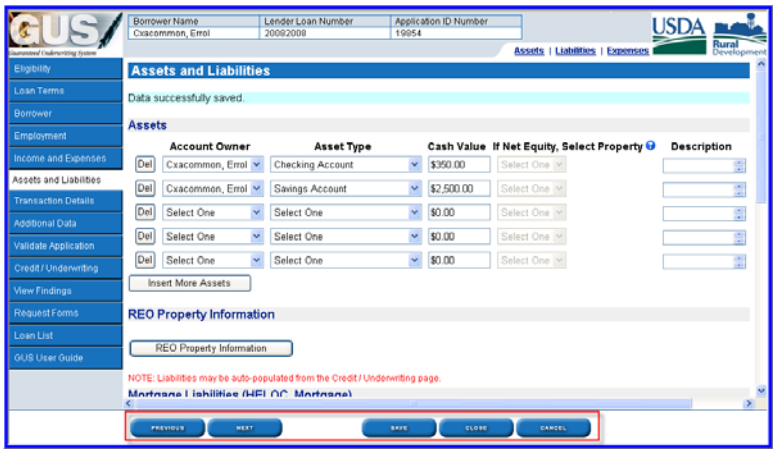
"Data successfully saved" system message.

Users receive confirmation data has been saved.

"You are about to lose your last changes, do you wish to proceed?" system message.

GUS will alert users if recent changes will be lost if they proceed with the current action. To ensure recent changes are not lost users should click "Cancel" and then click the "Save" footer button located at the bottom of the GUS page.

If the user does not wish to retain the recent changes, click on "OK."



Footer Buttons:

"Footer Buttons" represent possible navigation from the current page. If the user clicks on any button other than the "Cancel" button, the system will edit and save the data on that page before moving to another page. Footer button examples include:

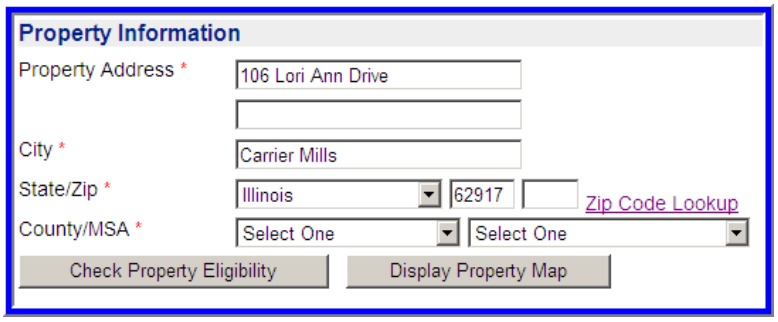
- Previous
- Next
- Save
- Close
- Cancel

Section 2 ➔ GUS Entering a Purchase Loan

ENTERING A PURCHASE LOAN

ELIGIBILITY

The Eligibility page will be the first page of GUS to display for a New Application. The Eligibility page is a scrolling page. The user may access the scroll bar located on the right side of the page to view the entire page. The goal of the Eligibility page is to determine property and income eligibility for the Guaranteed Loan Program.

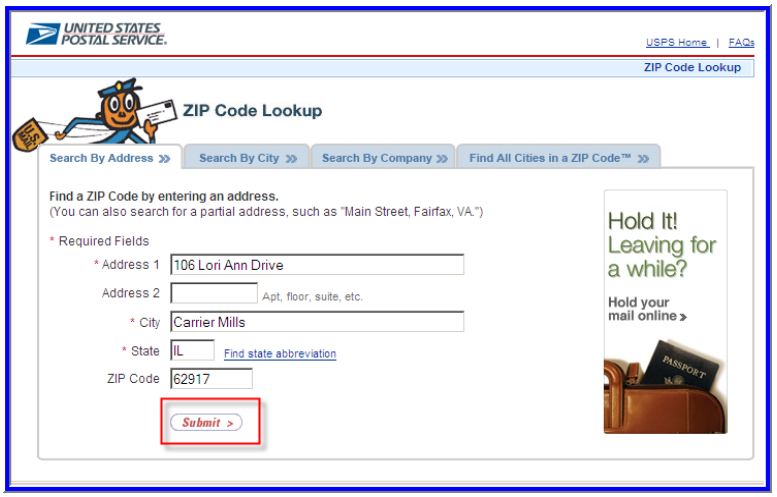


1. Enter the "Property Address" for the subject loan.

   - If the borrower(s) has not selected an exact property address enter "TBD" (To Be Determined) in the property address field.
   - Entering "TBD" will result in a "Property Eligibility" finding of "Unable to Determine"; however TBD **will not** affect GUS's ability to render a preliminary underwriting recommendation.

The property address field must be updated prior to a "Final" submission.

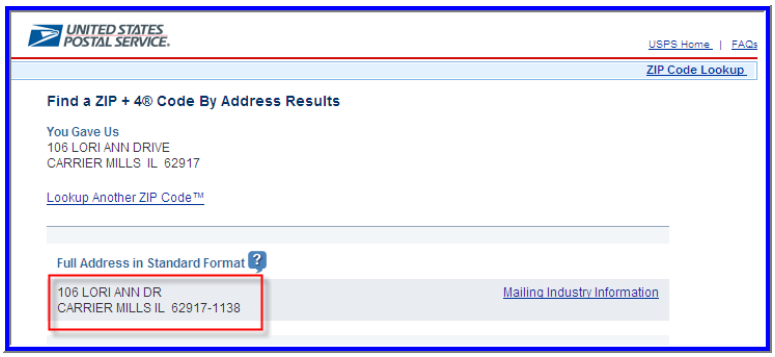
2. Enter the "City."
3. Select the "State."
4. Enter the nine digit "Zip Code." If the user does not know the correct "+4 zip code extension," click on the "Zip Code Lookup" hyperlink. If the address does not have a +4 zip code extension then leave this field blank.



"Zip Code Lookup"

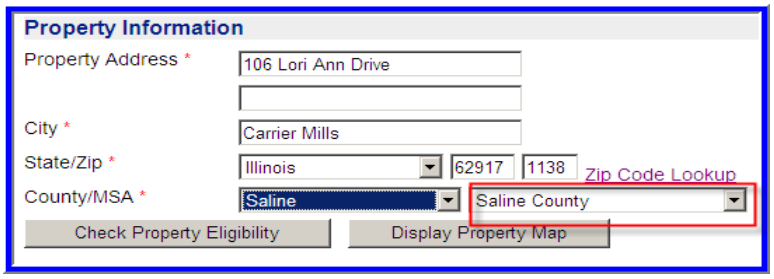
When the "Zip Code Lookup" hyperlink is selected, a pop up box will appear from the United States Postal Service (USPS).

Enter the street address, city, and state. Click on "Submit."



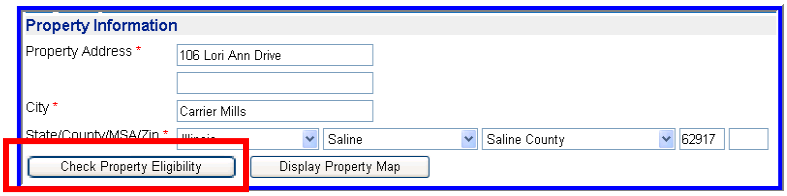
The full address will appear including the four digit zip code extension. In this example the "zip + 4" is "62917-1138."

Close the pop up window to return to the "Eligibility" page. Enter the "+4 zip code extension."



5. Select the "County" from the drop down box. When the county has been chosen the "MSA" will dynamically pre-fill.

Some counties may fall under more than one MSA. Ensure the correct MSA has been selected.



6. Click on "Check Property Eligibility." GUS will display the property eligibility determination.

There are 3 property eligibility determinations returned by the system:

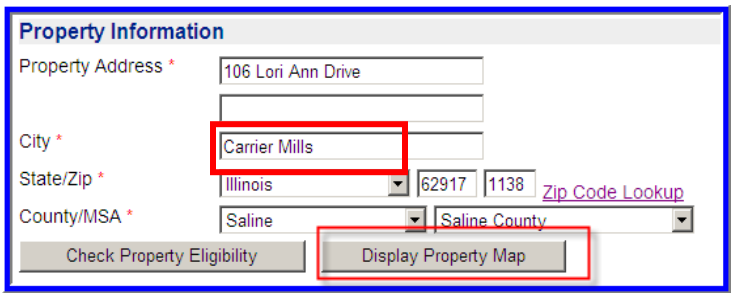
ELIGIBLE: The property is located in an eligible rural area.

INELIGIBLE: The property is not located in an eligible rural area.

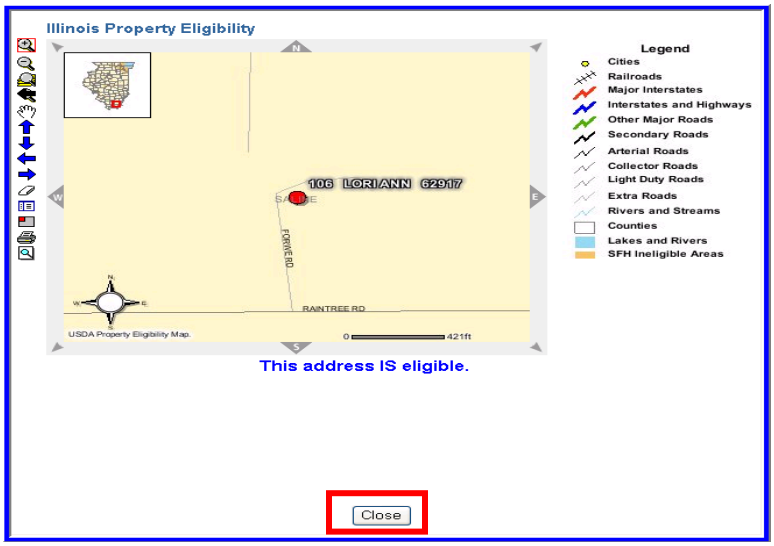
UNABLE TO DETERMINE: The property could not be located. This can occur when:

- New construction address may not yet be mapped into the geocode system.
- The eligibility website is temporarily offline.
- The address is misspelled.
- TBD was used for the property address.

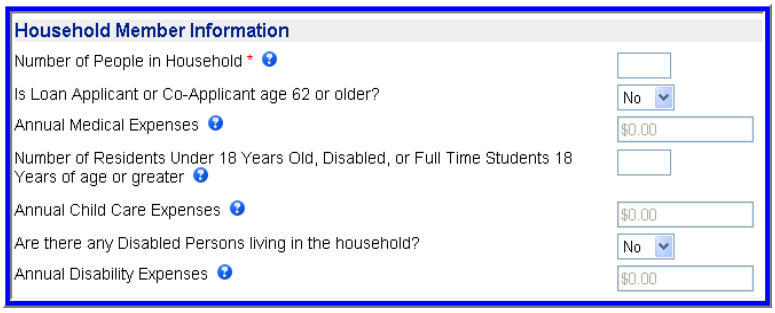
Contact USDA Rural Development if there are questions regarding a property eligibility determination.



7. Click on "Display Property Map" to view the mapped address.

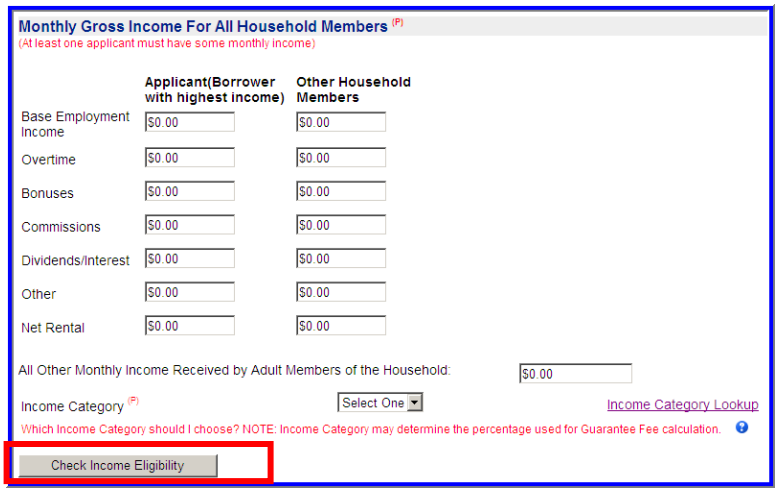


8. Click on "Close" to return to the GUS "Eligibility" page.



Certain fields within the "Household Member Information" section will be dynamically created based upon information provided by the user.

9. Enter the "Number of People in the Household."
10. "Is the Loan Applicant or Co-Applicant age 62 or older?" Select "No" or "Yes."
11. Enter "Annual Medical Expenses." This field will only be accessible if the loan applicant or co-applicant is age 62 or older.
12. Enter the "Number of Residents Under 18 Years Old, Disabled, Or Full Time Students 18 Years of age or greater."
13. Enter "Annual Child Care Expenses." This field will only be accessible if the user indicates there are residents under 18 years old.
14. "Are there any Disabled Persons living in the household?" Select "No" or "Yes."
15. Enter "Annual Disability Expenses." This field will only be accessible if the user indicates there are disabled persons living in the household.



The "Monthly Gross Income For All Household Members" records Guaranteed Loan Program adjusted annual income (program qualifying income) which may differ from repayment income. Repayment Income will be recorded later on the "Income and Expenses" page.

16. Enter the **gross monthly** income for each applicant and adult household member who will occupy the household in the ensuing 12 months.
17. "Other" or "All Other Monthly Income Received by Adult Members of the Household" received by adult members of the household can include but is not limited to; child support, social security benefits, alimony, part-time employment, etc.

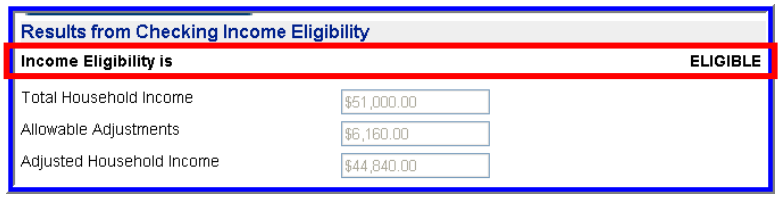
GUS will dynamically display monthly income columns for each eligible household member based upon information provided in the "Household Member Information" section. Enter the highest gross monthly income first. Co-applicants that do not earn wages may be left blank.

GUS provides many income types for data accuracy and convenience. Child Support, Social Security benefits, etc. should be placed under "Other."

Net rental income cannot be entered as a negative number. GUS will calculate negative rental income in the "REO Property Information" section of the "Assets and Liabilities" page later in the application.

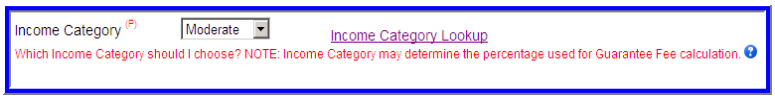
"Income Category" will be addressed below. Users must first view the sum of all total household income before making an income category determination.

18. Click on "Check Income Eligibility."



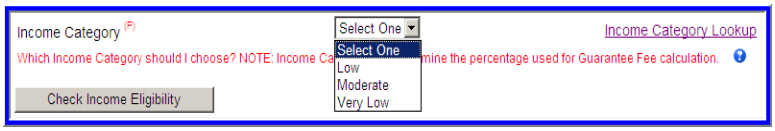
19. "Results from Checking Income Eligibility" will appear.

Below the results, GUS will list the total household income, which is the sum of all income reported for each eligible household member. Allowable adjustments are calculated based upon information provided. GUS will calculate the "Adjusted Household Income." The adjusted household income is utilized for Guaranteed Loan Program eligibility.



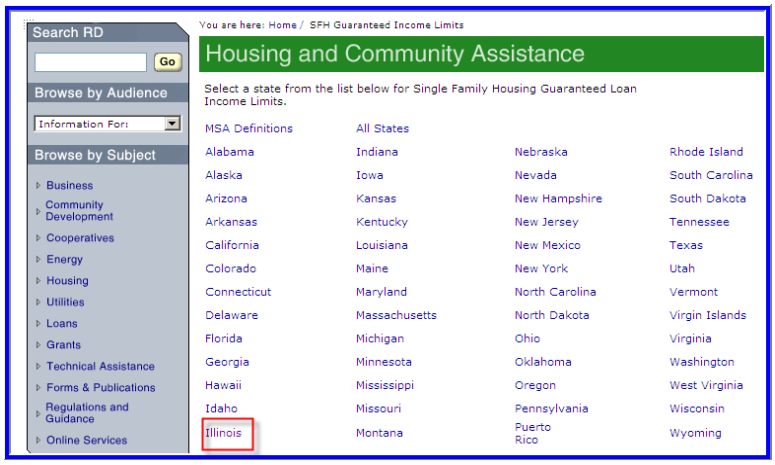
Before an "Income Category" can be selected, read the red message:

"Which Income Category should I choose? NOTE: Income Category may determine the percentage used for Guarantee Fee calculation."



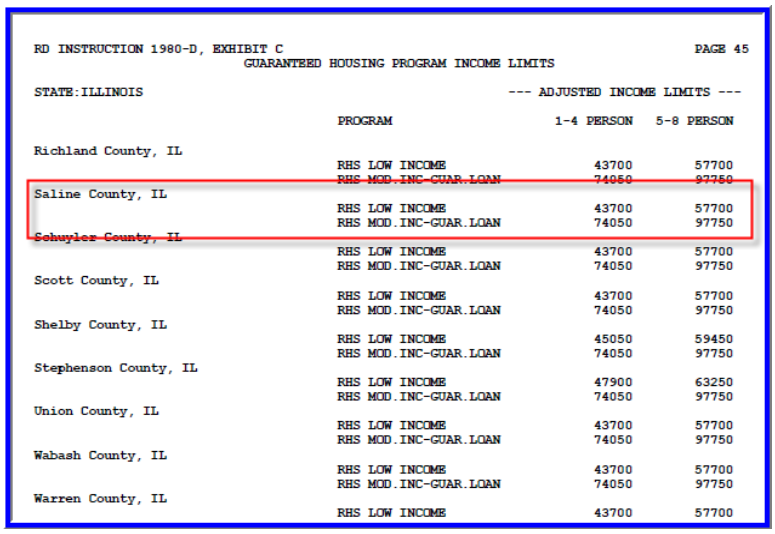
20. Select the "Income Category." Options include:
    - Low
    - Moderate
    - Very Low

If users need assistance to determine the proper selection click on the "Income Category Lookup" hyperlink.



A pop up box will appear that provides links to state income limits.

Select the appropriate state. In this example "Illinois" is selected.



RD INSTRUCTION 1980-D, EXHIBIT C PAGE 45

GUARANTEED HOUSING PROGRAM INCOME LIMITS

STATE:ILLINOIS

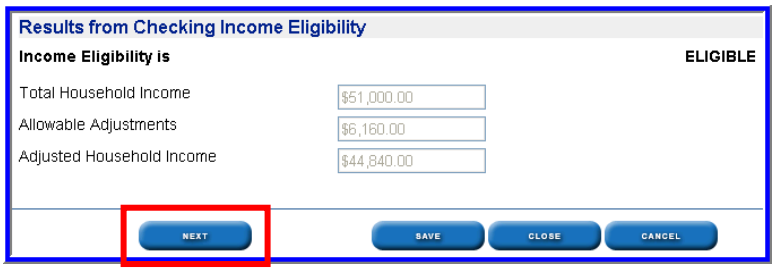
	PROGRAM	--- ADJUSTED INCOME LIMITS --- 1-4 PERSON	5-8 PERSON
Richland County, IL			
	RHS LOW INCOME	43700	57700
	RHS MOD.INC-GUAR.LOAN	74050	97750
Saline County, IL			
	RHS LOW INCOME	43700	57700
	RHS MOD.INC-GUAR.LOAN	74050	97750
Schuyler County, IL			
	RHS LOW INCOME	43700	57700
	RHS MOD.INC-GUAR.LOAN	74050	97750
Scott County, IL			
	RHS LOW INCOME	43700	57700
	RHS MOD.INC-GUAR.LOAN	74050	97750
Shelby County, IL			
	RHS LOW INCOME	45050	59450
	RHS MOD.INC-GUAR.LOAN	74050	97750
Stephenson County, IL			
	RHS LOW INCOME	47900	63250
	RHS MOD.INC-GUAR.LOAN	74050	97750
Union County, IL			
	RHS LOW INCOME	43700	57700
	RHS MOD.INC-GUAR.LOAN	74050	97750
Wabash County, IL			
	RHS LOW INCOME	43700	57700
	RHS MOD.INC-GUAR.LOAN	74050	97750
Warren County, IL			
	RHS LOW INCOME	43700	57700

Locate the MSA or County where the property is located.

If the total household income is at or below the "RHS Low Income" amount for the applicable number of household members, select "Low" as the "Income Category."

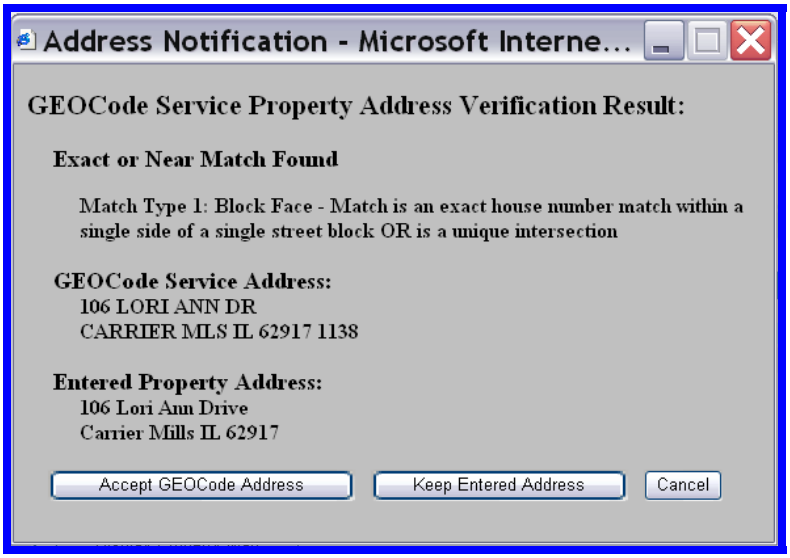
If the total household income is at or below the "RHS Mod. Inc-Guar Loan" amount but above the "RHS Low Income" amount select "Moderate" as the "Income Category."

To determine if the household is "Very Low" please contact Rural Development.



21. Click on "Next" to advance to the "Loan Terms" page.

Users that wish to exit a GUS application may click on "Close." The GUS application will close and data entered will *not* be saved.



Once the "Next" button is selected a pop up "Address Notification" box will appear.

It will contain two versions of the property address entered by the user on this page. A GEOCode Service Address will be compared to the user Entered Property Address. Users must select to "Accept GEOCode Address", "Keep Entered Address", or "Cancel". If the user notices the address was entered wrong they should select "Cancel" to return to the Eligiblity page and make corrections (in this instance the user will again select "Next" at the bottom of the Eligibility page after correcting address.) The "Address Notification" popup box will again appear and the user should select the option which displays the most accurate rendering of the property address.

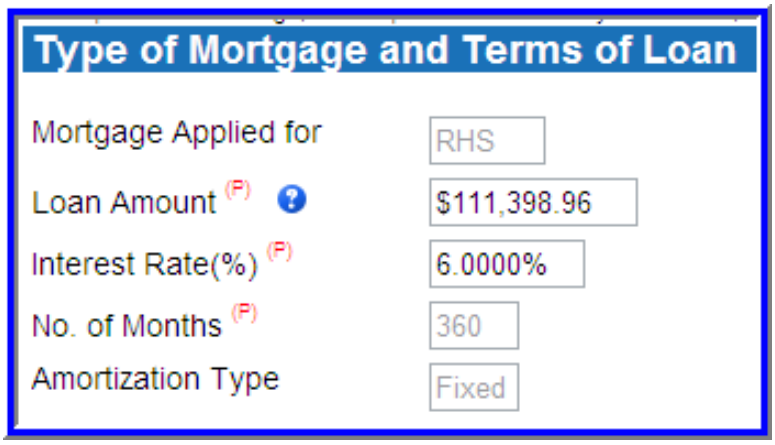
DO YOU NEED TO CANCEL THIS APPLICATION?

If the user determines the property or income is ineligible for a Guaranteed loan and wishes to terminate this application, click on "Cancel."

The application data entered will *not* be saved.

LOAN TERMS

The Loan Terms page outlines the total loan amount, interest rate, and additional property information. This example will be a **Purchase** loan.



1. "Mortgage Applied for" will default to "RHS."
2. Enter the **total "**Loan Amount."

The total loan amount should reflect the inclusion of any portion of the guarantee fee that may be financed (total loan amount cannot exceed the market value of the property plus the financed portion of the GRH guarantee fee).

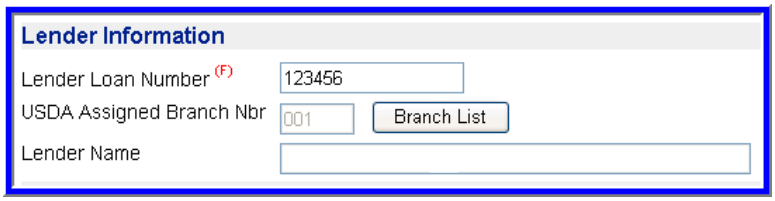
Example:
$105,000 purchase price
+ $2500 closing costs
+ 3.5% guarantee fee
$107,500 base loan amount

$107,500 ÷ .965 = $111,398.96

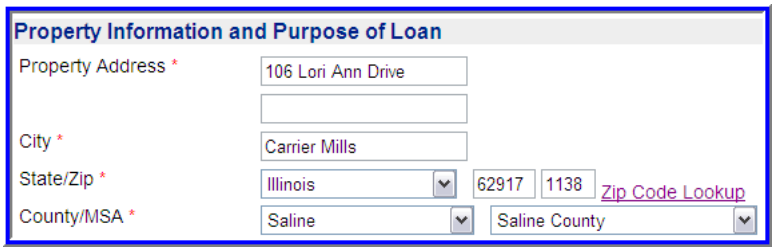
$111,398.96 is the total loan amount including the guarantee fee.

$111,398.96 X .035 = $3,898.96 guarantee fee

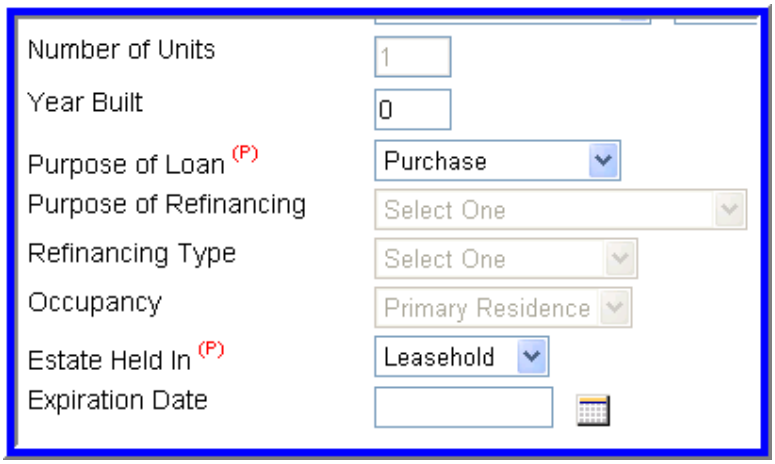
3. Enter the "Interest Rate."
4. "No. of Months" will default to "360."
5. "Amortization Type" will default to "Fixed."



6. Enter the "Lender Loan Number." If not known, the user may return to this field and complete prior to a **final** submission.
7. "USDA Assigned Branch Nbr": Users who are designated by their Security Administrator (SA) as a "Lender Representative" or "Lender Representative with Final Submit Authority" may modify the branch displayed by selecting the "Branch List" action button, then selecting the appropriate branch.
8. "Lender Name" will pre-fill.



9. "Property Information" will populate with property address, city, state, county, MSA, and zip entered on the "Eligibility" page. The "Zip Code Lookup" link is available if the "zip +4" is unknown. Any update to the property address field will also be reflected on the "Eligibility" page of the application.



10. "Number of Units" will default to "1."
11. Enter the "Year Built"; the year the property was built.
12. Select the "Purpose of Loan," options include:

    - Construction Only
    - Purchase
    - Refinance

13. "Occupancy" will default to "Primary Residence."
14. Select the "Estate Held In." Options include.

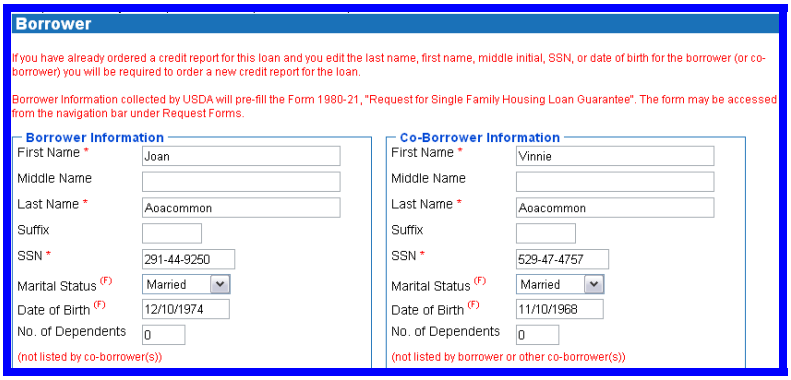
    - Fee Simple
    - Leasehold

If the property is held in Leasehold, enter the expiration date of the lease. A calendar icon is available to assist with determining the future expiration date. Click on the calendar icon to activate.

15. Click on "Next" to advance to the "Borrower" page.

BORROWER

The Borrower page captures name, identifying characteristics, as well as current and previous housing history. This screen is dynamic, displaying only the number of "Borrower" fields indicated by the user on the "Eligibility" page.



1. This screen is dynamic, displaying only the number of "Borrower" fields as selected by the user on the "Eligibility" page. Important messages in **red** shown at the top of the Borrower page caution the user to enter borrower data **exactly** as it appears on any valid credit report(s) previously issued for this borrower.

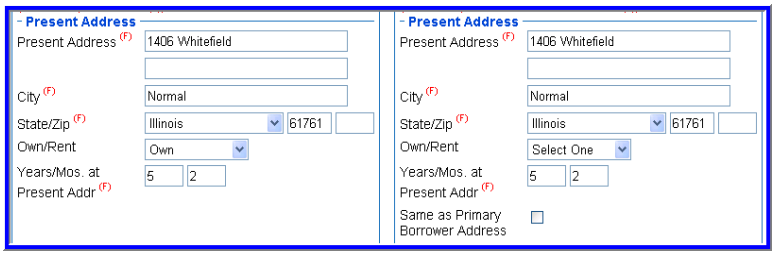
Failure to input matching information could result in requiring the user to order NEW credit in GUS.

2. Enter the "First Name," "Middle Name" (if applicable), and "Last Name" of the Borrower/Co-borrower(s).
3. Enter the "Suffix" of the Borrower/Co-Borrower(s), as applicable.
4. Enter the "SSN" for each borrower.
5. Select the "Marital Status" for each borrower. Options include:

    - Married
    - Unmarried
    - Separated

6. Enter the "Date of Birth" for each borrower in xx/xx/xxxx format.

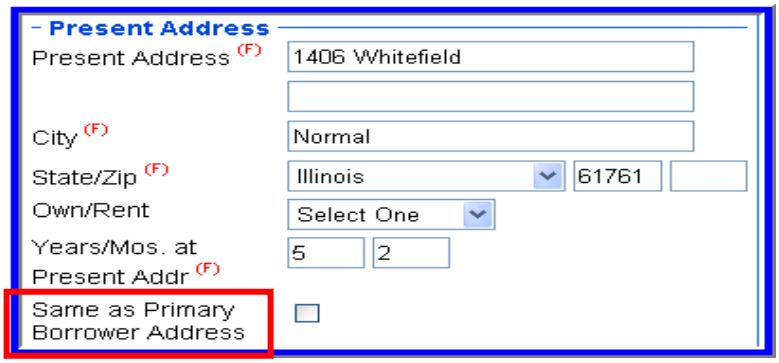
Enter the "Number of Dependents." Dependents for the household are to be listed in only one borrower field.



7. Enter the "Present Address" for each borrower.
8. Enter the "City."
9. Select the "State."
10. Enter the "Zip code."
11. Select the appropriate status for "Own/Rent." Options include:

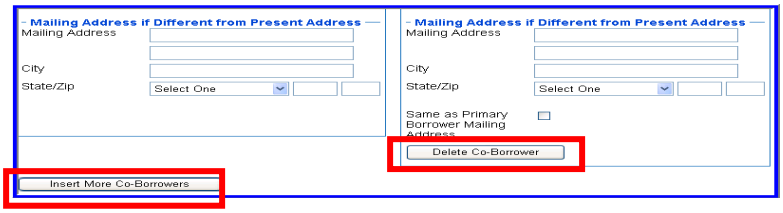
    - Live Rent Free
    - Own
    - Rent

12. Enter the "Years/Months at Present Address."



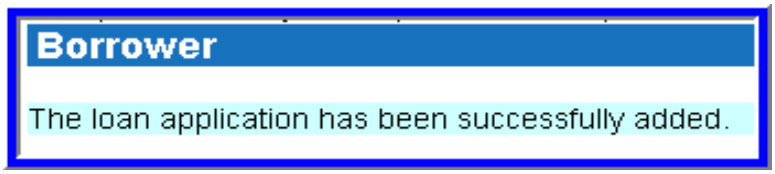
13. If the **Co-Borrower** shares the same primary address as the Borrower, check the indicator box, "Same as Primary Borrower Address." The information from the primary borrower will carry over to the co-borrower.
14. For each borrower the user will complete "Years/Months at Present Address" and "Own/Rent."

If the Co-Borrower's address differs from the primary borrower, enter the correct information.



15. Enter the "Mailing Address" if different from "Present Address."
16. Click on "Insert More Co-Borrowers" or "Delete Co-Borrower" if either action is desired.

17. Click on "Save" to successfully save the GUS application.



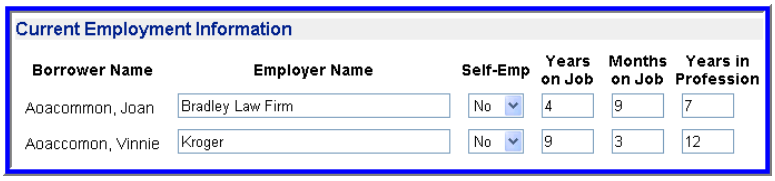
18. When a GUS application has been successfully saved, a confirmation message will appear at the top of the "Borrower" page confirming "The loan application has been successfully added."

19. Click on "Next" to advance to the "Employment page.

Once the "Borrower" page has been successfully saved the user may randomly move between the GUS application pages by selecting a desired page from the GUS Navigation Menu.

EMPLOYMENT

The Employment page captures data related to the borrower(s) current and previous employment history. Lenders should verify a two year job history for each borrower.



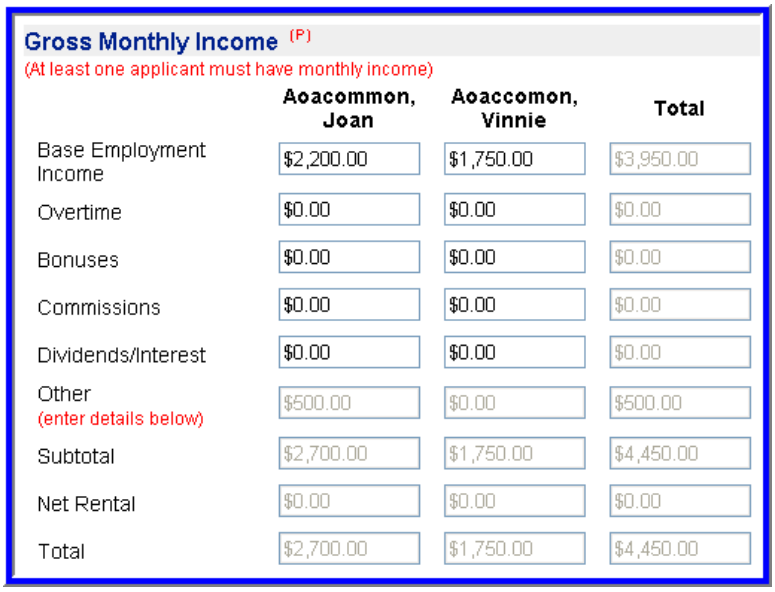
1. Enter the "Employer Name" for each Borrower.
2. "Self-Employed", select "No" or "Yes."
3. Enter the "Years on Job."
4. Enter the "Months on Job."
5. Enter the "Years in Profession."

6. If the current position has been held for less than 2 years **or** a borrower currently holds more than one position, complete the "Secondary/Previous Employment Information" section. Select the appropriate "Borrower Name."
7. Select the "Status" of employment. Options include:
   - Previous
   - Secondary
8. Enter the "Employer Name."
9. "Self-Employed", select "No" or "Yes."
10. Enter the date employment began in xx/xx/xxxx format in "From Date." A calendar icon is available to assist the user in determining a start date. Select the icon to activate the calendar.
11. Click on "Insert More Prev Employment Information" if additional fields are required.

12. Click on "Next" to advance to the "Income and Expenses" page. Data will automatically be saved as the user advances from page to page.

INCOME AND EXPENSES

The Income and Expenses page will capture the **repayment** income of the borrower(s). The Expenses portion of this page will list the current rent or housing expenses compared to the proposed loan.



Gross Monthly Income (P)

(At least one applicant must have monthly income)

	Aoacommon, Joan	Aoaccomon, Vinnie	Total
Base Employment Income	$2,200.00	$1,750.00	$3,950.00
Overtime	$0.00	$0.00	$0.00
Bonuses	$0.00	$0.00	$0.00
Commissions	$0.00	$0.00	$0.00
Dividends/Interest	$0.00	$0.00	$0.00
Other (enter details below)	$500.00	$0.00	$500.00
Subtotal	$2,700.00	$1,750.00	$4,450.00
Net Rental	$0.00	$0.00	$0.00
Total	$2,700.00	$1,750.00	$4,450.00

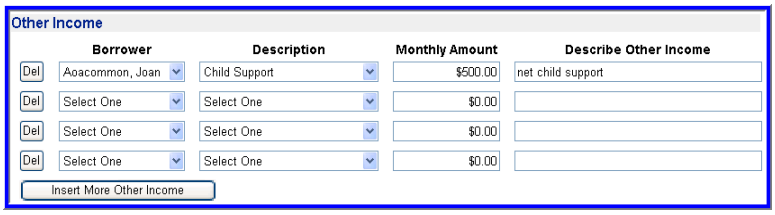
Columns will display with Borrower/Co-borrower(s) names based upon information completed on the "Borrower" page.

1. Enter the "Gross Monthly Income" for each borrower that will be used for repayment of the loan. Other income and net rental income will populate from data collected on other application pages following the "Gross Monthly Income" section.

The Repayment income may differ from the adjusted annual income entered on the "Eligibility" page. The "Eligibility" page records *all* income for eligible household members to determine adjusted annual income based on household size. The eligibility income is utilized for program eligibility, regardless of whether the household member is a party to the note.

Repayment income is the stable and dependable income of the borrowers that are party to the note.

2. To enter "Other" non-employment type income, such as child support, social security benefits, alimony, etc., follow the next step below.



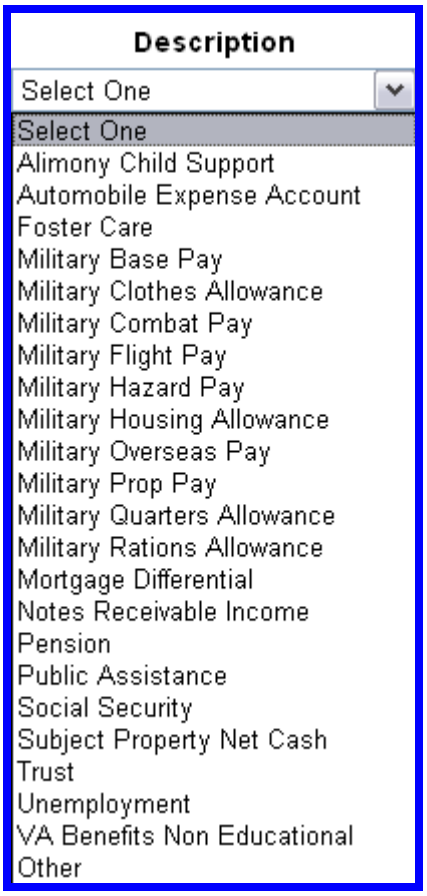
Other Income

	Borrower	Description	Monthly Amount	Describe Other Income
Del	Aoacommon, Joan	Child Support	$500.00	net child support
Del	Select One	Select One	$0.00	
Del	Select One	Select One	$0.00	
Del	Select One	Select One	$0.00	

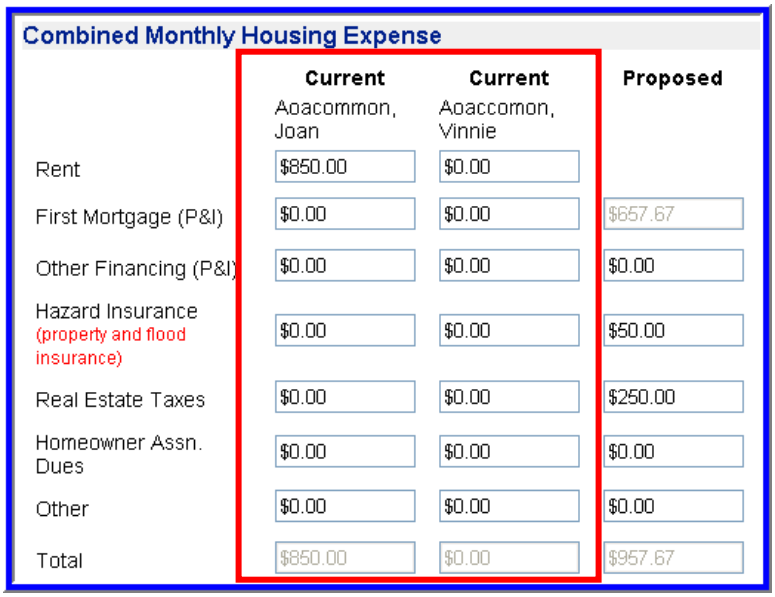
Insert More Other Income

3. Enter "Other Income"; non-employment type income of each borrower if applicable. The amount(s) entered will populate to "Other" under "Gross Monthly Income."
4. Select the "Borrower."
5. Select the "Description" of the other income. (The dropdown box of available options is below).
6. Enter the "Monthly Amount."

Users may enter a description in the "Describe Other Income" data field to document the file.



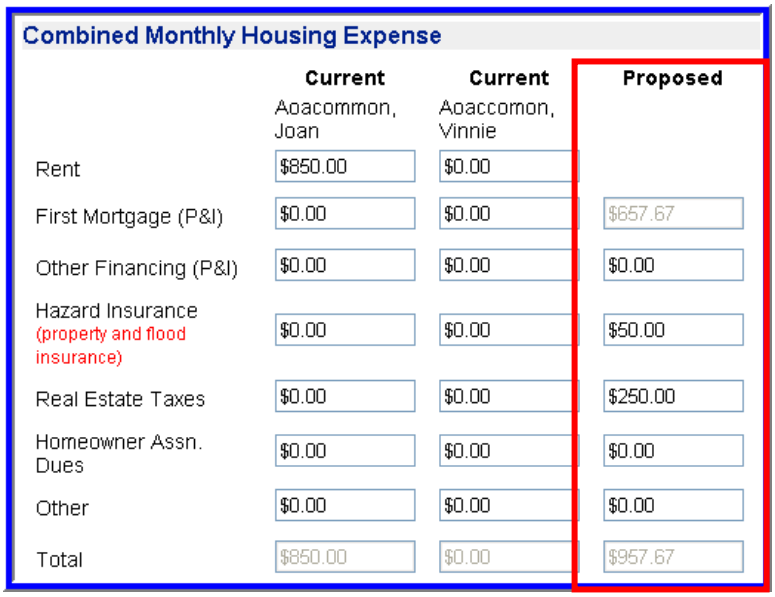
7. The drop down box under "Description" is shown to the left. Select the appropriate type of "Other Income."



8. Enter the "Combined Monthly Housing Expense." If the borrower(s) currently pays rent enter the total rent payment as "Rent."

Do not enter $1.00 for "Rent Free" borrowers.

9. If the borrower(s) currently owns a primary residence enter the "First Mortgage P&I." This figure should not include hazard insurance, real estate taxes, homeowner's association dues, and secondary financing if applicable.
10. Enter "Other Financing P&I" if applicable.
11. Enter the monthly "Hazard Insurance" premium.
12. Enter the monthly "Real Estate Taxes" payment.
13. Enter the monthly "Homeowner Association Dues" if applicable.
14. Enter "Other" monthly housing liability expenses if applicable.

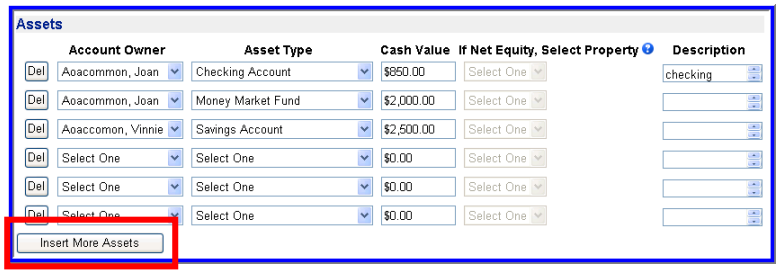


15. Under "Proposed" housing expenses, "First Mortgage P&I" will automatically populate for the user based upon the *total* loan amount and interest rate entered on the "Loan Terms" page.
16. Enter "Other Financing P&I" if applicable.
17. Enter the monthly "Hazard Insurance" premium.
18. Enter the monthly "Real Estate Taxes" payment.
19. Enter the monthly "Homeowner Association Dues" if applicable.
20. Enter "Other" monthly housing liability expenses if applicable.

21. Click on "Next" to advance to the "Assets and Liabilities" page.

ASSETS AND LIABILITIES

The Assets and Liabilities page will capture assets. Verified assets could offset risks associated with the underwriting recommendation. Liabilities recorded will determine debt ratios.



1. Under Assets, select the "Account Owner."
2. Select the "Asset Type." To view the available options, please see below.
3. Enter the "Cash Value" of the asset.
4. If this asset is "Net Equity" from the sale of a property, this field will not be available until the REO section of this page has been properly completed.
5. Enter notes in "Description" to document the file.
6. Click on "Insert More Assets" if additional asset fields are needed.

7. The options for "Asset Type" are listed, select the appropriate type.

Retirement accounts may be utilized as an asset at 60% of the vested balance.

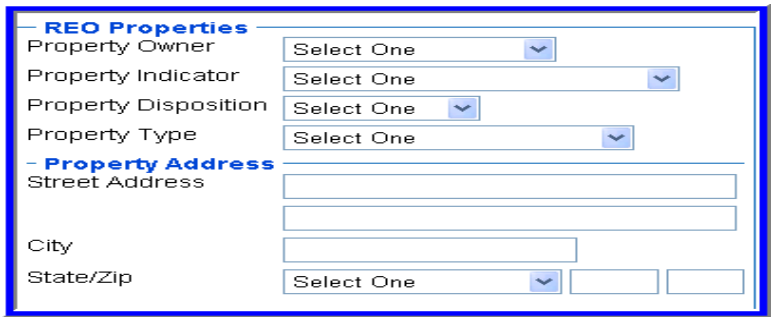
Enter the cash value of life insurance as "Other Liquid Asset" <u>if</u> converted to cash prior to settlement.

To prevent duplicate entry of assets (which would result in misrepresentation to GUS), users should only enter the following asset types on the "Asset and Liabilities" page <u>or</u> the "Other Credits" section of the "Transaction Details" page:

- **Earnest Money Cash Deposit**
- **Gifts Not Deposited**
- **Gifts Total**

8. If the borrower(s) currently owns any properties, the "REO Property Information" section must be completed.

Users manually enter REO properties into GUS. Please refer to "Entering REO Properties" for additional guidance.

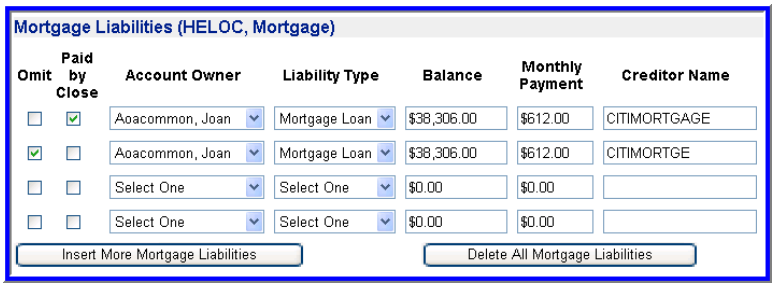


Example of "REO Property Information" data fields.

9. Liabilities may be auto populated from the "Credit/Underwriting" page.

It is **recommended** that users choose the copy function of GUS when populating the liability portion of the GUS application. Users are encouraged to utilize the auto populate liabilities feature on the "Credit / Underwriting" page.

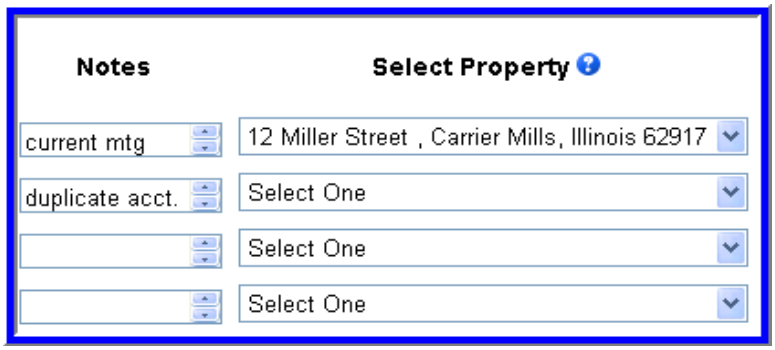
Lenders have the option of copying liabilities directly from the credit report to the liabilities section of the GUS application. This does not relieve the lender of the obligation to obtain full disclosure from all borrower(s) and their existing credit obligations. Any liabilities that do not appear on the credit report should be disclosed prior to final submission to GUS.



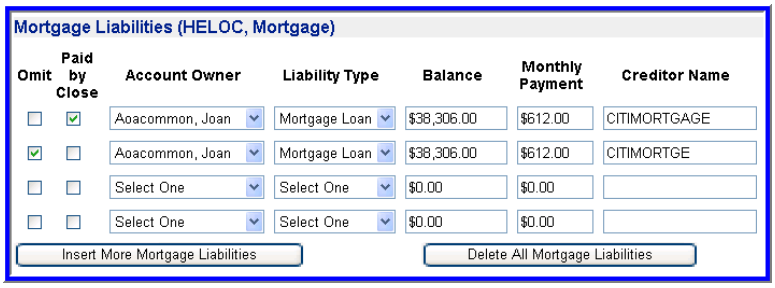
"Mortgage Liabilities" includes Home Equity Lines of Credit (HELOC's) and Mortgages.

10. Select "Omit" or "Paid by Close" if applicable.
    - "Sold" properties listed in the REO section should be marked "Omit" if mortgage liabilities appear on the credit report.
    - "Pending Sale" properties listed in the REO section should be marked "Paid by Close" if mortgage liabilities appear on the credit report.
11. Select the "Account Owner."
12. Select the "Liability Type." Options include:
    - HELOC
    - Mortgage Loan
13. Enter the "Balance."
14. Enter the "Monthly Payment."
15. Enter the "Creditor Name."

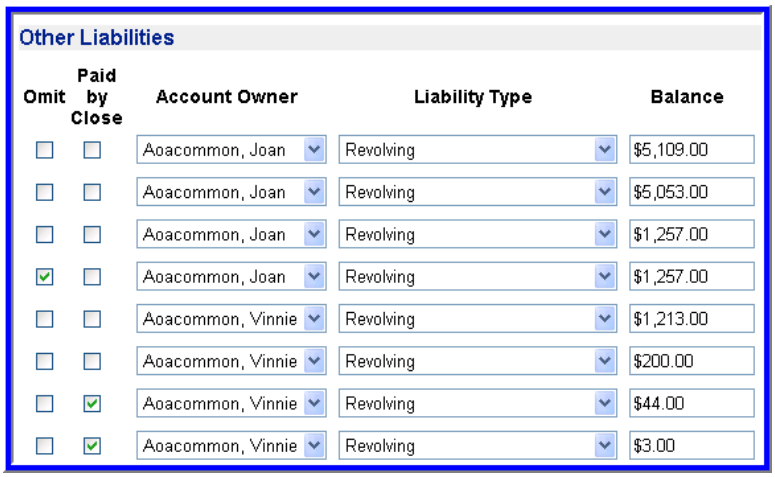
Users may employ the scroll bar located at the bottom of the GUS page in order to complete all data fields for "Mortgage Liabilities."



16. Enter "Notes" to document the file.
17. Select the REO property for the mortgage liability from the "Select Property" dropdown box. Properties will not be available for selection until entered in the "REO Property Information" section of this application page.



18. Click on "Insert More Mortgage Liabilities" if additional data fields are needed.
19. Click on "Delete All Mortgage Liabilities" if the user chooses to clear all mortgage debts.



"Other Liabilities" captures monthly debts and obligations manually entered by the user, or auto populated from the credit report.

20. Select "Omit" or "Paid by Close" as appropriate for each liability. Examples of correct use of these options are below.

"Omit" examples include but are not limited to:

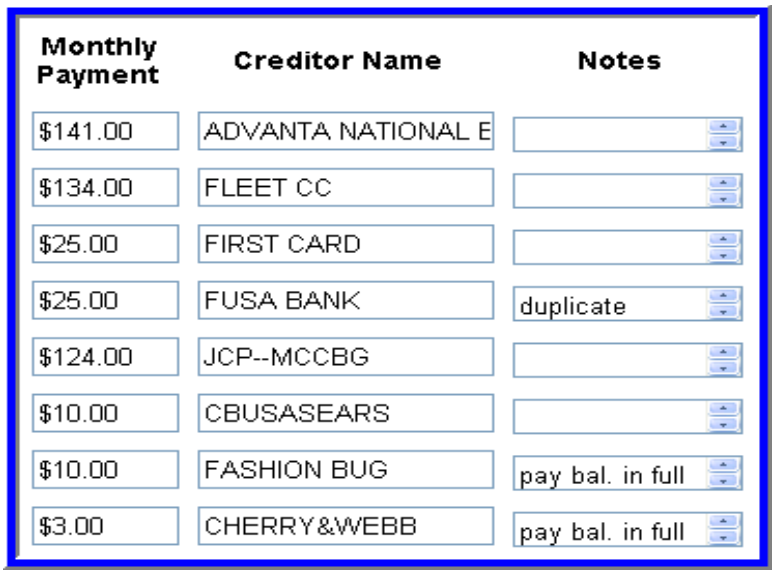
- Duplicate account that appears twice on the credit report.
- Collection account(s)/Non-federal judgments/Tax liens that are *not* going to be paid by close.
- Installment loans with 6 months or less remaining to pay off the loan balance. (This does not apply to deferred student loans.)
- Accounts in a justifiable dispute, retain documentation in file.

"Paid By Close" examples include but are not limited to:

- Any debts the borrower(s) will pay in full *at or before* loan closing.

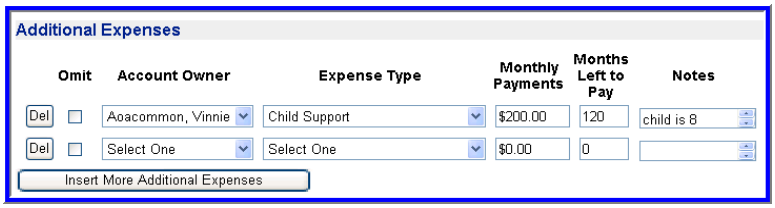
21. Select the "Account Owner."
22. Select the "Liability Type."
23. Enter the "Loan Balance."

"Liability Type" options are displayed at left.



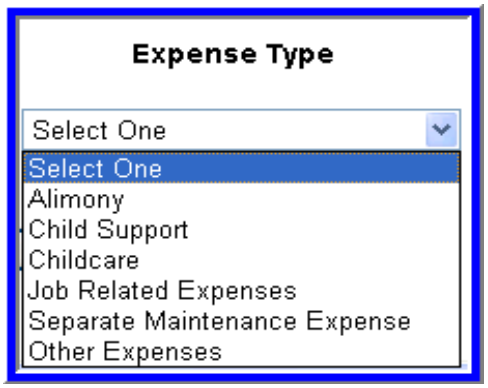
24. Enter the "Monthly Payment." Liabilities that do not have monthly payments listed on the credit report must have an estimated payment entered in GUS. Users may determine this amount per a recent statement or underwriter discretion.
25. Enter "Creditor Name."
26. Enter "Notes" to document the file. The example shows an account marked as "Omit" because it is a duplicate. The other two accounts marked "Paid by Close" include user remarks to pay the balance in full. The amounts needed to pay these accounts will be included in the borrower's "Funds Needed" calculation located on the "GUS Underwriting Findings Report."

27. Click on "Insert More Other Liabilities" if additional data fields are needed.
28. Click on "Delete All Other Liabilities" if the user wants to clear all currently listed monthly debts.



"Additional Expenses" captures other monthly debts reported by the borrower(s).

29. Select "Omit" if applicable.
30. Select "Account Owner."
31. Select "Expense Type."
32. Enter "Monthly Payments."
33. Enter "Months Left To Pay."
34. Enter "Notes" to document the file.
35. Click on "Insert More Additional Expenses" if additional data fields are needed.



"Expense Type" options displayed at the left.

36. Click on "Next" to advance to the "Transaction Details" page.

TRANSACTION DETAILS

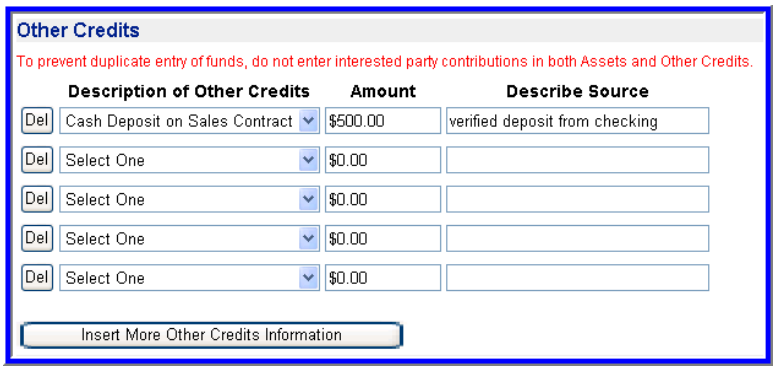
The Transaction Details mirrors the Good Faith Estimate. Each portion associated with the loan is identified and automatically totaled. This page also captures the borrower(s) responses to the "Declarations" listed on the Uniform Residential Loan Application Report, borrower demographic information for government monitoring purposes, and loan interviewer information.

a. Purchase Price	$105,000.00
b. Alterations, improvements, repairs	$0.00
c. Land (if acquired separately)	$0.00
d. Refinance Amount	$0.00
e. Estimated prepaid items	$1,500.00
f. Estimated closing costs	$1,000.00
g. Funding Fee, Guarantee Fee	$3,898.96
h. Discount (if Borrower will pay)	$0.00
i. Total Costs (add items a through h)	$111,398.96
j. Subordinate Financing	$0.00
k. Borrower's closing costs paid by seller	$0.00
l. Other Credits (sum of Other Credits below)	$0.00
m. Loan Amount (exclude Funding Fee, Guarantee Fee financed)	$107,500.00
n. Funding Fee, Guarantee Fee financed	$3,898.96
o. Loan Amount (add m & n)	$111,398.96
p. Cash from/to Borrower (Subtract j, k, l & o from i)	$0.00

1. Enter the "Purchase Price," "a."
2. Enter the cost of any eligible "Alterations, Improvements, Repairs," "b." If these will be completed post closing an escrow account must be established per RD Instruction 1980-D, Section 1980.315.
3. Enter the cost of "Land," "c" if acquired separately.
4. Enter "Estimated prepaid items," "e."
5. Enter "Estimated closing costs," "f."
6. The one time "Funding Fee, Guarantee Fee," "g," will automatically populate based upon the "Loan Amount" entered on the "Loan Terms" page. This field can not be changed as it is locked.
7. Enter "Discount" points the borrower may pay, "h."

Total costs will calculate based upon the entries in fields a through h.

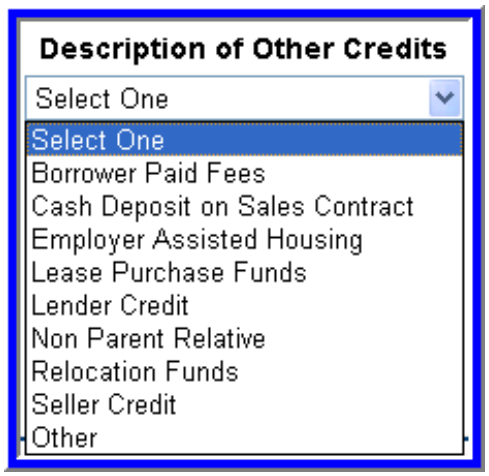
8. Enter "Subordinate Financing" if applicable, "j."
9. Enter "Borrowers closing costs paid by the seller," "k." Do not duplicate costs recorded under "Other Credits" following the "Details of Transaction."
10. "Other Credits," "l," will populate if any additional credits are entered below the "Details of Transaction" section in the "Other Credits" section.
11. "Loan Amount," "m," is populated and protected.
12. If any portion of the guarantee fee will be financed into the loan, enter that portion, "n." If the entire guarantee fee will be financed the entry for "n" should match "g."
13. "Loan Amount," "o," will populate and be protected based upon information entered on the "Loan Terms" page.
14. "Cash from/to Borrower" will populate and be protected.



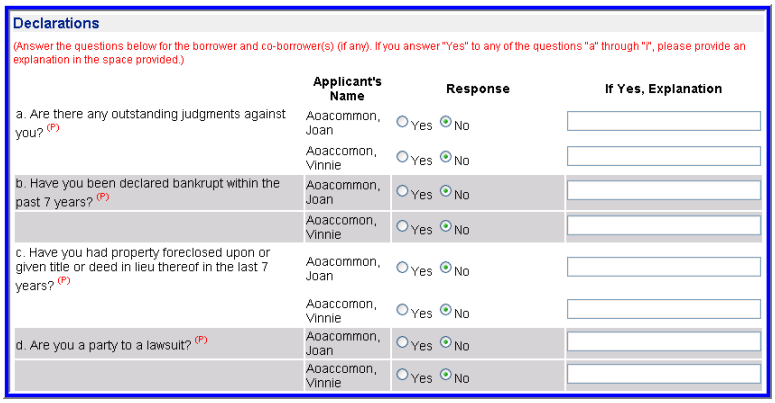
15. Under "Other Credits" enter any other credits that may be applicable. The list of options from which to select is below.
16. Click on "Insert More Other Credits Information" if additional data fields are needed.

Notice: Do not enter duplicate information under "Other Credits" that have been entered under "Assets."

Example: If the user entered "Gifts Not Deposited" under "Assets", do not enter the same credit under "Other Credits." This would result in a misrepresentation of assets.

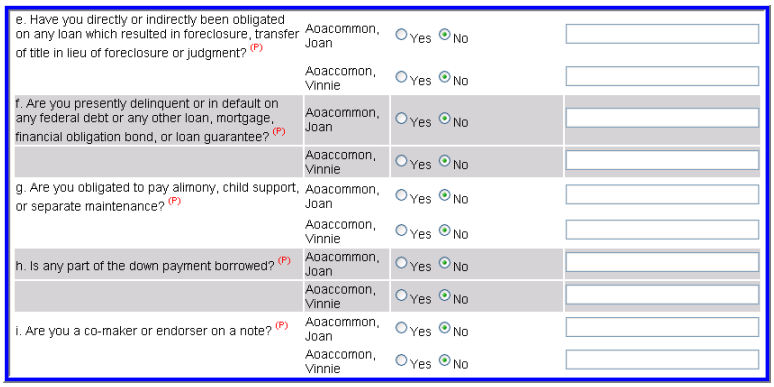


17. The "Description of Other Credits" options are displayed.



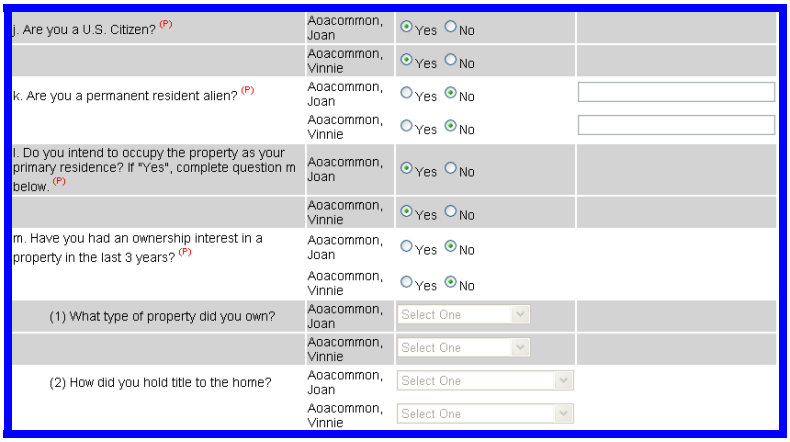
18. At the "Declarations" section, record borrower(s) responses to each of the Declarations "a through m."
19. If the answer to any of the Declarations "a through i and/or k" is "Yes," enter a brief explanation to document the file under the "If Yes, Explanation" section. Failure to enter an explanation will prevent the user from submitting the GUS application for an underwriting recommendation.

Based upon the "Yes" or "No" responses GUS will dynamically open or protect data fields applicable to the responses selected.



e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure or judgment? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	
f. Are you presently delinquent or in default on any federal debt or any other loan, mortgage, financial obligation bond, or loan guarantee? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	
g. Are you obligated to pay alimony, child support, or separate maintenance? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	
h. Is any part of the down payment borrowed? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	
i. Are you a co-maker or endorser on a note? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	

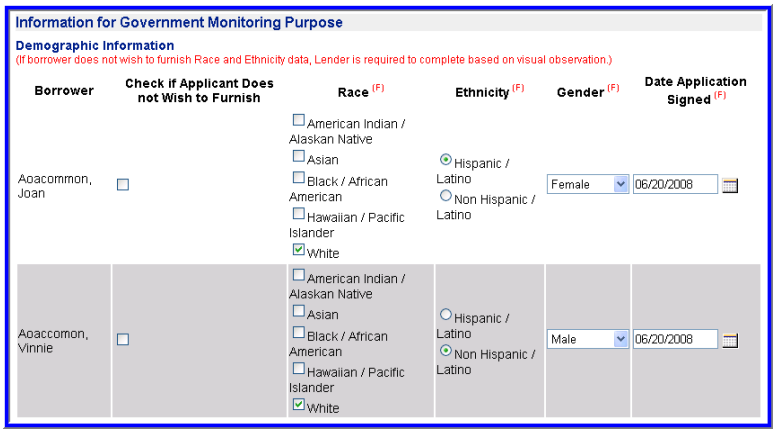
Declarations continued.



j. Are you a U.S. Citizen? (P)	Aoacommon, Joan	◉ Yes ○ No	
	Aoaccomon, Vinnie	◉ Yes ○ No	
k. Are you a permanent resident alien? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	
l. Do you intend to occupy the property as your primary residence? If "Yes", complete question m below. (P)	Aoacommon, Joan	◉ Yes ○ No	
	Aoaccomon, Vinnie	◉ Yes ○ No	
m. Have you had an ownership interest in a property in the last 3 years? (P)	Aoacommon, Joan	○ Yes ◉ No	
	Aoaccomon, Vinnie	○ Yes ◉ No	
(1) What type of property did you own?	Aoacommon, Joan	Select One	
	Aoaccomon, Vinnie	Select One	
(2) How did you hold title to the home?	Aoacommon, Joan	Select One	
	Aoaccomon, Vinnie	Select One	

Declarations continued.

If the borrower(s) is <u>not</u> a US Citizen, verification of their current immigration status must be provided to ensure eligibility for a Guaranteed loan. Based upon a borrower's response to these declarations, an "Immigration Check" may appear on the "Additional Data" page.



Information for Government Monitoring Purpose

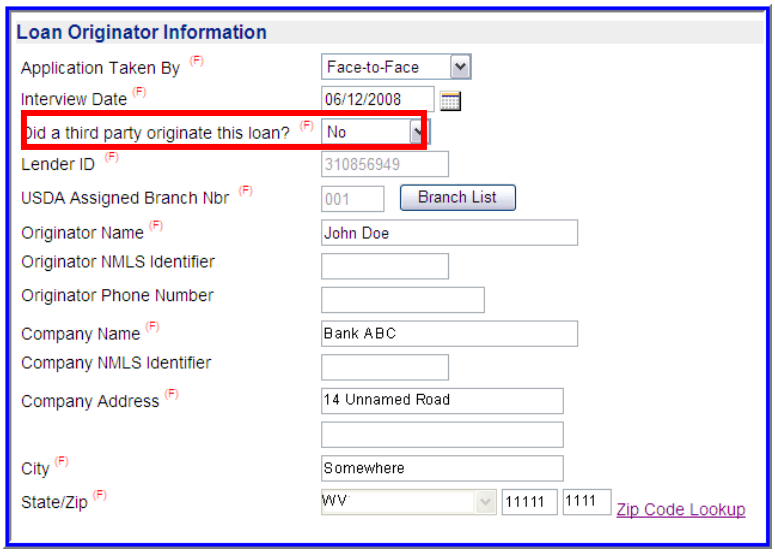
Demographic Information

(If borrower does not wish to furnish Race and Ethnicity data, Lender is required to complete based on visual observation.)

Borrower	Check if Applicant Does not Wish to Furnish	Race (F)	Ethnicity (F)	Gender (F)	Date Application Signed (F)
Aoacommon, Joan	☐	☐ American Indian / Alaskan Native ☐ Asian ☐ Black / African American ☐ Hawaiian / Pacific Islander ☑ White	◉ Hispanic / Latino ○ Non Hispanic / Latino	Female	06/20/2008
Aoaccomon, Vinnie	☐	☐ American Indian / Alaskan Native ☐ Asian ☐ Black / African American ☐ Hawaiian / Pacific Islander ☑ White	○ Hispanic / Latino ◉ Non Hispanic / Latino	Male	06/20/2008

20. Complete the "Information for Government Monitoring Purposes."

If the borrower(s) does not wish to furnish this information, the lender <u>must</u> make a visual observation. GUS will not render an underwriting recommendation if these fields are not completed.



21. Complete the first three data fields in the "Loan Originator Information" section:

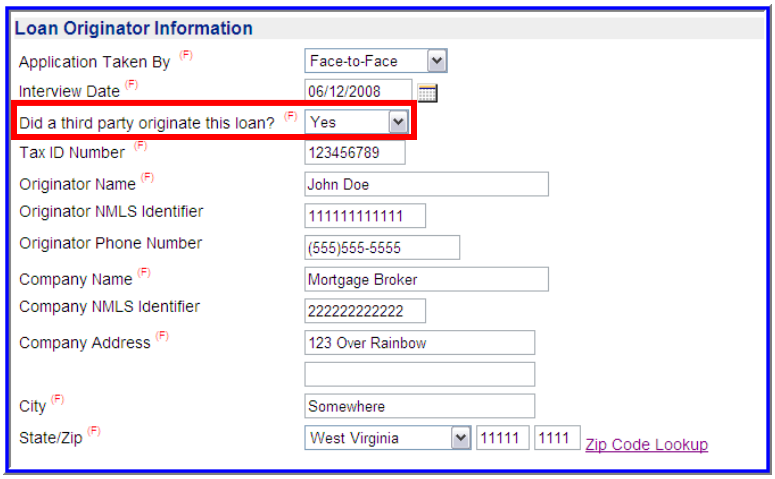
- Application Taken By
- Interview Date
- Did a third party originate this loan

Based upon the user's response to the question, "Did a third party originate this loan," the page will dynamically display applicable fields.

When "No" is selected for third party origination the user should complete the following fields for the loan origination person within their organization:

- Originator Name. This is the person responsible for loan origination (required)
- Originator NMLS Identifier (when known)
- Originator Phone Number (when known)
- Company NMLS Identifier (when known)

The "Branch List" action button can be chosen to indicate the specific branch of the same organization that was responsible for the origination of the loan application (if the originating and underwriting locations differ).



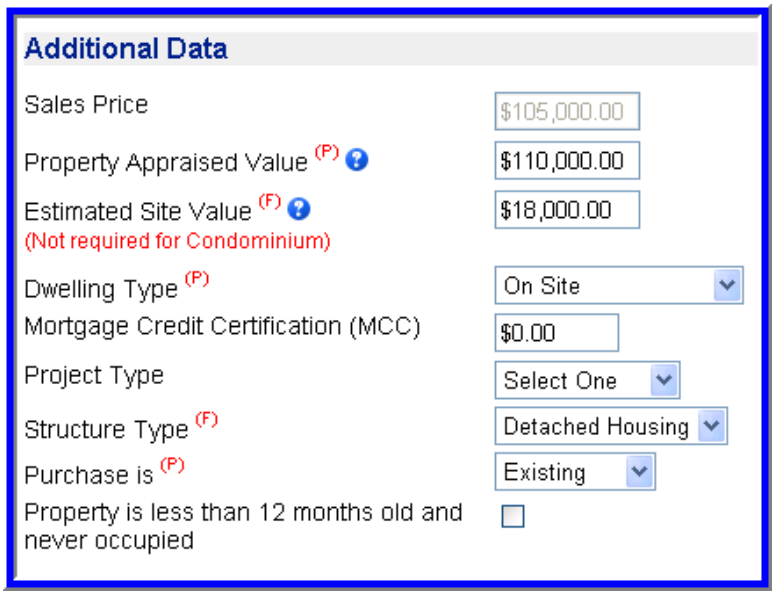
If "Yes" is selected for third party origination the user should complete the following fields for the person and company responsible for loan origination:

- Tax ID number of the third party originator. This is the third party originating organization's nine digit Federal Tax ID number (required)
- Originator Name. This is the person responsible for loan origination (required)
- Originator NMLS Identifier (when known)
- Originator Phone Number (when known)
- Third Party Originator Company Name (required)
- Third Party Originator Company NMLS Identifier (when known)
- Third Party Company Street Address, City, State, and Zip Code. The four digit zip code extension is mandatory and the "Zip Code Lookup" hyperlink is available to retrieve it when unknown (required)

22. Click on "Next" to advance to the "Additional Data" page.

ADDITIONAL DATA

The Additional Data page will capture appraisal and dwelling information; (thermal standards for new dwellings, HUD Handbook results for existing properties), special financing (mortgage credit certificates, buydowns, etc.), and borrower information specific to Form RD 1980-21 "Request for Single Family Housing Guarantee."



1. At the "Additional Data" page, the "Sales Price" will populate based upon the data entered on the "Transaction Details" page.
2. Enter the "Property Appraised Value" from the appraisal report. If an appraisal is not yet available the user may estimate a value. **Users must change estimate when a final value is available.**
3. Enter the "Estimated Site Value" listed on the appraisal report. If an appraisal is not yet available the user my estimate a value. **Users must change estimate when a final value is available.**
4. Select the "Dwelling Type." Options include:

    - Manufactured
    - Modular/Panelized
    - On Site

5. If a "Mortgage Credit Certificate (MCC)" is being utilized enter the **monthly** benefit amount.
6. Select the "Project Type," if applicable. Options include:

    - Condominium
    - PUD

7. Select the "Structure Type." Options include:

    - Attached Housing
    - Detached Housing

8. Select the "Purchase is." Options include:

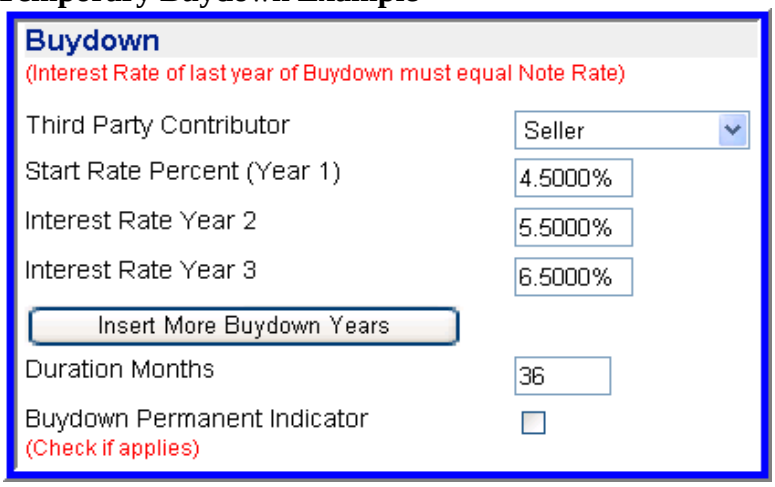
    - Existing
    - New
    - Repair

An existing dwelling has been previously occupied, or has been completed for more than one year as evidenced by an occupancy permit or similar document.

A new dwelling has never been occupied, nor has it been completed for more than one year.

9. If the property is *less than 12 months old and has never been occupied* check the indicator box, "Property is less than 12 months old and never occupied."

Temporary Buydown Example



10. If the proposed loan includes a buydown (only applicable to purchase loans), select the "Third Party Contributor." Options include:

    - Builder
    - Lender Premium
    - Other
    - Seller

- **Third Party Contributor:** For temporary buydowns funds cannot come from the borrower.
- **Start Rate Percent (Year 1):** Enter the first year interest rate.
- **Interest Rate Year 2:** Enter the second year interest rate. This rate can not increase more than 1% above the first year rate.
- **Interest Rate Year 3:** Enter the third year interest rate. This rate can not increase more than 1% above the second year rate.

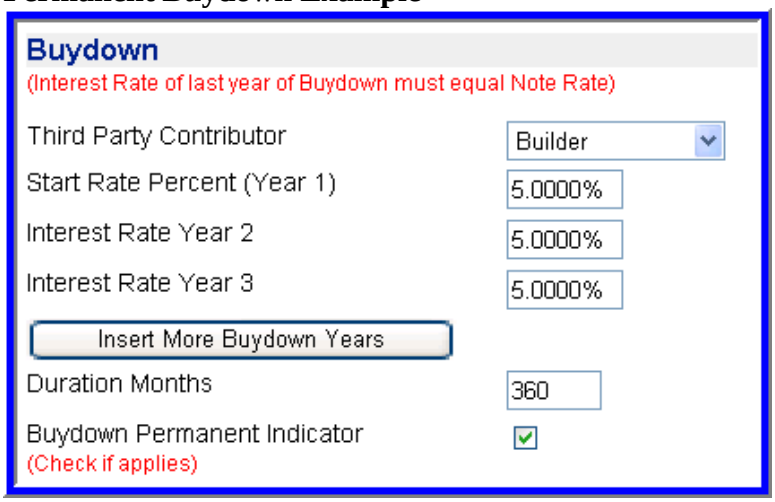
Click on "Insert More Buydown Years" if applicable.

Enter the "Duration Months." If a 2-1-0 temporary buydown is utilized the duration would be "36."

Note: GUS will qualify a mortgage loan request with a temporary buydown at the full note rate.

Permanent Buydowns

Permanent Buydown Example



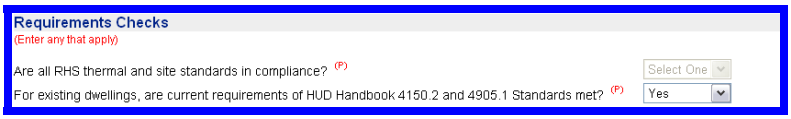
- **Third Party Contributor:** The **a**pplicant(s) may pay for their own permanent buydown. RD Instruction 1980.310(d) states for ***low income applicants only***, loan discount points to reduce the note interest rate from the rate authorized in RD Instruction 1980-D, section 1980.320 is allowed. Discount points may not exceed 2% of the loan amount.
- **Start Rate Percent (Year 1):** Enter

the permanently bought down interest rate.

- **Interest Rate Year 2:** Enter the same interest rate as year one.
- **Interest Rate Year 3:** Enter the same interest rate as year one.

Enter the "Duration Months" as "360."

Select the "Buydown Permanent Indicator" if the buydown is permanent.



11. The "Requirements Checks" will display dynamically according to data entered in various fields throughout GUS.

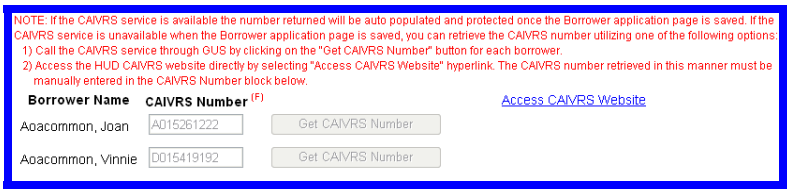
In this example the borrower(s) is purchasing an existing home, therefore thermal requirements are not applicable and are inaccessible (grayed out) to the user. The thermal requirements for existing homes (more than 12 months old), were removed January 10, 2008.

12. "Are all RHS thermal and site standards in compliance?" When the purchase is new **or** less than 12 months old and never occupied the data field will be active. Select the appropriate response, options include:

    - By Closing
    - Escrow
    - No
    - Yes

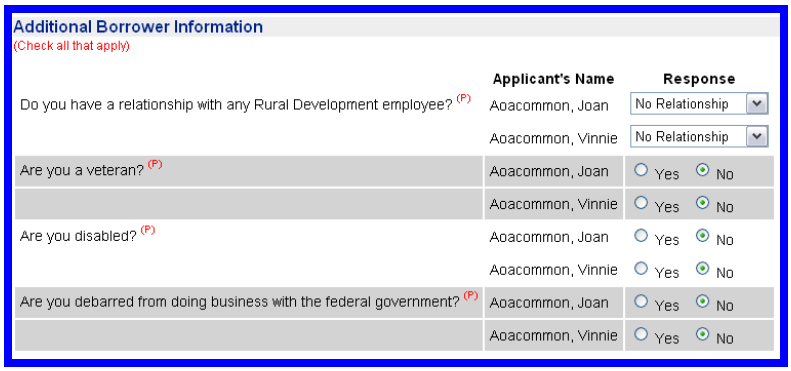
13. "For existing dwellings, are current requirements of HUD Handbook 4150.2 and 4905.1 standards met?" This data field will not be active for purchases that are new **or** less than 12 months old and never occupied. Select the appropriate response, options include:

    - By Closing
    - Escrow
    - No
    - Yes



14. A CAIVRS Number for each borrower should be populated based upon an automatic call to the CAIVRS service that occurred when the Borrower page of the application was completed. The call was based upon the user entered SSN for each borrower. If the call was unsuccessful an appropriate message will be displayed such as "CAIVRS number not retrieved - there is an issue with the borrower's SSN." Please return to the Borrower page of the GUS application to adjust SSN if needed.

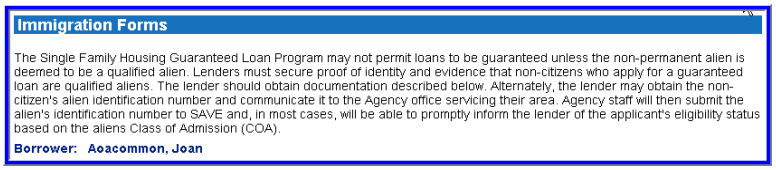
    There may be times when the service is not available. Users are provided the ability to utilize one of two options to obtain the CAIVRS number automatically. Users can utilize the "Get CAIVRS Number" action button to call the CAIVRS service that was unavailable at the time of application initiation. Secondly, the user can utilize the "Access CAIVRS Website" hyperlink to connect directly to the FHA Connection website to retrieve a valid CAIVRS number. The user must then manually input the CAIVRS number into GUS.



15. Record the borrower(s) response for each question under "Additional Borrower Information." The responses automatically populate to RD Form 1980-21, "Request for Single Family Housing Guarantee," on the "Request Forms" page.

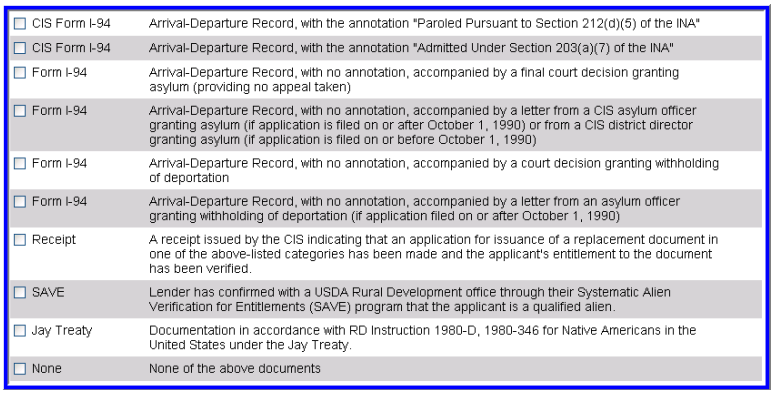
If the borrower(s) reported that they are **not** a US Citizen under "Declarations" on the "Transaction Details" page, the "Immigration/Naturalization Check" will dynamically appear for each borrower to which it applies.

16. Click on "Insert Immigration Info."



Users should review the information provided at the top of the "Immigration Forms" page. Lenders must secure proof of identity and evidence that non-citizens are qualified aliens. Lenders may also submit the borrower's nine digit alien identification number to Rural Development for verification through SAVE.

17. Check the box beside the appropriate selection. Users must secure evidence of all documentation for retention in the permanent loan file.



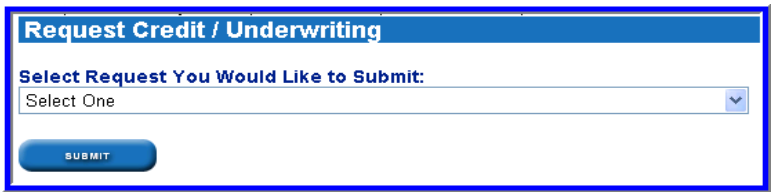
Immigration/Naturalization selections continued.

18. Click on “Back” to return to the “Additional Data” page.

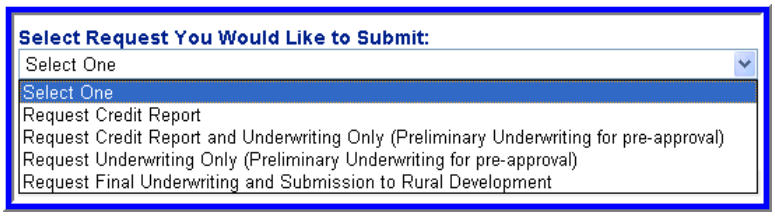
19. Click on “Next” to advance to the “Credit/Underwriting” page.

CREDIT / UNDERWRITING

The Credit and Underwriting page allows users to order a new or reissued credit report(s) for underwriting purposes. The user may also perform a preliminary or final underwriting submission.



1. At the "Request Credit/Underwriting" page select from the options available. The user selected option dynamically opens a data page with required fields for data entry.



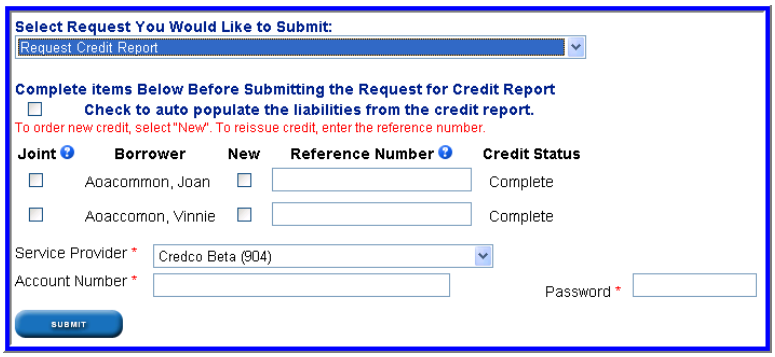
2. The options available to request are displayed at the left. The options include:

Request Credit Report: A new or reissued credit report may be requested.

Request Credit Report and Underwriting Only (Preliminary Underwriting for pre-approval): Users may request a new or reissued credit report and receive a preliminary GUS Underwriting Recommendation simultaneously.

Request Underwriting Only (Preliminary Underwriting for pre-approval): Once credit has been issued in GUS users may submit the application for a preliminary GUS Underwriting Recommendation.

Request Final Underwriting and Submission to Rural Development: This option is available to a user who has been delegate the role of "Representative with Final Submit Authority" by the lender's Security Administrator (SA). Users that have successfully completed credit and have finalized the GUS application can perform a final submission to USDA Rural Development to request conditional commitment for loan note guarantee. The final submission action will protect all user data entered, and lock the user from modifying data on the application (user will still have "view" capability of the application). If, after a final submission is performed, data changes (i.e. loan amount increases, interest rate increases, etc.), contact the USDA Rural Development office and request that the GUS application be released.



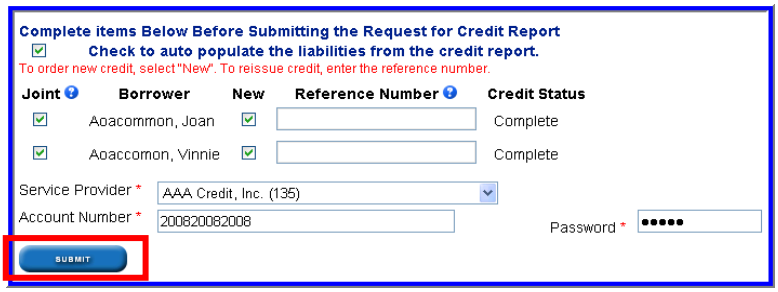
3. Once the user selects the request type GUS will dynamically display the appropriate data fields based upon the users request.

4. GUS can copy liabilities directly from the credit report to the "Assets and Liability" page. Check the indicator box "Check to auto populate the liabilities from the credit report." to auto populate the liabilities into the liabilities portion of the "Assets and Liabilities" page.

The auto populate feature reduces data entry errors and ensures accurate data is submitted to GUS and represented by the lender.

Lenders must apply due diligence when entering and reviewing the documentation in the loan file, any potentially derogatory or contradictory information *that is not part of the data submitted to GUS* or any erroneous information in the data submitted to GUS would justify additional investigation by the lender and the lender's underwriter.

Misrepresentation of loan data will ultimately adversely affect lender program eligibility, lender compliance reviews, lender review ratings, and potential future loss claim payments.



5. To order a **new joint** credit report, select the "Joint" and "New" boxes for each borrower.
6. Once credit is issued, the "Credit Status" indicator is "Complete."

Only two borrowers may be selected for a joint request.

Reissued credit must be ordered *exactly* as the original report (i.e. joint report/joint reissue).

A joint report may not be processed if "New" is selected for one borrower, and a "Reference Number" is entered for a reissued credit report for the other borrower.

7. Select the "Service Provider" from the dropdown box. The Service Provider list mirrors the providers noted at Fannie Mae's website:

https://www.efanniemae.com/sf/refmaterials/creditproviders/index.jsp

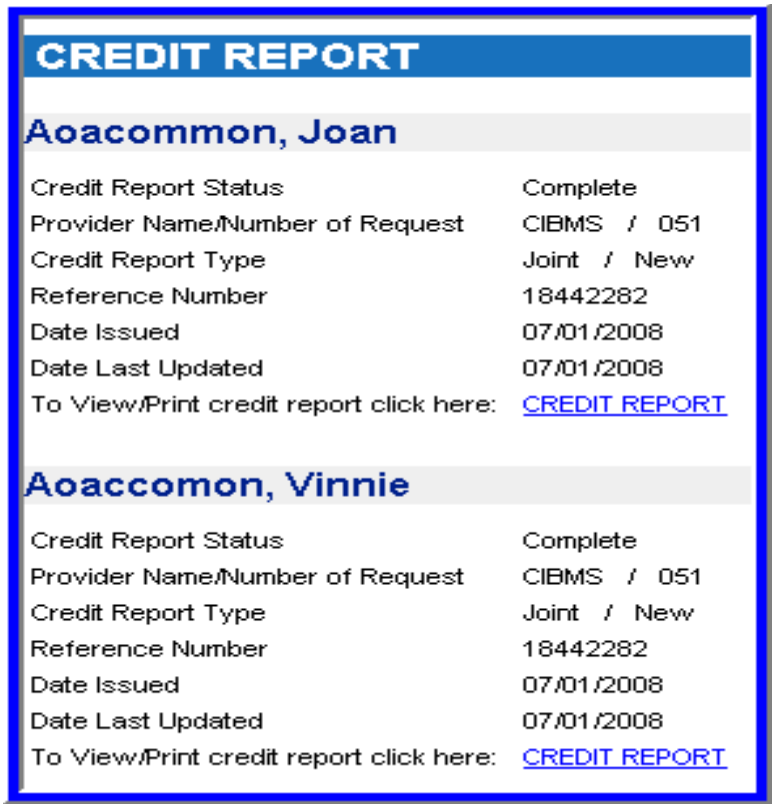
8. Enter the "Account Number."
9. Enter the "Password."

GUS utilizes the Fannie Mae Credit Interface Service to retrieve credit reports. Account numbers and passwords are issued by the credit provider.

Error messages returned in the request for credit displayed represents an error from the service provider. NOT GUS. The user must contact their service provider for assistance.

10. Click on "Submit" to process the credit report request.

11. A message will display at the top of the "Credit/Underwriting" page alerting the user that the request is being processed.



CREDIT REPORT

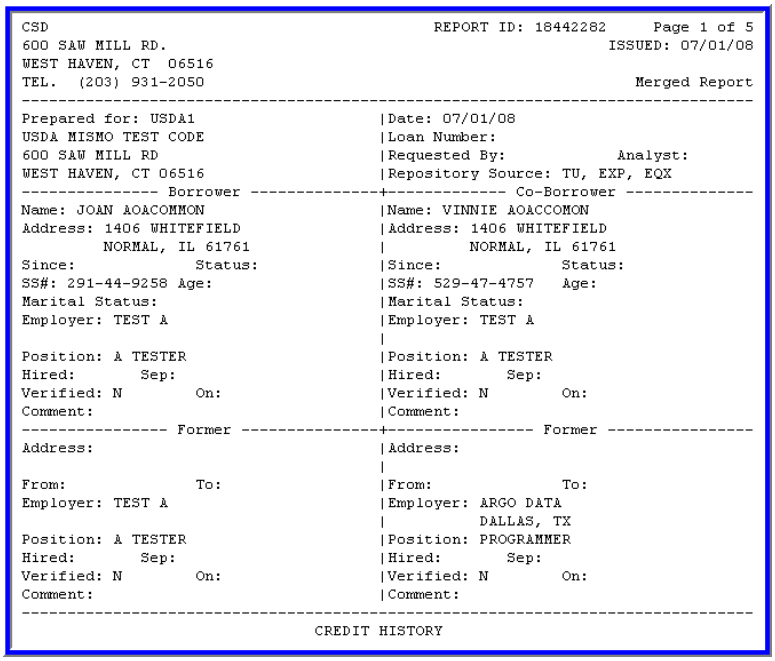
Aoacommon, Joan

Credit Report Status	Complete
Provider Name/Number of Request	CIBMS / 051
Credit Report Type	Joint / New
Reference Number	18442282
Date Issued	07/01/2008
Date Last Updated	07/01/2008
To View/Print credit report click here:	CREDIT REPORT

Aoaccomon, Vinnie

Credit Report Status	Complete
Provider Name/Number of Request	CIBMS / 051
Credit Report Type	Joint / New
Reference Number	18442282
Date Issued	07/01/2008
Date Last Updated	07/01/2008
To View/Print credit report click here:	CREDIT REPORT

12. Once the report is complete, GUS will automatically display confirmation that the credit report(s) was successfully retrieved.
13. To view or print the report, click on the **"CREDIT REPORT"** link.



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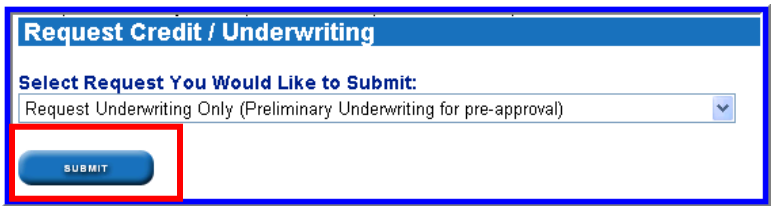
CSD                                              REPORT ID: 18442282     Page 1 of 5
600 SAW MILL RD.                                                      ISSUED: 07/01/08
WEST HAVEN, CT  06516
TEL.  (203) 931-2050                                                    Merged Report
--------------------------------------------------------------------------------
Prepared for: USDA1                        |Date: 07/01/08
USDA MISMO TEST CODE                       |Loan Number:
600 SAW MILL RD                            |Requested By:            Analyst:
WEST HAVEN, CT 06516                       |Repository Source: TU, EXP, EQX
--------------- Borrower ---------------+------------- Co-Borrower --------------
Name: JOAN AOACOMMON                       |Name: VINNIE AOACCOMON
Address: 1406 WHITEFIELD                   |Address: 1406 WHITEFIELD
         NORMAL, IL 61761                  |         NORMAL, IL 61761
Since:              Status:                |Since:              Status:
SS#: 291-44-9258 Age:                      |SS#: 529-47-4757   Age:
Marital Status:                            |Marital Status:
Employer: TEST A                           |Employer: TEST A
                                           |
Position: A TESTER                         |Position: A TESTER
Hired:       Sep:                          |Hired:       Sep:
Verified: N        On:                     |Verified: N        On:
Comment:                                   |Comment:
---------------- Former ----------------+---------------- Former ----------------
Address:                                   |Address:
                                           |
From:              To:                     |From:              To:
Employer: TEST A                           |Employer: ARGO DATA
                                           |          DALLAS, TX
Position: A TESTER                         |Position: PROGRAMMER
Hired:       Sep:                          |Hired:       Sep:
Verified: N        On:                     |Verified: N        On:
Comment:                                   |Comment:
--------------------------------------------------------------------------------
                                CREDIT HISTORY
```

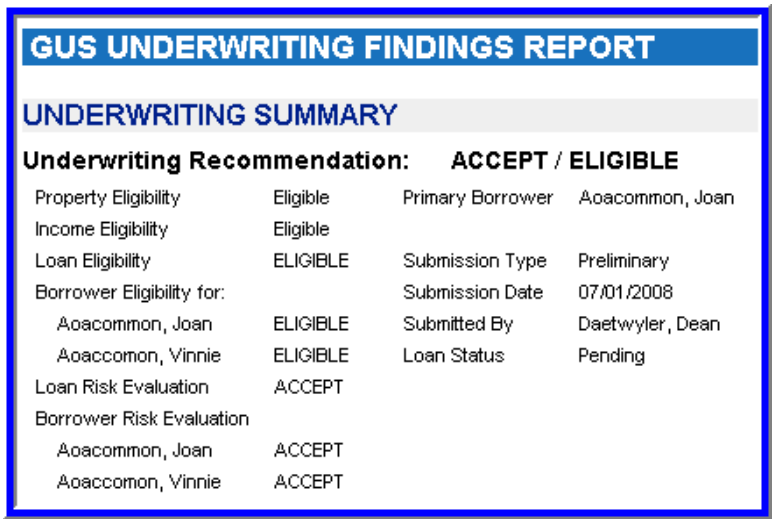
14. A sample credit report is displayed at the left.
15. Users who chose the auto populate feature are encouraged to return to the liability section of the "Assets and Liabilities" page to reconcile the credit issued and the populated liabilities.

16. Once the liability data is confirmed, return to the "Credit/Underwriting" page to request underwriting. Click on "Credit/Underwriting."



17. To obtain preliminary underwriting from the dropdown box select "Request Underwriting Only (Preliminary Underwriting for pre-approval)."
18. Click on "Submit."

19. A confirmation message will appear at the top of the page, "Your preliminary underwriting request is being processed, please wait."



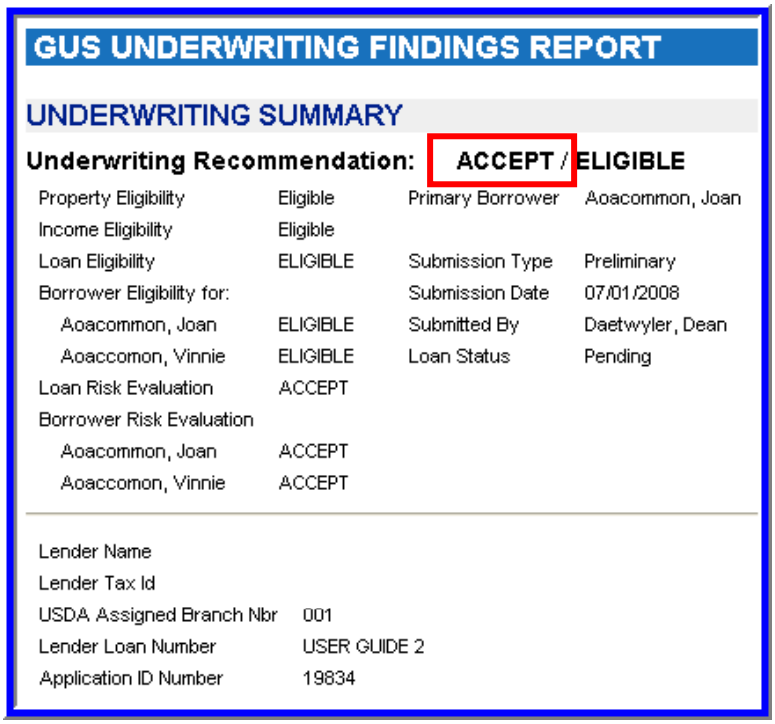
20. The "Underwriting Findings Report" will display.
21. The GUS Underwriting Report confirms whether GUS has successfully performed a preliminary underwriting of the application.
22. The GUS Underwriting Report is comprised of three sections:

    - Underwriting Findings Report
    - Underwriting Analysis Report
    - Credit Report Summary Report

VIEW FINDINGS

REVIEW THE ENTIRE "GUS UNDERWRITING FINDINGS REPORT"

The GUS Underwriting Findings Report is a roadmap to reviewing the loan data entered for accuracy. It also serves as a guide to understanding the "Loan Recommendation" and the "Required Conditions" necessary prior to submitting the request to USDA Rural Development for a Loan Note Guarantee. Lenders should review all sections of this report.



GUS UNDERWRITING FINDINGS REPORT

UNDERWRITING SUMMARY

Underwriting Recommendation: ACCEPT / ELIGIBLE

Property Eligibility	Eligible	Primary Borrower	Aoacommon, Joan
Income Eligibility	Eligible		
Loan Eligibility	ELIGIBLE	Submission Type	Preliminary
Borrower Eligibility for:		Submission Date	07/01/2008
Aoacommon, Joan	ELIGIBLE	Submitted By	Daetwyler, Dean
Aoaccomon, Vinnie	ELIGIBLE	Loan Status	Pending
Loan Risk Evaluation	ACCEPT		
Borrower Risk Evaluation			
Aoacommon, Joan	ACCEPT		
Aoaccomon, Vinnie	ACCEPT		

Lender Name	
Lender Tax Id	
USDA Assigned Branch Nbr	001
Lender Loan Number	USER GUIDE 2
Application ID Number	19834

The first section of the Underwriting Findings Report is the "Underwriting Summary". This report provides the underwriting recommendation for the mortgage loan request, a detailed list of findings, and the steps necessary to complete the processing of the loan file.

The lender must ensure the loan complies with the requirements stated in the GUS findings report that has been generated. Lenders must apply due diligence when reviewing the documentation in the loan file to determine if there are any potentially derogatory or contradictory information that is not part of the data analyzed by GUS. Lenders should also review the credit report to confirm the data GUS evaluated with respect to the borrower's credit history was accurate and complete.

1. Determine the "Underwriting Recommendation". In this example the recommendation is **"ACCEPT / ELIGIBLE."** If GUS rates the mortgage loan application as an "ACCEPT / ELIGIBLE", based on the analysis the loan is eligible for USDA Rural Development.

The GUS underwriting recommendation confirms through analysis of data entered/retrieved if the mortgage loan application meets credit and capacity to repay and is eligible for USDA Rural Development.

The credit risk assessment, which includes credit, capacity, and collateral, will arrive at one of the underwriting recommendations described below.

* **ACCEPT**: The data entered meets acceptable credit, capacity, and collateral requirements of GUS and is eligible for delivery to a Rural Development office with only three items:

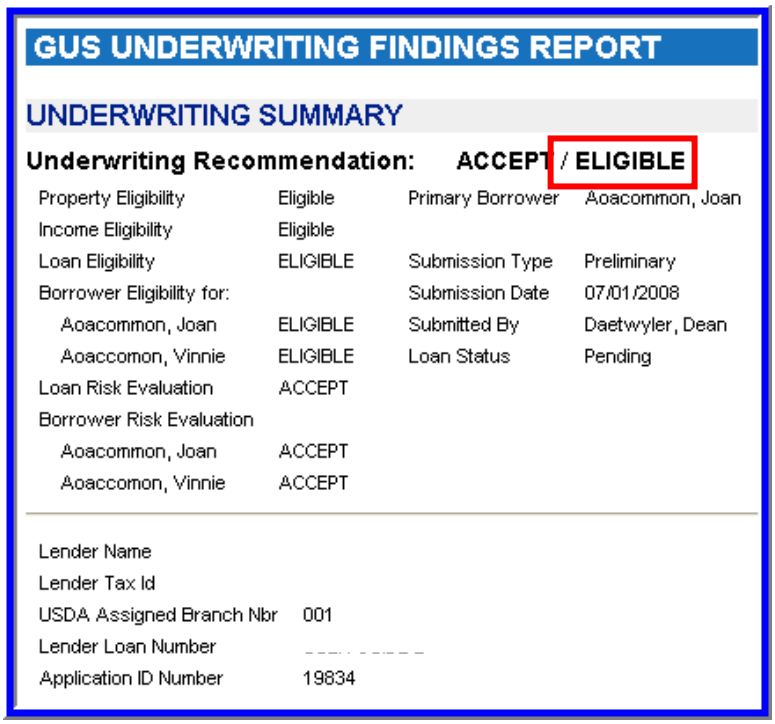
- RD Form 1980-21
- Appraisal
- FEMA Flood Determination Certificate

An underwriter should verify all data entered into GUS is correct. Supporting documentation must be retained in the lender's origination file.

*** REFER:** Loans that receive a REFER recommendation require a manual underwrite of the file prior to submitting a full documentation origination file to Rural Development. REFER does not indicate the file is unacceptable. Underwriters may approve the loan file upon review and confirmation the loan application meets Rural Development guidelines. The Underwriting Findings Report is a tremendous asset to the underwriter during file review.

*** REFER WITH CAUTION:** Loans that receive a recommendation of REFER WITH CAUTION require a manual underwrite. These files indicate a combination of risk factors (i.e. total expense ratio, credit history, etc.) are present. A recommendation of REFER WITH CAUTION requires a manual underwrite of the origination file prior to submitting a full documentation file to Rural Development. Underwriters may approve the loan file upon review and confirmation the file meets Rural Development guidelines. Submit a full documentation file to Rural Development. The Underwriting Findings Report will assist the underwriter during the manual review.

Regardless of Underwriting Recommendation, lenders should Final Submit GUS applications to obtain a Rural Development conditional commitment for loan note guarantee.



GUS UNDERWRITING FINDINGS REPORT

UNDERWRITING SUMMARY

Underwriting Recommendation: ACCEPT / ELIGIBLE

Property Eligibility	Eligible	Primary Borrower	Aoacommon, Joan
Income Eligibility	Eligible		
Loan Eligibility	ELIGIBLE	Submission Type	Preliminary
Borrower Eligibility for:		Submission Date	07/01/2008
Aoacommon, Joan	ELIGIBLE	Submitted By	Daetwyler, Dean
Aoaccomon, Vinnie	ELIGIBLE	Loan Status	Pending
Loan Risk Evaluation	ACCEPT		
Borrower Risk Evaluation			
Aoacommon, Joan	ACCEPT		
Aoaccomon, Vinnie	ACCEPT		

Lender Name	
Lender Tax Id	
USDA Assigned Branch Nbr	001
Lender Loan Number	
Application ID Number	19834

The second portion displayed of the "Underwriting Recommendation" summarizes Rural Development's requirements (property, income, loan, and borrower) for eligibility.

There are three options:

* **ELIGIBLE:** The loan meets all Rural Development Guarantee Loan Program guidelines. The lender must insure the accuracy of all data used to render the GUS decision.

* **INELIGIBLE:** Loans receiving this recommendation do not meet certain Rural Development eligibility requirements. Reasons for an ineligible recommendation may include but are not limited to:

  - Input data states the borrower(s) will not occupy the home as their primary residence (Declarations)
  - Lack of documentation noted under the Permanent Resident Alien page
  - The property is located in a mapped ineligible area. Nationwide, various designations exist in areas affected by hurricanes and/or areas delegated by congressional authority.

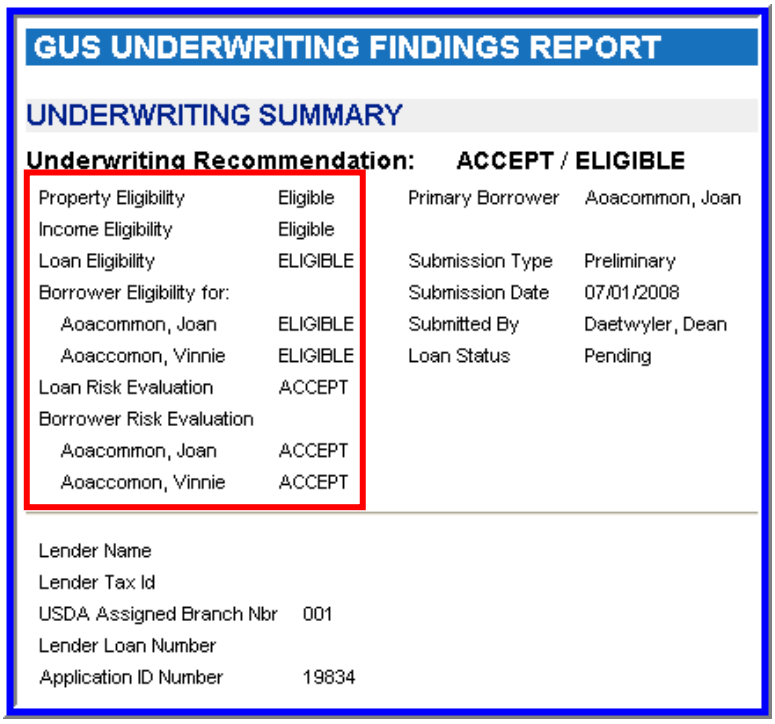
* **UNABLE TO DETERMINE:** One or more of the property, income, loan, or borrower determinations were unable to be determined. Typical reasons for this recommendation include but are not limited to:

  - Insufficient address information to determine the property is in an eligible area.
  - New Construction properties have a higher occurrence of "Unable to Determine" due to electronically unmapped areas.
  - The public property and income website is offline.

MESSAGES DELIVERED BY GUS DIFFER FROM THAT OF OTHER AUTOMATED UNDERWRITING SYSTEMS.

Loans that receive a recommendation of "ACCEPT/INELIGIBLE" may still be eligible for USDA Rural Development. To achieve eligibility status, the lender must analyze the findings report and determine the reason(s) for the ineligibility. Next the lender can determine if it can be resolved in a manner complying with USDA Rural Development requirements.

If the *income* portion of the property and income eligibility interface is offline, the user will be *unable* to do a *final* underwriting submission and transfer the file to USDA Rural Development, until the site returns online.



GUS UNDERWRITING FINDINGS REPORT

UNDERWRITING SUMMARY

Underwriting Recommendation: ACCEPT / ELIGIBLE

Property Eligibility	Eligible	Primary Borrower	Aoacommon, Joan
Income Eligibility	Eligible		
Loan Eligibility	ELIGIBLE	Submission Type	Preliminary
Borrower Eligibility for:		Submission Date	07/01/2008
Aoacommon, Joan	ELIGIBLE	Submitted By	Daetwyler, Dean
Aoaccomon, Vinnie	ELIGIBLE	Loan Status	Pending
Loan Risk Evaluation	ACCEPT		
Borrower Risk Evaluation			
Aoacommon, Joan	ACCEPT		
Aoaccomon, Vinnie	ACCEPT		

Lender Name	
Lender Tax Id	
USDA Assigned Branch Nbr	001
Lender Loan Number	
Application ID Number	19834

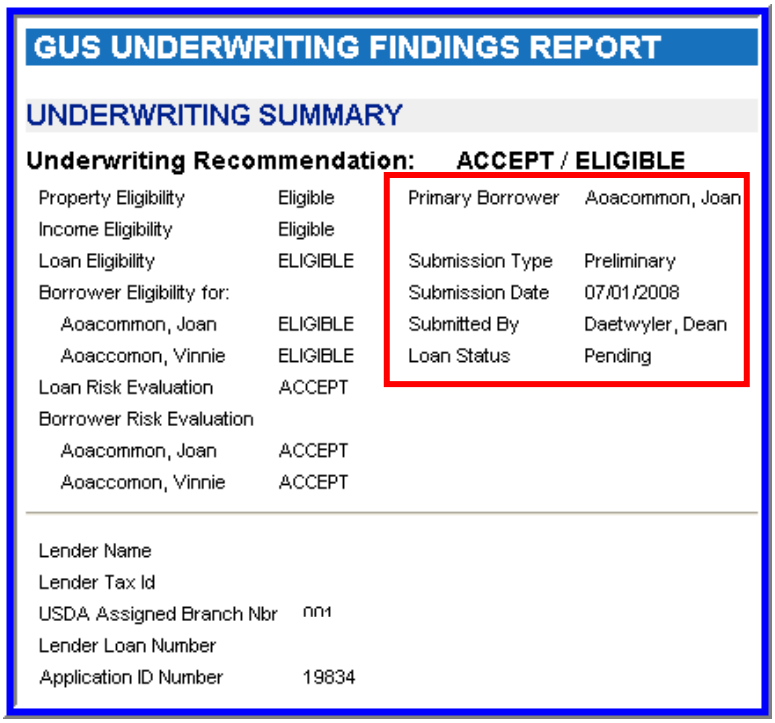
The cumulative recommendation of Property, Income, Loan, and Borrower Eligibility represents the second portion of the "Underwriting Recommendation."

2. "Property Eligibility" confirms if the property submitted as collateral for the loan request falls within an eligible lending area.

Users are encouraged to contact their local USDA Rural Development representative when property determinations are INELIGIBLE or UNABLE TO DETERMINE. When determined to be eligible, both of the recommendations can be overwritten during the approval process by Rural Development.

3. "Income Eligibility" confirms the income recorded for the borrower(s) meets USDA Rural Development guidelines.
4. "Loan Eligibility" confirms if the loan request meets USDA Rural Development criteria.
5. "Borrower Eligibility" will be listed separately for each borrower. Borrower eligibility confirms if each borrower meets USDA Rural Development criteria.
6. "Loan Risk Evaluation" confirms that the data submitted to GUS appears to satisfy USDA Rural Development's credit risk and capacity assessment criteria.
7. "Borrower Risk Evaluation" is determined separately for each borrower. GUS will evaluate each borrower(s) based upon the data submitted and determine if each borrower satisfies the credit risk assessment criteria.

It is not uncommon to see the "Borrower Risk Evaluation" of more than one applicant vary. One Borrower may be "Accept" and one may be "Refer." GUS will consider these individual risk evaluations for the "Underwriting Recommendation."



GUS UNDERWRITING FINDINGS REPORT

UNDERWRITING SUMMARY

Underwriting Recommendation: ACCEPT / ELIGIBLE

Property Eligibility	Eligible	Primary Borrower	Aoacommon, Joan
Income Eligibility	Eligible		
Loan Eligibility	ELIGIBLE	Submission Type	Preliminary
Borrower Eligibility for:		Submission Date	07/01/2008
Aoacommon, Joan	ELIGIBLE	Submitted By	Daetwyler, Dean
Aoaccomon, Vinnie	ELIGIBLE	Loan Status	Pending
Loan Risk Evaluation	ACCEPT		
Borrower Risk Evaluation			
Aoacommon, Joan	ACCEPT		
Aoaccomon, Vinnie	ACCEPT		

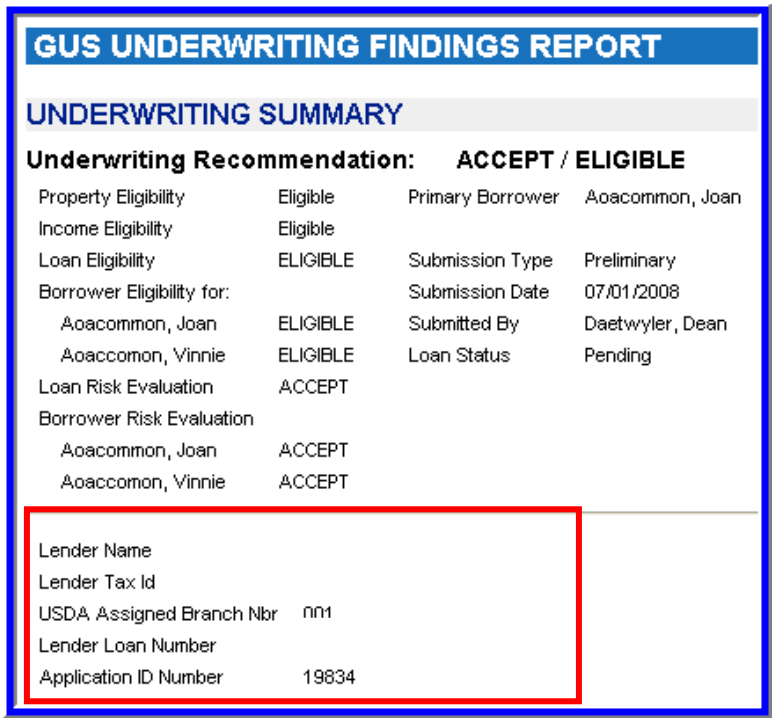
Lender Name	
Lender Tax Id	
USDA Assigned Branch Nbr	001
Lender Loan Number	
Application ID Number	19834

8. "Primary Borrower" is listed.
9. "Submission Type" listed may be one of two types:

   * **Preliminary:** The Underwriting Recommendation is preliminary. The GUS application has not been submitted to Rural Development for Loan Note Guarantee consideration. The lender maintains full access and control of the GUS application. Rural Development may only view the data input by the lender.

   * **Final:** The lender has successfully submitted the GUS application to Rural Development and is requesting a conditional commitment for loan note guarantee prior to closing the loan. The lender is locked out of the GUS application, and no changes may be made to a final submission. USDA Rural Development can process the lender's request for conditional commitment for loan note guarantee. USDA Rural Development may only view the GUS application pages completed by the lender and are unable to change any of the lender certified data.

10. "Submission Date" reflects the last date the application was submitted to GUS.
11. "Submitted By" identifies who performed the most recent submission.
12. "Loan Status" will remain "Pending."



GUS UNDERWRITING FINDINGS REPORT

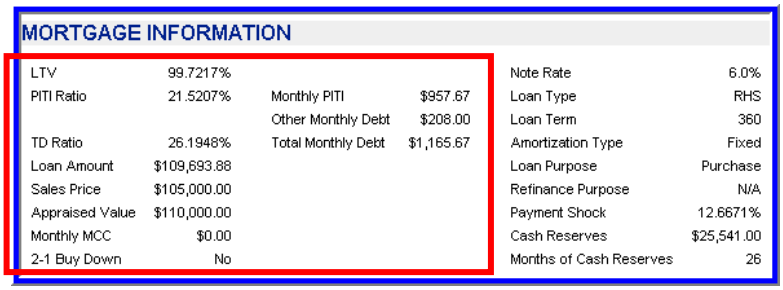
UNDERWRITING SUMMARY

Underwriting Recommendation: ACCEPT / ELIGIBLE

Property Eligibility	Eligible	Primary Borrower	Aoacommon, Joan
Income Eligibility	Eligible		
Loan Eligibility	ELIGIBLE	Submission Type	Preliminary
Borrower Eligibility for:		Submission Date	07/01/2008
Aoacommon, Joan	ELIGIBLE	Submitted By	Daetwyler, Dean
Aoaccomon, Vinnie	ELIGIBLE	Loan Status	Pending
Loan Risk Evaluation	ACCEPT		
Borrower Risk Evaluation			
Aoacommon, Joan	ACCEPT		
Aoaccomon, Vinnie	ACCEPT		

Lender Name	
Lender Tax Id	
USDA Assigned Branch Nbr	001
Lender Loan Number	
Application ID Number	19834

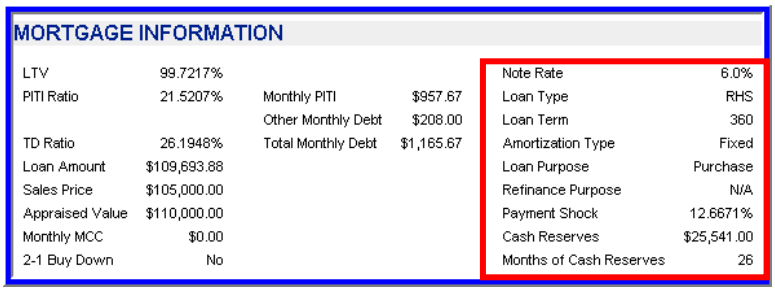
13. "Lender Name" will be listed.
14. "Lender Tax ID" will be listed.
15. "USDA Assigned Branch Nbr" will display based upon the information entered by the user.
16. "Lender Loan Number" will be assigned by the lender prior to a Final submission.
17. "Application ID Number" is randomly assigned by GUS.



MORTGAGE INFORMATION

LTV	99.7217%			Note Rate	6.0%
PITI Ratio	21.5207%	Monthly PITI	$957.67	Loan Type	RHS
		Other Monthly Debt	$208.00	Loan Term	360
TD Ratio	26.1948%	Total Monthly Debt	$1,165.67	Amortization Type	Fixed
Loan Amount	$109,693.88			Loan Purpose	Purchase
Sales Price	$105,000.00			Refinance Purpose	N/A
Appraised Value	$110,000.00			Payment Shock	12.6671%
Monthly MCC	$0.00			Cash Reserves	$25,541.00
2-1 Buy Down	No			Months of Cash Reserves	26

18. "LTV" is populated based upon the loan amount and appraised value data input into GUS.
19. "PITI Ratio" (Principal, Interest, Taxes, and Insurance), is calculated based on loan request. The calculated PITI appears under "Monthly PITI."
20. "TD Ratio" (Total Debt), is calculated based upon loan amount and liabilities to be included in the underwriting recommendation. The total of all monthly debts (excluding PITI) is listed under "Other Monthly Debt." The PITI and other monthly debts are combined to calculate the "Total Monthly Debt." These figures can quickly assist lenders and underwriters to confirm calculations to ensure data is true, accurate, and complete.
21. "Loan Amount" confirms the loan requested on the "Loan Terms" page.
22. "Sales Price" confirms the sales price as captured on the "Transaction Details" page.
23. "Appraised Value" represents the appraised value taken from the "Additional Data" page.
24. "2-1 Buy Down" confirms if a buydown exists, as recorded on the "Additional Data" page.



MORTGAGE INFORMATION

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Monthly MCC	$0.00			Cash Reserves	$25,541.00
2-1 Buy Down	No			Months of Cash Reserves	26

25. "Note Rate" captures the data input on the "Loan Terms" page.
26. "Loan Type" will default to "RHS."
27. "Loan Term" will default to "360."
28. "Amortization Type" will default to "Fixed."
29. "Loan Purpose" confirms data input on the "Loan Terms" page.
30. "Refinance Purpose" will populate if the "Loan Purpose" is "Refinance", and the proper purpose is selected on the "Loan Terms" page. This example is for a "Purchase."
31. "Payment Shock" is calculated based on the current rent or housing expenses compared to the proposed PITI. Payment shock in excess of 100% and an underwriting recommendation other than ACCEPT, will represent a risk layer in GUS.
32. "Cash Reserves" are calculated based on the funds needed to close less assets available.
33. "Months of Cash Reserves" are calculated based on the amount of assets available after considering funds to close, divided by the monthly proposed PITI. Cash reserves can represent a strong compensating factor in the credit and risk evaluation by GUS.

PROPERTY INFORMATION

Property Address 106 Lori Ann Drive, Carrier Mills, IL 62917

Subject property is located in an eligible area.

PROPERTY ELIGIBILITY FINDINGS

1. There were no property eligibility findings issued.

34. The "Property Information" section confirms the property address and notes the appropriate property eligibility determination message. There are three possible determinations:

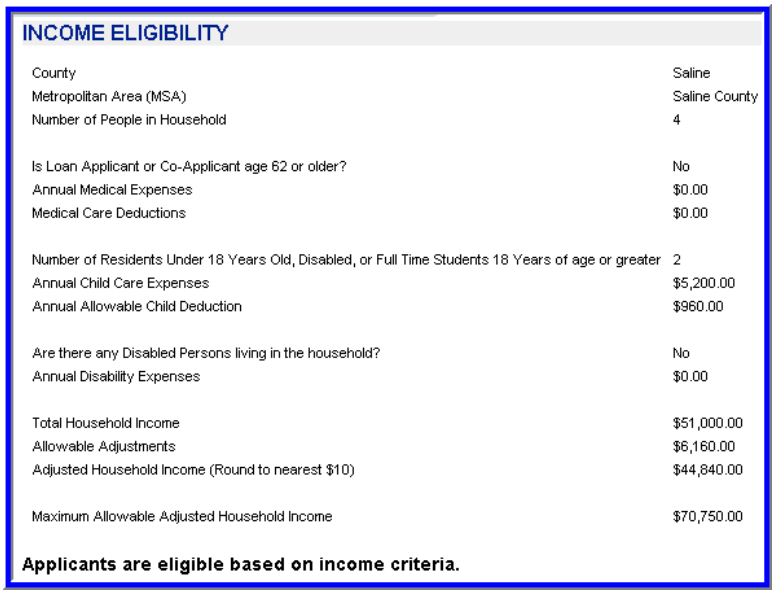
    - Subject property is located in an eligible area.
    - Subject property is located in an ineligible area.
    - System unable to determine property eligibility based on current property information.

35. "Property Eligibility Findings" will display a message appropriate to the determination.

ELIGIBLE:
"There was no property eligibility findings issued."

INELIGIBLE:
"The property is not located in a designated rural area. Please contact your local Rural Development Office on property eligibility issues."

UNABLE TO DETERMINE:
"GUS is not able to determine property eligibility based on the address input in the system. Please contact your local Rural Development Office for assistance with property eligibility determinations."



INCOME ELIGIBILITY

County	Saline
Metropolitan Area (MSA)	Saline County
Number of People in Household	4
Is Loan Applicant or Co-Applicant age 62 or older?	No
Annual Medical Expenses	$0.00
Medical Care Deductions	$0.00
Number of Residents Under 18 Years Old, Disabled, or Full Time Students 18 Years of age or greater	2
Annual Child Care Expenses	$5,200.00
Annual Allowable Child Deduction	$960.00
Are there any Disabled Persons living in the household?	No
Annual Disability Expenses	$0.00
Total Household Income	$51,000.00
Allowable Adjustments	$6,160.00
Adjusted Household Income (Round to nearest $10)	$44,840.00
Maximum Allowable Adjusted Household Income	$70,750.00

Applicants are eligible based on income criteria.

36. The "Income Eligibility" section confirms data from the "Eligibility" page. Lenders should review the data outlined to ensure accurate data entry.
37. An income eligibility determination message will be listed at the bottom of this section. There are two potential messages:

    - Applicants are eligible based on income criteria.
    - Applicants are ineligible based on income criteria.

If the income eligibility site is temporarily unavailable, GUS will default to the "Underwriting Findings Report" without a recommendation. A new preliminary underwriting submission must be attempted when the eligibility website returns online.

INCOME ELIGIBILITY FINDINGS

1. There were no household income eligibility findings issued.

38. The "Income Eligibility Findings" section will display the appropriate message. There are two potential messages:

ELIGIBLE:
"There were no household income eligibility findings issued."

INELIGIBLE:
"The applicant's Adjusted Household Income exceeds the maximum limit for the family size indicated in the County and State where the property is located."

LOAN/APPLICANT ELIGIBILITY

Loan Eligibility Finding(s)
ELIGIBLE
1. There were no loan eligibility findings issued.

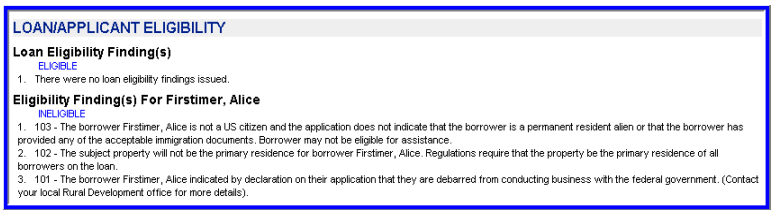
Eligibility Finding(s) For Aoacommon, Joan
ELIGIBLE
1. There is no eligibility finding for Aoacommon, Joan

Eligibility Finding(s) For Aoaccomon, Vinnie
ELIGIBLE
1. There is no eligibility finding for Aoaccomon, Vinnie

39. The "Loan/Applicant Eligibility" section of GUS will display findings that confirm overall program eligibility specific to:

    - The loan parameters
    - Each individual applicant

Lenders should review this section carefully as it may list specific eligibility factors identified by GUS that directly contributed to the "Underwriting Recommendation" message portion regarding eligibility (Eligible, Ineligible, or Unable to Determine.)


LOAN/APPLICANT ELIGIBILITY

Loan Eligibility Finding(s)

ELIGIBLE

1. There were no loan eligibility findings issued.

Eligibility Finding(s) For Firstimer, Alice

INELIGIBLE

1. 103 - The borrower Firstimer, Alice is not a US citizen and the application does not indicate that the borrower is a permanent resident alien or that the borrower has provided any of the acceptable immigration documents. Borrower may not be eligible for assistance.
2. 102 - The subject property will not be the primary residence for borrower Firstimer, Alice. Regulations require that the property be the primary residence of all borrowers on the loan.
3. 101 - The borrower Firstimer, Alice indicated by declaration on their application that they are debarred from conducting business with the federal government. (Contact your local Rural Development office for more details).

This example displays a "Loan/Applicant Eligibility" result that lists various potential Eligibility findings.

Results will vary per applicant.

LOAN/APPLICANT RISK

Loan Risk Finding(s)

1. There were no loan risk findings issued.

Risk Finding(s) For Aoacommon, Joan

1. There is no risk finding for Aoacommon, Joan

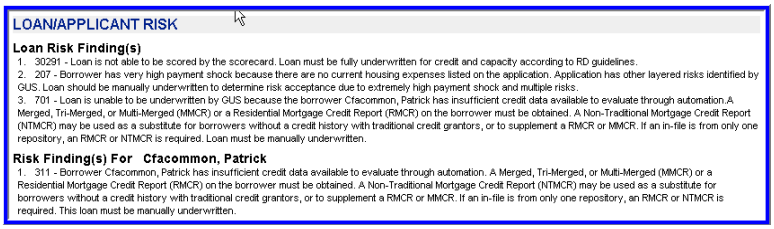
Risk Finding(s) For Aoaccomon, Vinnie

1. There is no risk finding for Aoaccomon, Vinnie

40. The "Loan/Applicant Risk" section of GUS will list any risk findings specific to:

- The loan parameters
- Each individual applicant

Lenders should review this section carefully as it may list specific risk factors identified by GUS that directly contributed to the "Underwriting Recommendation."


LOAN/APPLICANT RISK

Loan Risk Finding(s)

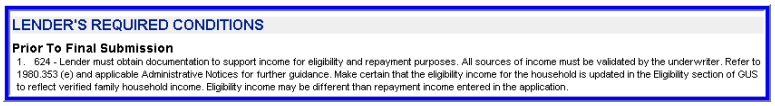
1. 30291 - Loan is not able to be scored by the scorecard. Loan must be fully underwritten for credit and capacity according to RD guidelines.
2. 207 - Borrower has very high payment shock because there are no current housing expenses listed on the application. Application has other layered risks identified by GUS. Loan should be manually underwritten to determine risk acceptance due to extremely high payment shock and multiple risks.
3. 701 - Loan is unable to be underwritten by GUS because the borrower Cfacommon, Patrick has insufficient credit data available to evaluate through automation.A Merged, Tri-Merged, or Multi-Merged (MMCR) or a Residential Mortgage Credit Report (RMCR) on the borrower must be obtained. A Non-Traditional Mortgage Credit Report (NTMCR) may be used as a substitute for borrowers without a credit history with traditional credit grantors, or to supplement a RMCR or MMCR. If an in-file is from only one repository, an RMCR or NTMCR is required. Loan must be manually underwritten.

Risk Finding(s) For Cfacommon, Patrick

1. 311 - Borrower Cfacommon, Patrick has insufficient credit data available to evaluate through automation. A Merged, Tri-Merged, or Multi-Merged (MMCR) or a Residential Mortgage Credit Report (RMCR) on the borrower must be obtained. A Non-Traditional Mortgage Credit Report (NTMCR) may be used as a substitute for borrowers without a credit history with traditional credit grantors, or to supplement a RMCR or MMCR. If an in-file is from only one repository, an RMCR or NTMCR is required. This loan must be manually underwritten.

The example displays a "Loan/Applicant Risk" result that lists potential Risk findings.

Results will vary per applicant.


LENDER'S REQUIRED CONDITIONS

Prior To Final Submission

1. 624 - Lender must obtain documentation to support income for eligibility and repayment purposes. All sources of income must be validated by the underwriter. Refer to 1980.353 (e) and applicable Administrative Notices for further guidance. Make certain that the eligibility income for the household is updated in the Eligibility section of GUS to reflect verified family household income. Eligibility income may be different than repayment income entered in the application.

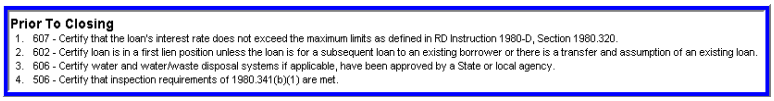
41. The "Lender's Required Conditions" specifically state what steps the lender must take to complete the file "Prior To":

- Final Submission
- Conditional Commitment
- Closing
- Guarantee

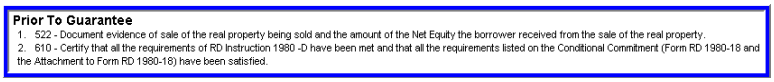
The "Lender's Required Conditions" encompass any "findings" identified during the loan evaluation analysis performed by GUS, regarding the credit, capacity, and collateral of the loan application. Lenders should carefully review each finding requirement to ensure true, accurate, and complete data. Each condition should be addressed in the lender's permanent loan file.

42. Lender messages identify the components of GUS results. Lenders can review these results to learn how to process, restructure, and validate the loan. Lenders can quickly complete the documentation of their loan file by using the findings report messages appropriately.
43. Each condition message has a sequential number assigned, followed by the designated message number. In the example there are 9 conditions that need to be addressed "Prior to Conditional Commitment."
44. Each condition message has a unique number assigned to it. For example, condition "555" corresponds to the message "One or more liabilities was/were marked as Paid by Close in the application, Lender must obtain documentation that the account(s) was/were paid in full at or before loan closing. The liability may not be paid with loan funds. This message also identified the accounts that correspond to this message.

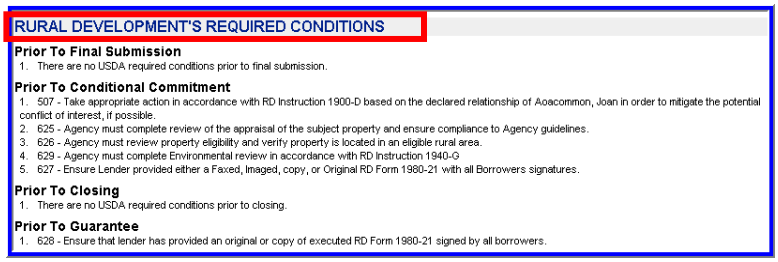
Lenders are responsible for documenting and/or certifying in their permanent lender casefile, that all conditions have been met. Approved lender status, compliance review results, and potential future loss claims could be compromised with misrepresentation of data.


Prior To Closing
1. 607 - Certify that the loan's interest rate does not exceed the maximum limits as defined in RD Instruction 1980-D, Section 1980.320.
2. 602 - Certify loan is in a first lien position unless the loan is for a subsequent loan to an existing borrower or there is a transfer and assumption of an existing loan.
3. 606 - Certify water and water/waste disposal systems if applicable, have been approved by a State or local agency.
4. 506 - Certify that inspection requirements of 1980.341(b)(1) are met.

Example of potential "Prior to Closing" messages.


Prior To Guarantee
1. 522 - Document evidence of sale of the real property being sold and the amount of the Net Equity the borrower received from the sale of the real property.
2. 610 - Certify that all the requirements of RD Instruction 1980 -D have been met and that all the requirements listed on the Conditional Commitment (Form RD 1980-18 and the Attachment to Form RD 1980-18) have been satisfied.

Example of potential "Prior to Guarantee" messages.


RURAL DEVELOPMENT'S REQUIRED CONDITIONS

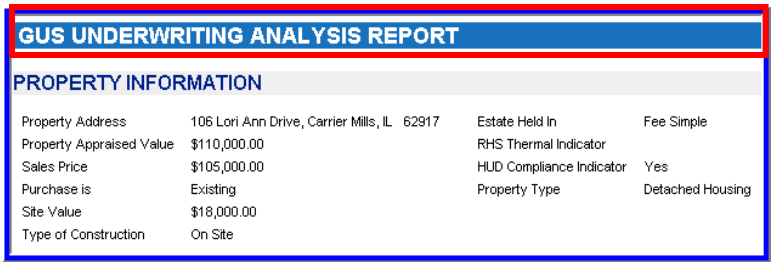
Prior To Final Submission
1. There are no USDA required conditions prior to final submission.

Prior To Conditional Commitment
1. 507 - Take appropriate action in accordance with RD Instruction 1900-D based on the declared relationship of Aoacommon, Joan in order to mitigate the potential conflict of interest, if possible.
2. 625 - Agency must complete review of the appraisal of the subject property and ensure compliance to Agency guidelines.
3. 626 - Agency must review property eligibility and verify property is located in an eligible rural area.
4. 629 - Agency must complete Environmental review in accordance with RD Instruction 1940-G
5. 627 - Ensure Lender provided either a Faxed, Imaged, copy, or Original RD Form 1980-21 with all Borrowers signatures.

Prior To Closing
1. There are no USDA required conditions prior to closing.

Prior To Guarantee
1. 628 - Ensure that lender has provided an original or copy of executed RD Form 1980-21 signed by all borrowers.

45. "Rural Development's Required Conditions" displays the conditions that *USDA Rural Development* must document and/or execute to process the GUS conditional commitment for loan note guarantee.



GUS UNDERWRITING ANALYSIS REPORT

PROPERTY INFORMATION

Property Address	106 Lori Ann Drive, Carrier Mills, IL 62917	Estate Held In	Fee Simple
Property Appraised Value	$110,000.00	RHS Thermal Indicator	
Sales Price	$105,000.00	HUD Compliance Indicator	Yes
Purchase is	Existing	Property Type	Detached Housing
Site Value	$18,000.00		
Type of Construction	On Site		

46. The second portion of the "Underwriting Report" is the "GUS Underwriting Analysis Report." This report contains key information used in determining the recommendation including property, loan, borrower information, as well as calculations.

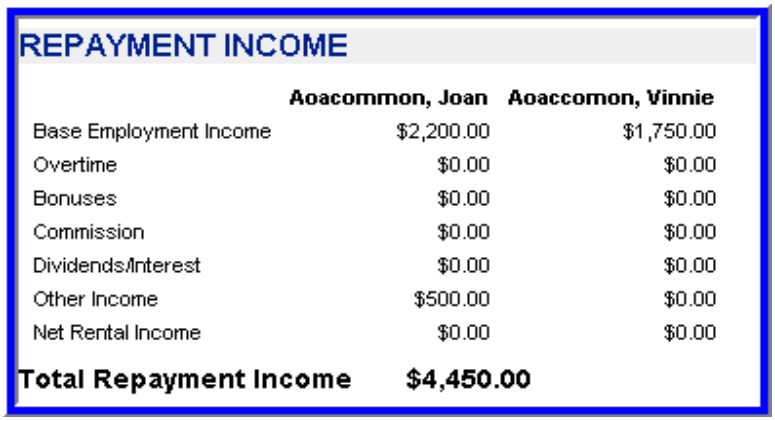
PROPERTY INFORMATION

Property Address	106 Lori Ann Drive, Carrier Mills, IL 62917	Estate Held In	Fee Simple
Property Appraised Value	$110,000.00	RHS Thermal Indicator	
Sales Price	$105,000.00	HUD Compliance Indicator	Yes
Purchase is	Existing	Property Type	Detached Housing
Site Value	$18,000.00		
Type of Construction	On Site		

The "Property Information" section reviews data entry fields that were entered into GUS.

47. "Property Address" captures data from the "Eligibility" page.
48. "Property Appraised Value" comes from the "Additional Data" page.
49. "Sales Price" is from the "Transaction Details" page.
50. "Purchase (type) is" from the "Loan Terms" page.
51. "Site Value" is from the "Additional Data" page.
52. "Type of Construction" is from the "Additional Data" page.
53. "Estate Held In" is from the "Loan Terms" page.
54. "RHS Thermal Indicator" will auto populate if this field is required from data entered on the "Additional Data" page.
55. "HUD Compliance Indicator" will auto populate if this field is required from data entered on the "Additional Data" page.
56. "Property Type" is from the "Additional Data" page.

If upon review, any of these fields indicate incorrect data, return to the GUS application pages, correct the necessary fields and resubmit to GUS for an updated Underwriting Recommendation.



REPAYMENT INCOME

	Aoacommon, Joan	Aoaccomon, Vinnie
Base Employment Income	$2,200.00	$1,750.00
Overtime	$0.00	$0.00
Bonuses	$0.00	$0.00
Commission	$0.00	$0.00
Dividends/Interest	$0.00	$0.00
Other Income	$500.00	$0.00
Net Rental Income	$0.00	$0.00
Total Repayment Income	**$4,450.00**	

57. "Repayment Income" details data input from the "Income and Expenses" page.

Repayment income may vary from eligibility income.

EXPENSES

Housing Expenses

	Current	Proposed
Rent	$850.00	
First Mortgage (P&I)	$0.00	$657.67
Other Financing (P&I)	$0.00	$0.00
Hazard Insurance	$0.00	$50.00
Real Estate Taxes	$0.00	$250.00
Homeowner Association Dues	$0.00	$0.00
Other	$0.00	$0.00
Less Monthly Mortgage Credit Cert.		($0.00)
Total Housing Expenses	$850.00	$957.67

Other Expenses

Additional Expenses	$0.00
Alterations, Improvements, Repairs (included in loan amount)	$0.00
Liabilities	$46,073.00
Liability Payments	$820.00

The "Expenses" section outlines the total "Housing Expenses" and "Other Expenses."

58. "Housing Expenses" are from the "Income and Expenses" page.
59. "Other Expenses" are calculated from the data entered manually or auto populated from the credit report on the "Asset and Liabilities" page. The outstanding balance of all liabilities is calculated, and the total amount of monthly payments for the liabilities.

FUNDS

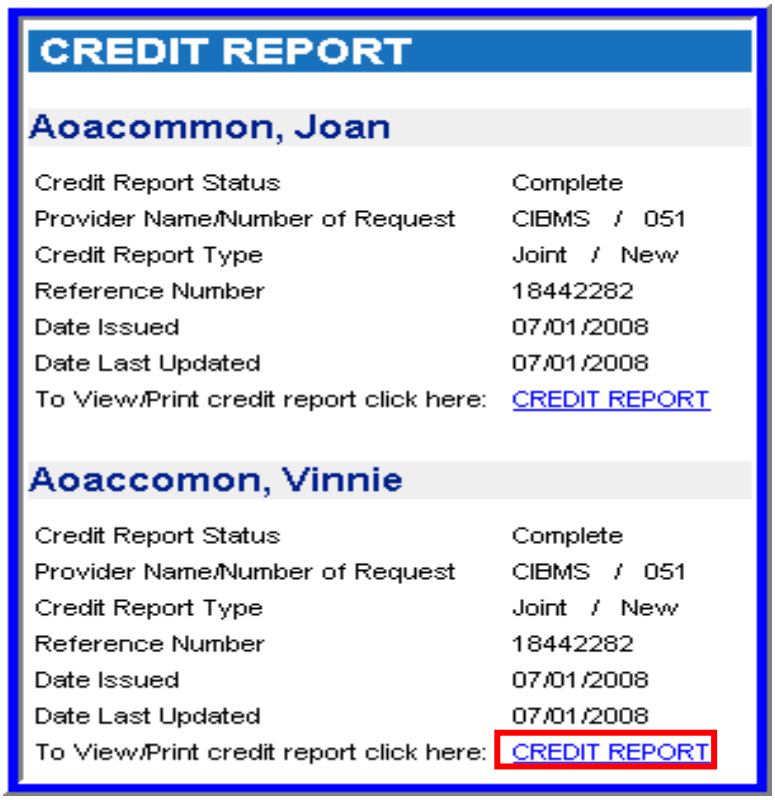
Funds Required	$3.00	Debts to Be Paid by Close	$3.00
Subordinate Financing	$0.00	Net Cash to Borrower	$0.00
Available	$25,544.00	Cash Reserves	$25,541.00
Cash Back	$0.00	Months of Cash Reserves	26

The "Funds" section will calculate the funds needed to close as well as the funds available, as entered into GUS.

60. "Funds Required" calculates the amount of funds needed at closing based upon the data entered on the loan application.
61. "Subordinate Financing" will confirm any financing, subordinate to the guaranteed loan, if entered on the "Transaction Details" page.
62. "Available" is the sum of all eligible assets entered into GUS on the "Asset and Liabilities" and "Other Credits" section of the "Transaction Details" page, or the sum of Net Equity listed in the "REO Properties" section of the "Assets and Liabilities" page.
63. "Cash Back" is calculated on the "Transaction Details" page. Any portion of loan funds is not eligible as cash back to the borrower(s). Borrower(s) may be returned any fees paid outside of closing (POC)(i.e. credit report fee, application fee, appraisal fee, first year of homeowner's insurance premium, earnest money deposits, etc.) which are representative of an eligible loan purpose.
64. "Debts to Be Paid by Close" is the sum of all liabilities marked "Paid by Close" on the

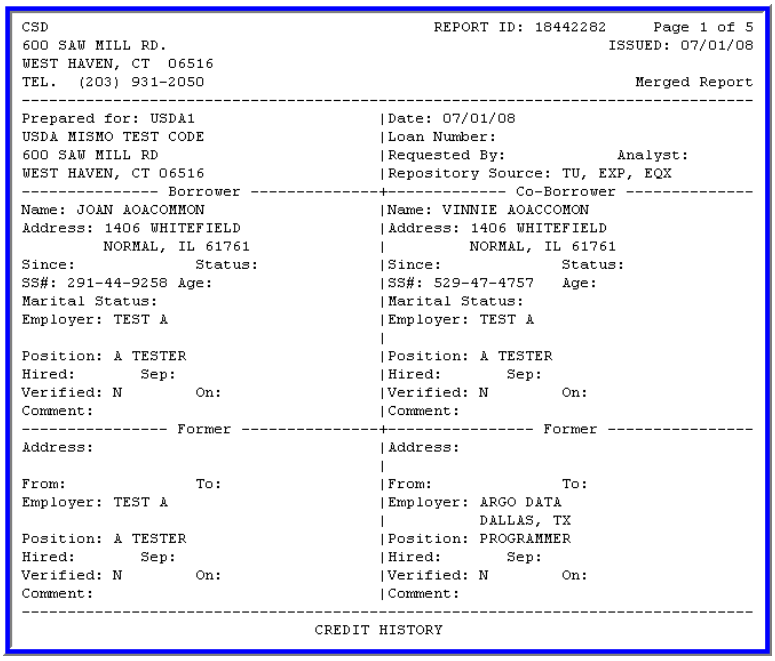
"Assets and Liabilities" page.

65. "Net Cash to Borrower" represents the total costs less loan amount. Refer to "Cash Back" above, to confirm if net cash is eligible to be returned to borrower(s).
66. "Cash Reserves" represents the cash available, less funds required.
67. "Months of Cash Reserves" is the amount of cash reserves available divided by the proposed PITI.



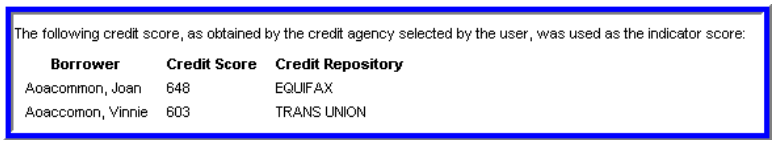
The third section of the "Underwriting Report" is the "Credit Report" section. This report summarizes key statistics from the issued credit report.

68. A "Credit Report Status" of "Complete" signifies a complete credit report is associated with the borrower(s) loan application. "Error" or "Out of Scope" would indicate an error occurred in the credit request **or** critical data within the application has been modified since the last underwriting request, thereby requiring a new credit request.
69. "Provider Name" lists the credit provider and their assigned branch number.
70. "Credit Report Type" confirms if the report is an "Individual," "Joint," "New" or "Reissued" report.
71. "Reference Number" displays the credit file number associated with the request. For reissued credit, the reference number of the initial credit report will be utilized to reissue the report.
72. "Date Issued" reports the date of the credit report.
73. "Date Last Updated" displays an updated date, if any changes had been made to this credit report.
74. "To View/Print credit report click here" offers a link to view and print the credit report.
75. Click on **"CREDIT REPORT"** to access the credit report.



```
CSD                                              REPORT ID: 18442282     Page 1 of 5
600 SAW MILL RD.                                                      ISSUED: 07/01/08
WEST HAVEN, CT  06516
TEL.  (203) 931-2050                                                    Merged Report
-------------------------------------------------------------------------------------
Prepared for: USDA1                          |Date: 07/01/08
USDA MISMO TEST CODE                         |Loan Number:
600 SAW MILL RD                              |Requested By:            Analyst:
WEST HAVEN, CT 06516                         |Repository Source: TU, EXP, EQX
--------------- Borrower ---------------+------------ Co-Borrower --------------
Name: JOAN AOACOMMON                         |Name: VINNIE AOACCOMON
Address: 1406 WHITEFIELD                     |Address: 1406 WHITEFIELD
         NORMAL, IL 61761                    |         NORMAL, IL 61761
Since:              Status:                  |Since:              Status:
SS#: 291-44-9258 Age:                        |SS#: 529-47-4757   Age:
Marital Status:                              |Marital Status:
Employer: TEST A                             |Employer: TEST A
                                             |
Position: A TESTER                           |Position: A TESTER
Hired:       Sep:                            |Hired:       Sep:
Verified: N         On:                      |Verified: N         On:
Comment:                                     |Comment:
---------------- Former ----------------+---------------- Former -----------------
Address:                                     |Address:
                                             |
From:               To:                      |From:               To:
Employer: TEST A                             |Employer: ARGO DATA
                                             |          DALLAS, TX
Position: A TESTER                           |Position: PROGRAMMER
Hired:       Sep:                            |Hired:       Sep:
Verified: N         On:                      |Verified: N         On:
Comment:                                     |Comment:
-------------------------------------------------------------------------------------
                                  CREDIT HISTORY
```

Example of the credit report is displayed.



The following credit score, as obtained by the credit agency selected by the user, was used as the indicator score:

Borrower	Credit Score	Credit Repository
Aoacommon, Joan	648	EQUIFAX
Aoaccomon, Vinnie	603	TRANS UNION

76. The FICO indicator scores that were utilized in the GUS recommendation and the associated Credit Repository are displayed for each borrower.

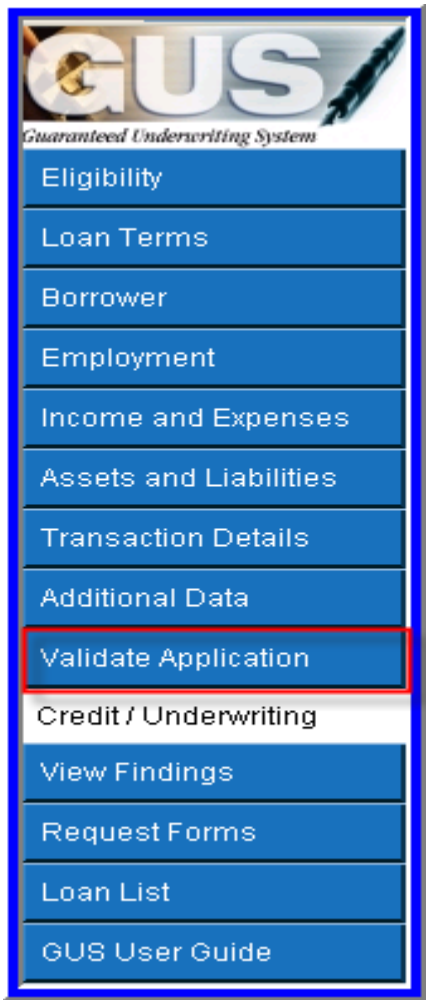
77. At the footer of the "Findings Report" the following options are available:

- "Return" to the previous GUS page.
- "Next" to advance to the "Request Forms" page.
- "Print" the GUS Findings and Underwriting Report.
- "Close" to exit the findings report.

Lenders are required to print the Final "GUS Underwriting Findings Report" and retain in their permanent lender casefile for future compliance reviews.

FINAL SUBMISSION

Once the underwriter has verified all loan documentation, GUS data, and the Underwriting Findings Report, they may complete a final underwriting and loan submission to Rural Development.



Once an underwriter has reviewed and confirmed the data entered into GUS and is ready to make a final underwriting submission to USDA Rural Development for a conditional commitment for loan note guarantee, the lender may utilize the "Validate Application" feature to confirm all required data elements are complete.

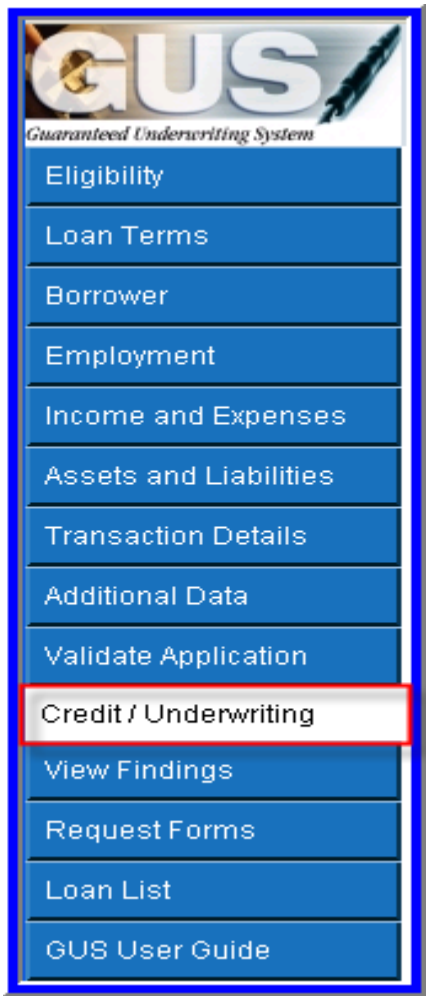
1. Click on "Validate Application."

2. A "Submit Application Errors" pop up box will appear. This example confirms no errors are found and a final underwriting submission may occur.

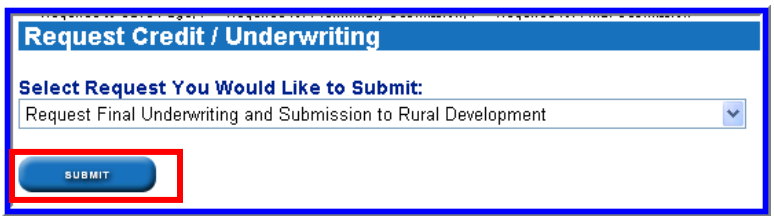
If data is incomplete, a "Submit Application Error" page will display defining incomplete data items.

The errors associated with the specific page location will be displayed and if the error is applicable to a preliminary submission and/or final submission.

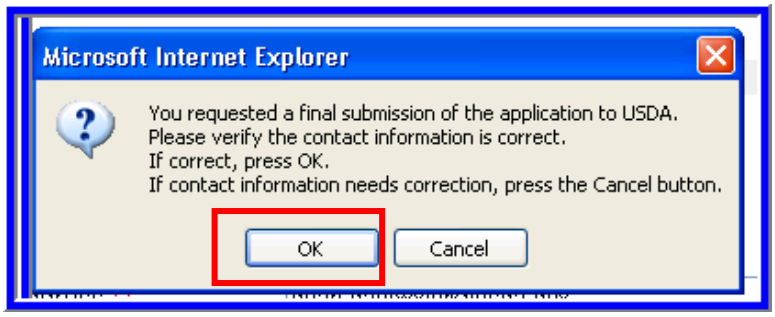
GUS will indicate the application page where the error is located. Users can print the "Submit Application Errors" page to review and correct each error.



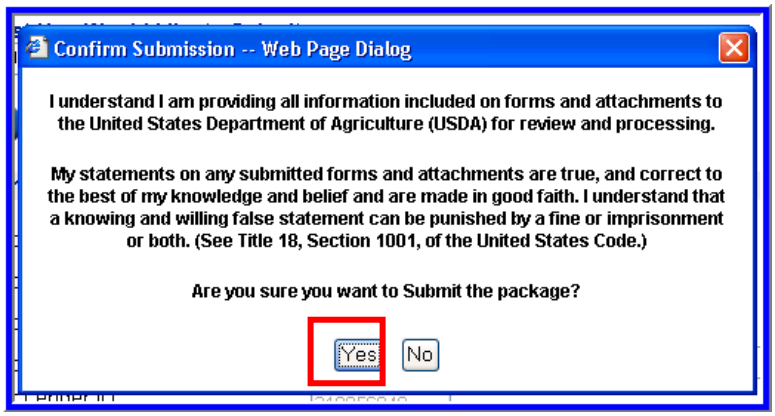
3. Click on "Credit / Underwriting" to request a "Final Underwriting" submission.



4. Select "Request Final Underwriting and Submission to Rural Development."
5. Click on "Submit."



6. A verification pop up will appear requesting the user to confirm the final submission is the action requested and the contact information provided is correct. Click on"OK" to proceed with the final submission.

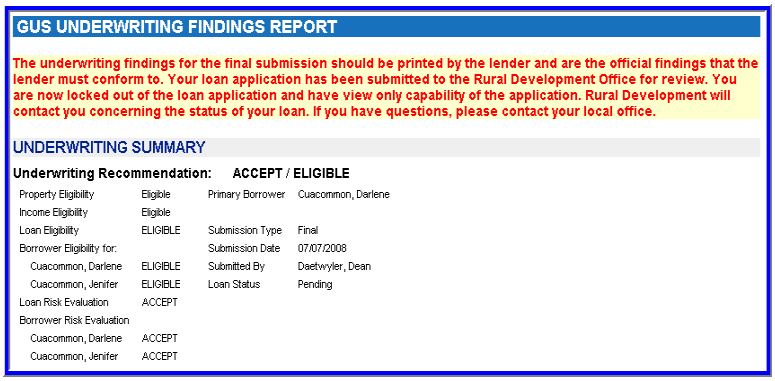


7. The "Confirm Submission" pop up will appear to request that the user confirm and certify that the GUS application is true and accurate.

Misrepresentation of GUS application data can lead to serious consequences.

8. Click on "YES" to proceed with the final submission.

9. A confirmation message will appear at the top of the "Request Credit / Underwriting" page to alert the user that the final underwriting request and submission to Rural Development is in process.



10. The "GUS Underwriting Findings Report" confirms that a final underwriting request and submission have been successfully completed.

11. Verbiage appears at the top of a Final Submission which alerts the user to print and utilize these findings in preparing the lender permanent casefile. The application is locked from modification by the user with a final submission.

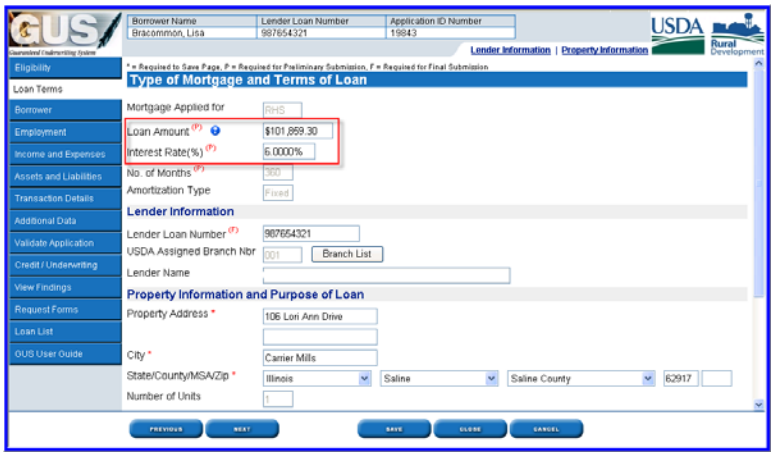
If changes need to be made to a final submit GUS loan application, lenders can contact their Rural Development representatives and request that the loan be released back to the lender. The lender can make corrections/updates and perform a new final underwriting request and submission to Rural Development.

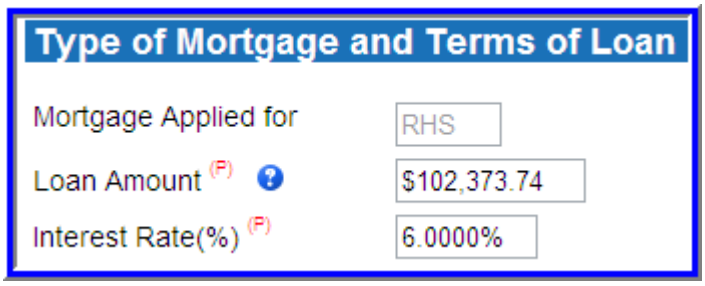
Section 3 ➔ Entering a Refinance Loan

ENTERING A REFINANCE LOAN

The following guidance demonstrates how to create a refinance loan in GUS, specifically the data fields associated with a refinance loan. Users should follow the GUS guide "Entering a Purchase Loan" to complete all remaining data fields.

LOAN TERMS: REFINANCE





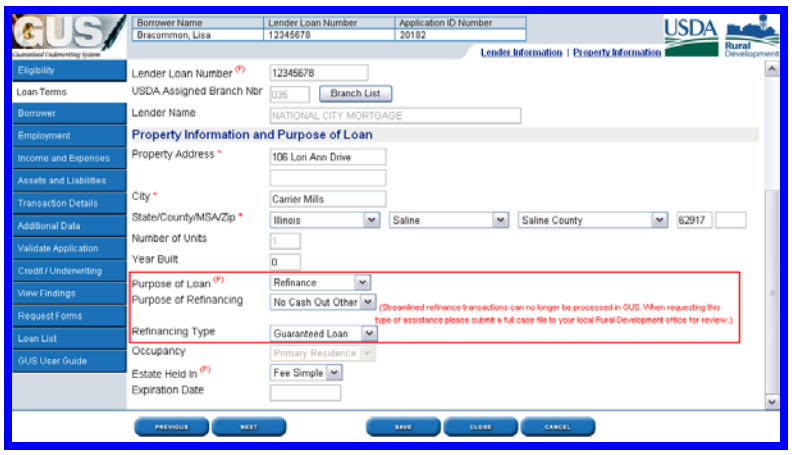
Streamline Refinance transactions are not eligible to be processed through GUS. Please submit a full manual case file to your local Rural Development office when requesting this type of refinance transaction in order to secure a Conditional Commitment from Rural Development.

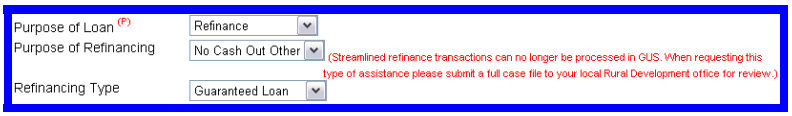
1. At the "Loan Terms" page enter the **total** "Loan Amount."

"Loan Amount" for a **No Cash Out Other** refinance may include the principal balance of the loan, the refinance guarantee fee, accrued interest, lender closing costs, and lender fees. With this option ***a new appraisal will be required*** to confirm the refinance loan request is fully secured. No existing home inspections are required.

The example displays a total loan amount of $102,373.74. This represents a principal loan balance of $99,822.10, the Guarantee Fee of $1,023.74, and eligible closing costs of $1,527.90.

2. Enter the "Interest Rate." The interest rate cannot exceed the interest rate of the loan being refinanced.





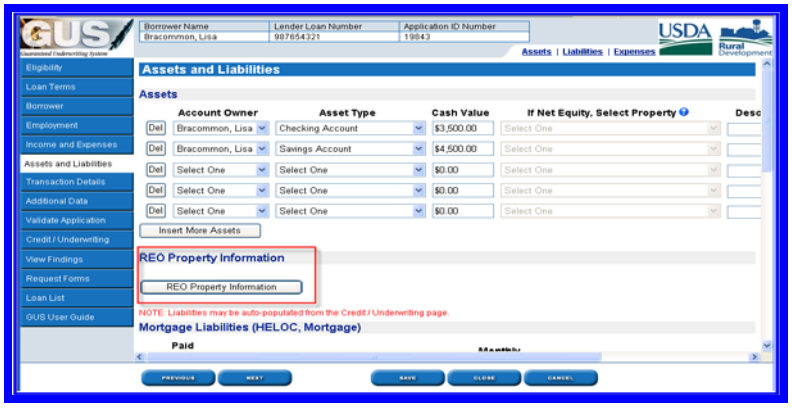
3. Select "Refinance" for the "Purpose of Loan."
4. The "Purpose of Refinancing" field will be auto-populated to "No Cash Out Other" and is not accessible for change. Streamlined refinance requests are not accepted through Gus.

    - **No Cash Out Other**: Accrued interest, the refinance guarantee fee, lender closing costs and fees can be included in the loan in addition to the principal loan balance.

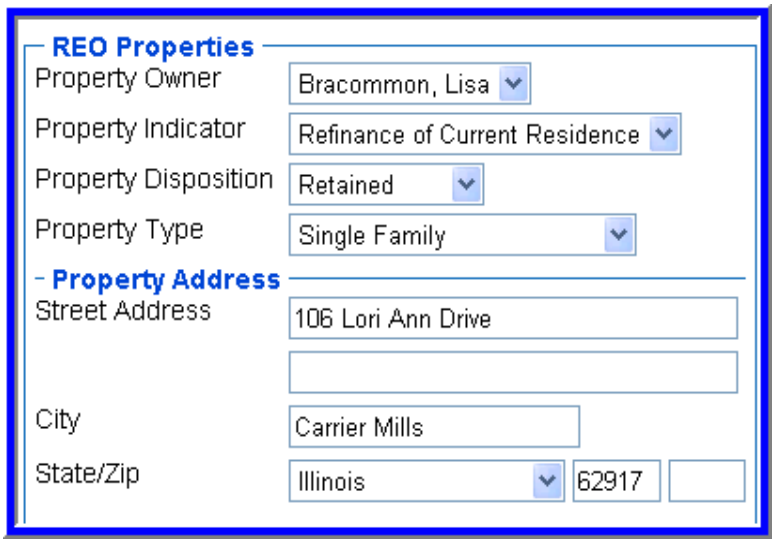
5. Select the "Refinancing Type." Options include:

    - Direct to Guaranteed Loan (Refinancing a Rural Development Section 502 Direct Loan with a Guaranteed Loan).
    - Guaranteed Loan (Refinancing an existing Guaranteed Loan with a Guaranteed Loan)

ASSETS AND LIABILITIES: REFINANCE



1. From the "Assets and Liabilities" page, click on "REO Property Information" to enter the property information regarding the borrower's current residence.

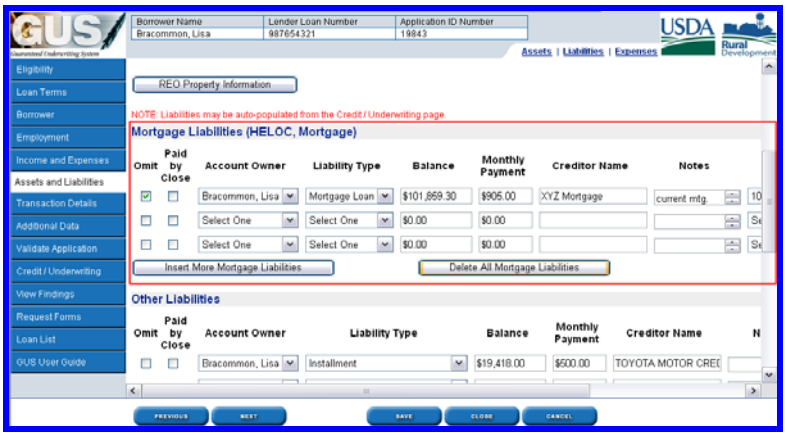


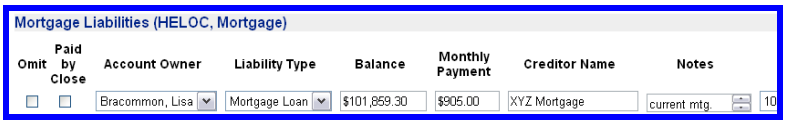
2. At the "REO Property Information" page, select the "Property Owner."
3. Select "Refinance of Current Residence" at the "Property Indicator."
4. Select "Retained" at "Property Disposition."
5. Select the "Property Type." Options include:

    - Commercial Non Residential
    - Condominium
    - Cooperative
    - Farm
    - Home and Business
    - Land
    - Manufactured Mobile Home
    - Mixed Use Residential
    - Multifamily More than Four
    - Single Family
    - Townhouse
    - Two to Four Unit Property

6. Enter the "Property Address."

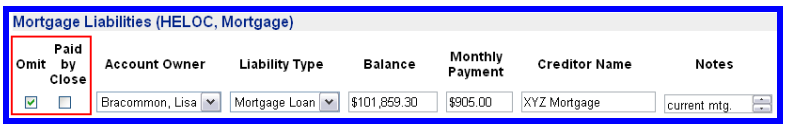
7. Click on "Back" to return to the "Asset and Liabilities" page.





At the "Asset and Liabilities" page the "Mortgage Liabilities" data fields extend beyond the users viewable screen. Users should utilize the scroll bar located at the bottom of the GUS page to access all data fields beyond the viewable screen.

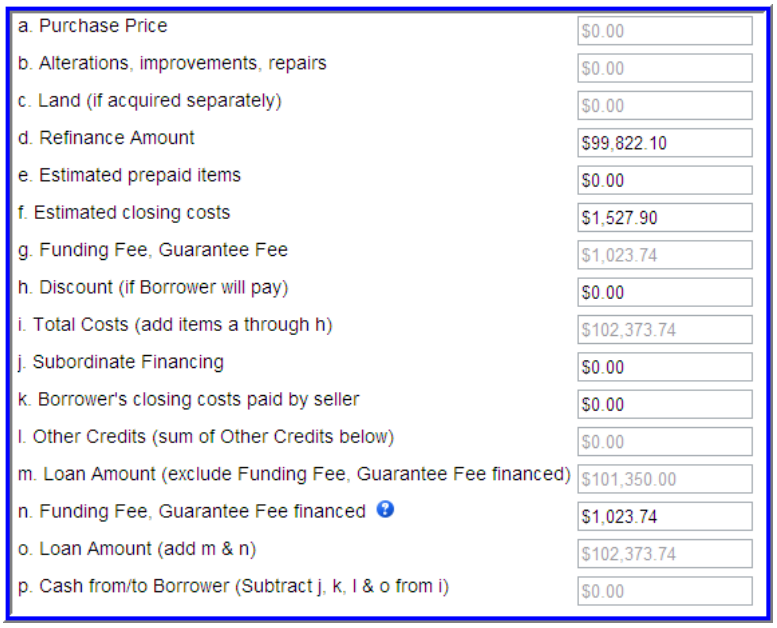
Once the REO page is populated, the following steps display each portion of the "Mortgage Liabilities" section.



8. Check "Omit" beside the mortgage liability, since this is the subject of the refinance.
9. Select the "Account Owner."
10. Select the "Liability Type." Options include:
    - HELOC
    - Mortgage Loan
11. Enter the "Balance."
12. Enter the "Monthly Payment."

13. Enter the "Creditor Name."
14. Enter "Notes" to document the loan file (optional field for the lender).
15. Select the property for this liability from "Select Property." Properties are available for selection once entered in "REO Property Information."

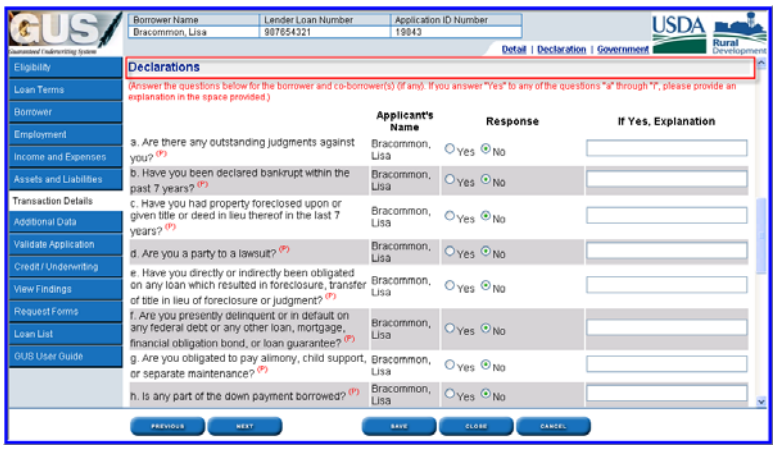
TRANSACTION DETAILS: REFINANCE

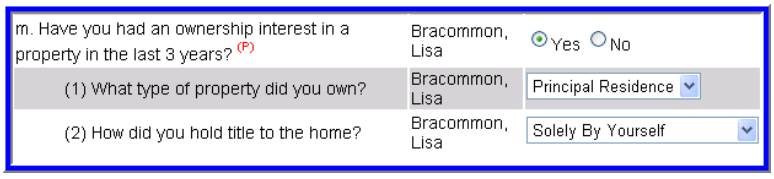


1. On the "Transaction Details" page, enter the "Refinance Amount," "d."

The example displays only the principal balance. Other refinance transactions may include accrued interest in this data field.

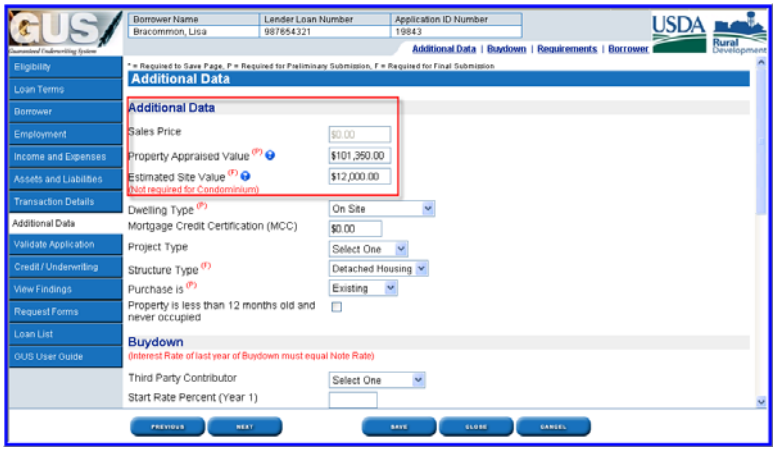
2. Enter "Estimated prepaid items," "e."
3. Enter "Estimated closing costs," "f."
4. "Funding Fee, Guarantee Fee," "g," will automatically populate based upon the "Loan Amount" entered on the "Loan Terms" page and is a protected field.
5. Enter "Discount" points the borrower may pay "h." Low-income applicants are eligible to finance discount points not to exceed two percentage points of the loan amount.
6. Enter "Subordinate Financing" if applicable "j."
7. Item "k" is not applicable to refinance transactions.
8. Enter any portion of the "Funding Fee, Guarantee Fee financed" into the loan, "n." If the entire guarantee fee is included in the loan, the entry for "n" should match "g."
9. "Loan Amount," "o" will populate and be protected based on information entered on the "Loan Terms" page.
10. "Cash from/to borrower" will populate and be protected.

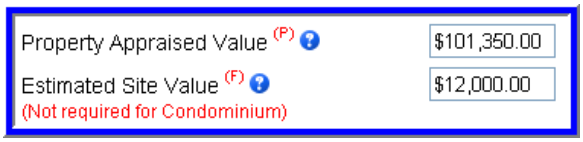




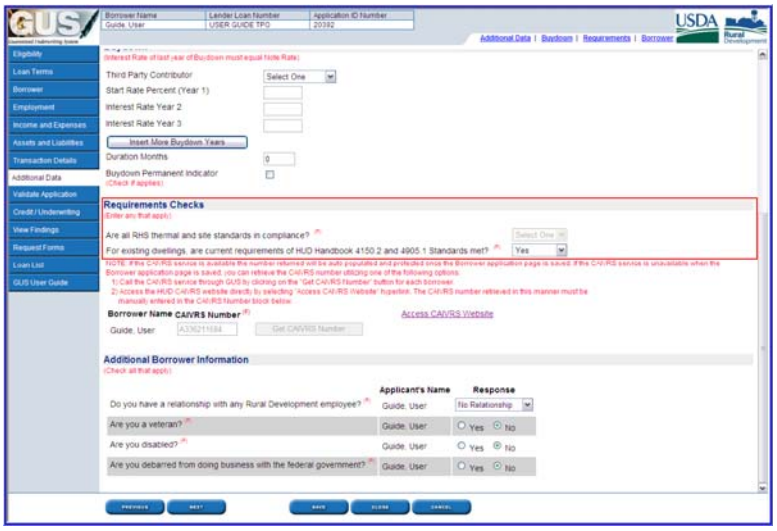
11. At "Declarations" on the "Transaction Details" page, select the correct response for each "Declaration" question. Declaration question "m" should be completed for the current residence.

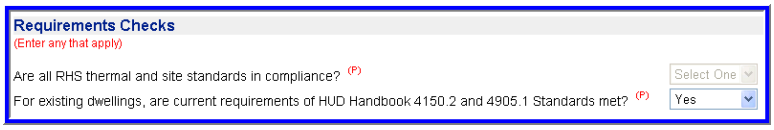
ADDITIONAL DATA: REFINANCE





1. At the "Additional Data" page, enter "Property Appraised Value." Enter the appraised value from the new appraisal.
2. Enter the "Estimated Site Value." Enter the site value listed on the appraisal.





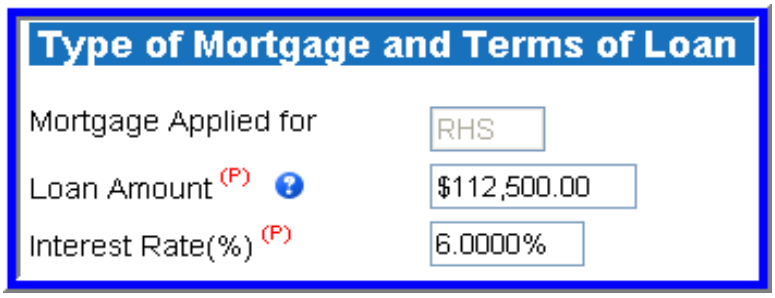
3. “Requirement Checks” data fields that are active require completion.

Section 4 ➔ Entering a New Construction Loan

ENTERING A NEW CONSTRUCTION LOAN

The following guidance demonstrates how to input a new construction loan utilizing GUS. New construction, as defined by Rural Development, involves the granting of a long term mortgage to replace an interim land purchase contract/loan or the funding to complete the construction of a new residence. **The purchase of a completed spec home is considered a purchase loan/new. This guidance is not for purchase new loans.** It is intended to assist the user in completing the necessary data items involving a "to be built" construction proposal. Users should follow the GUS guide "Entering a Purchase Loan" to complete the remaining data fields.

LOAN TERMS: NEW CONSTRUCTION



1. At the Loan Terms page, enter the **total** "Loan Amount."

Example total loan amount $112,500:
- $97,500 new construction costs
- $15,000 land cost payoff

2. Enter the "Interest Rate."

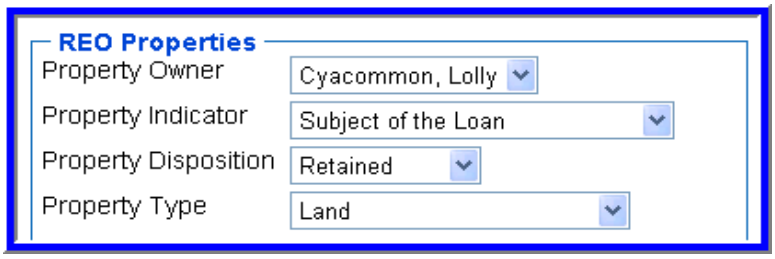
3. Select "Construction Only" for "Loan Purpose."

REO: NEW CONSTRUCTION

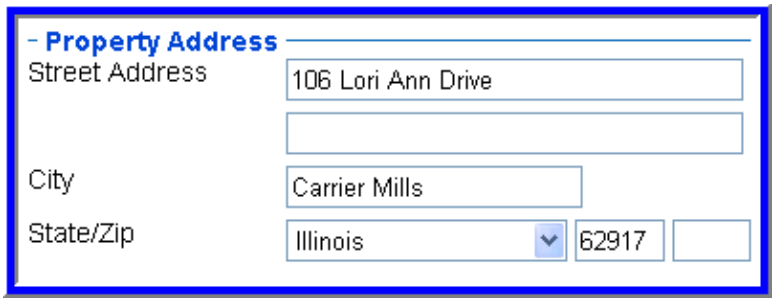
NOTE: Complete the REO portion when the loan request involves the previous ownership of property involved in the new construction loan request.

1. At the "Assets and Liabilities" page, select the "REO Property Information" button if the borrower(s) currently own real estate.

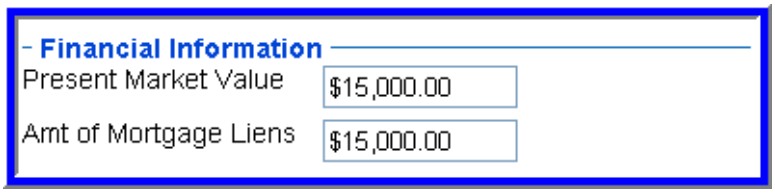
Land utilized for the new construction on a separate loan must be included.



2. Select "Property Owner."
3. Select "Subject of the Loan" for Property Indicator."
4. Select "Retained" for "Property Disposition."
5. Select "Land" for "Property Type."



6. Enter the "Property Address" of the REO property.



7. Enter the "Present Market Value."
8. Enter the "Amount of Mortgage Liens."

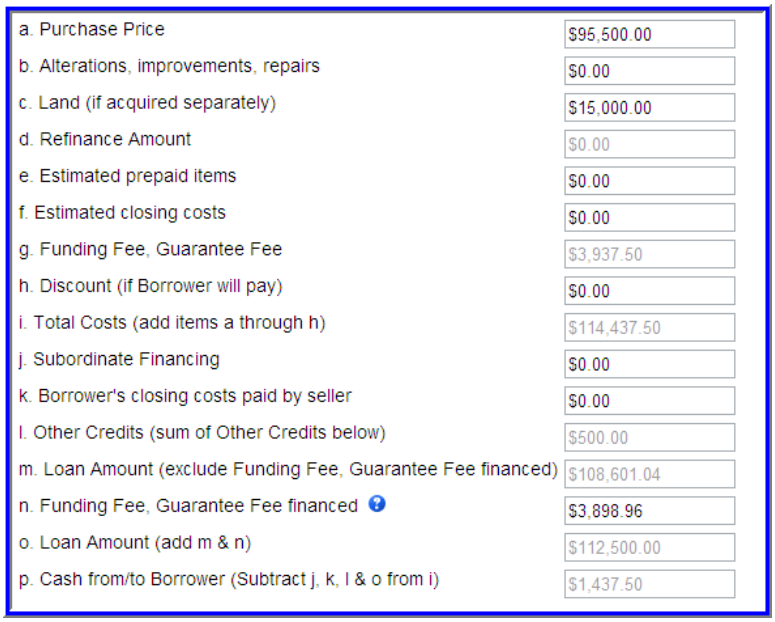
9. Click the "Back" button to return to the "Asset and Liabilities" page.

ASSETS AND LIABILITIES: NEW CONSTRUCTION

1. As applicable, if a REO Property is identified and will be included in the new construction guaranteed loan request, or will be paid by close, check the "Omit" box. Users can document the omission of this type of liability through the HUD-1 Settlement Statement provided at closing or similar supporting documentation.
2. Select the "Account Owner."
3. Select the "Liability Type," options include:
   - HELOC
   - Mortgage Loan
4. Enter the "Balance."
5. Enter the "Monthly Payment."

6. Enter the "Creditor Name."
7. Enter "Notes" to document the file.
8. Select the property associated with this mortgage liability. Properties will be available for selection once entered in "REO Property Information."

TRANSACTION DETAILS: NEW CONSTRUCTION

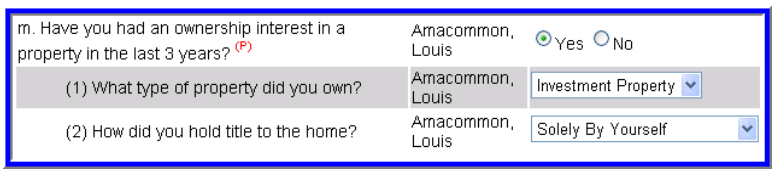


a. Purchase Price	$95,500.00
b. Alterations, improvements, repairs	$0.00
c. Land (if acquired separately)	$15,000.00
d. Refinance Amount	$0.00
e. Estimated prepaid items	$0.00
f. Estimated closing costs	$0.00
g. Funding Fee, Guarantee Fee	$3,937.50
h. Discount (if Borrower will pay)	$0.00
i. Total Costs (add items a through h)	$114,437.50
j. Subordinate Financing	$0.00
k. Borrower's closing costs paid by seller	$0.00
l. Other Credits (sum of Other Credits below)	$500.00
m. Loan Amount (exclude Funding Fee, Guarantee Fee financed)	$108,601.04
n. Funding Fee, Guarantee Fee financed	$3,898.96
o. Loan Amount (add m & n)	$112,500.00
p. Cash from/to Borrower (Subtract j, k, l & o from i)	$1,437.50

1. Enter the "Purchase Price," "a."
2. Enter the cost of "Alterations, improvements, repairs" if applicable, "b."
4. Enter the cost of "Land" if acquired separately, "c."
5. Enter "Estimated prepaid items," "e."
6. Enter "Estimated closing costs," "f."
7. The "Funding Fee, Guarantee Fee," "g," will be automatically populated based on the "Loan Amount" entered on the "Loan Terms" page. This field can not be changed as it is locked.
8. Enter "Discount" points the borrower may be paying, "h."

Total costs will calculate based upon the entries in fields a through h.

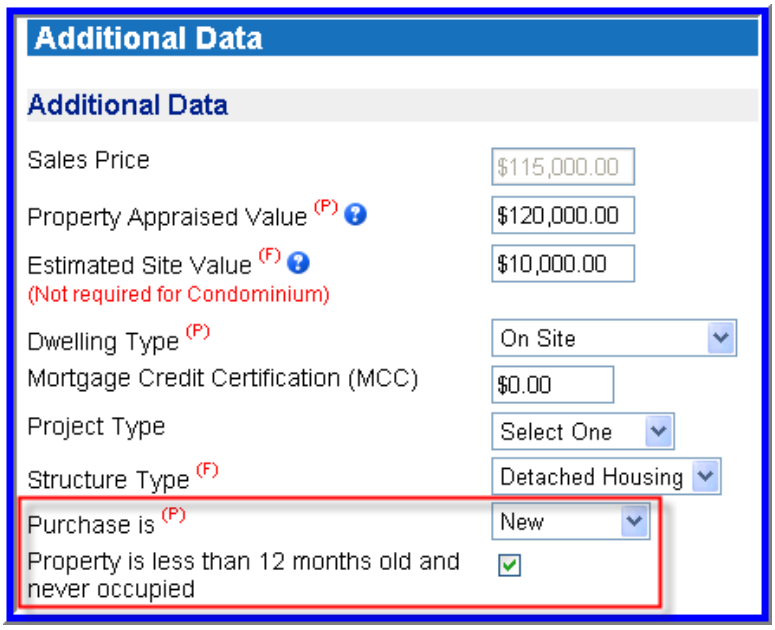
9. Enter "Subordinate Financing" if applicable, "j."
10. Enter "Borrowers closing costs paid by the seller," "k." Do not duplicate costs recorded under "Other Credits" following the "Details of Transaction."
11. "Other Credits," "l," will populate if any additional credits are entered below the "Details of Transaction" section in the "Other Credits" section.
12. "Loan Amount," "m," is populated and protected.
13. If any portion of the guarantee fee will be financed into the loan, enter that portion, "n." If the entire guarantee fee will be financed the entry for "n" should match "g."
14. "Loan Amount," "o," will populate and be protected based upon information entered on the "Loan Terms" page.
15. "Cash from/to Borrower" will populate and be protected.



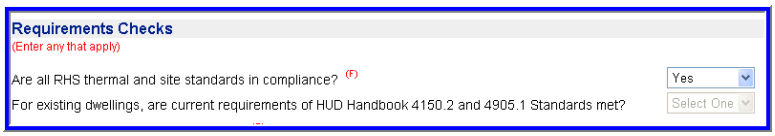
m. Have you had an ownership interest in a property in the last 3 years? (P)	Amacommon, Louis	Yes / No
(1) What type of property did you own?	Amacommon, Louis	Investment Property
(2) How did you hold title to the home?	Amacommon, Louis	Solely By Yourself

16. As applicable, at the "Declarations" section users must complete item "m" to reflect ownership of land or other property previously owned, including type of property and title.

ADDITIONAL DATA: NEW CONSTRUCTION



1. At the Additional Data page, select "New" for "Purchase is."
2. Select the indicator box for "Property is less than 12 months old and never occupied."

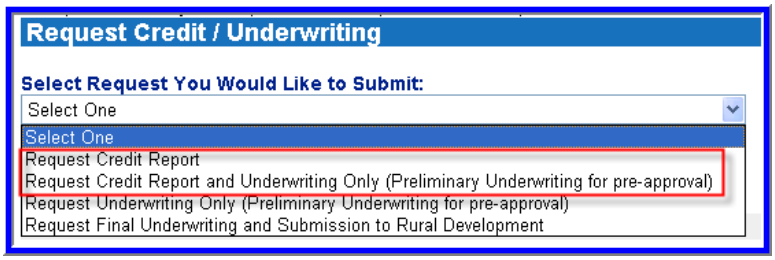


3. "Are all RHS thermal and site standards in compliance?" Select the appropriate response, options include:
   - By Closing
   - Escrow
   - No
   - Yes

Section 5 ➔ Issuing Credit

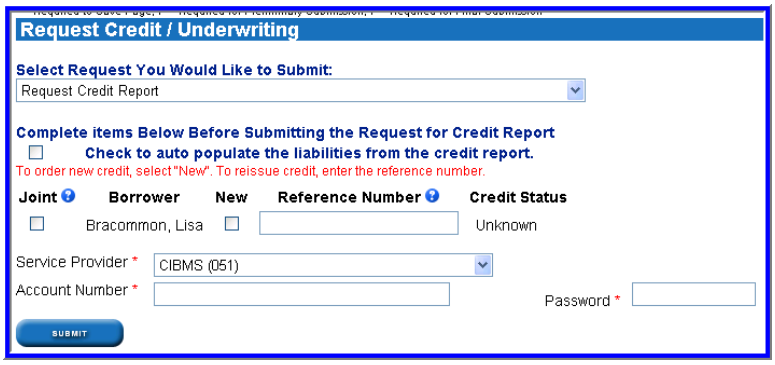
ISSUING CREDIT

A credit report must be available within GUS for each borrower and co-borrower on a loan that is submitted for an underwriting recommendation. Users may order a new credit report or reissue an existing credit report. When entering a new application, users must complete the 'Eligibility," "Loan Terms," and "Borrower" pages to successfully save the application prior to requesting a credit report. **Once a credit report is retrieved in GUS it remains available except when the following occurs: 1.) When overwritten by a subsequent credit request. 2.) The user changes critical borrower data, such as borrower's name (including middle initials) or Social Security Number.**



5. Select "Credit / Underwriting" from the GUS Navigation Menu.
6. The options available display. The "Credit/Underwriting" page has two available options to retrieve credit reports. Options include:
   - **Request Credit Report:** A new or reissued credit report may be requested.
   - **Request Credit Report and Underwriting Only (Preliminary Underwriting for pre-approval):** Users may request a new or reissued credit report *and* retrieve a preliminary GUS Underwriting Recommendation.

REQUEST NEW CREDIT REPORT



To request a new credit report, once the user selects the request type, GUS will dynamically display the appropriate data fields necessary to complete the request.

A user may order new credit or reissued credit from this screen.

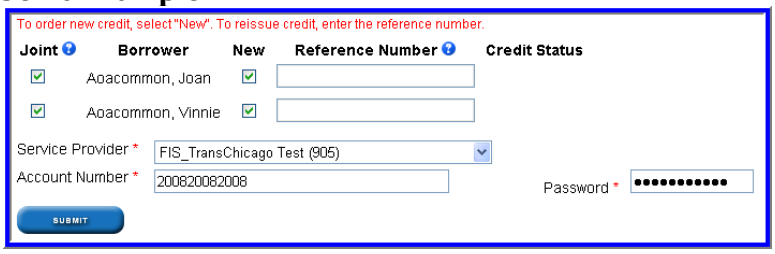
7. GUS can copy liabilities directly from the credit report to the "Assets and Liability" page. Check the indicator box "Check to auto populate the liabilities from the credit report." to auto populate the liabilities into the liabilities portion of the "Assets and Liabilities" page.

The auto populate feature reduces data entry errors and ensures accurate data is submitted to GUS and represented by the lender.

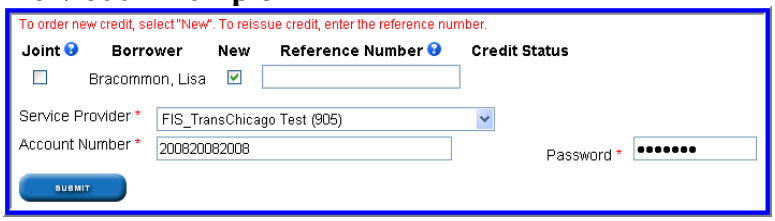
Lenders must apply due diligence when entering and reviewing the documentation in the loan file. Potentially derogatory or contradictory information *that is not part of the data submitted to GUS* or any erroneous information in the data submitted to GUS would justify additional investigation by the lender and the lender's underwriter.

Misrepresentation of loan data may adversely affect lender eligibility, lender compliance reviews, and potential future loss claims.

Joint Example



Individual Example

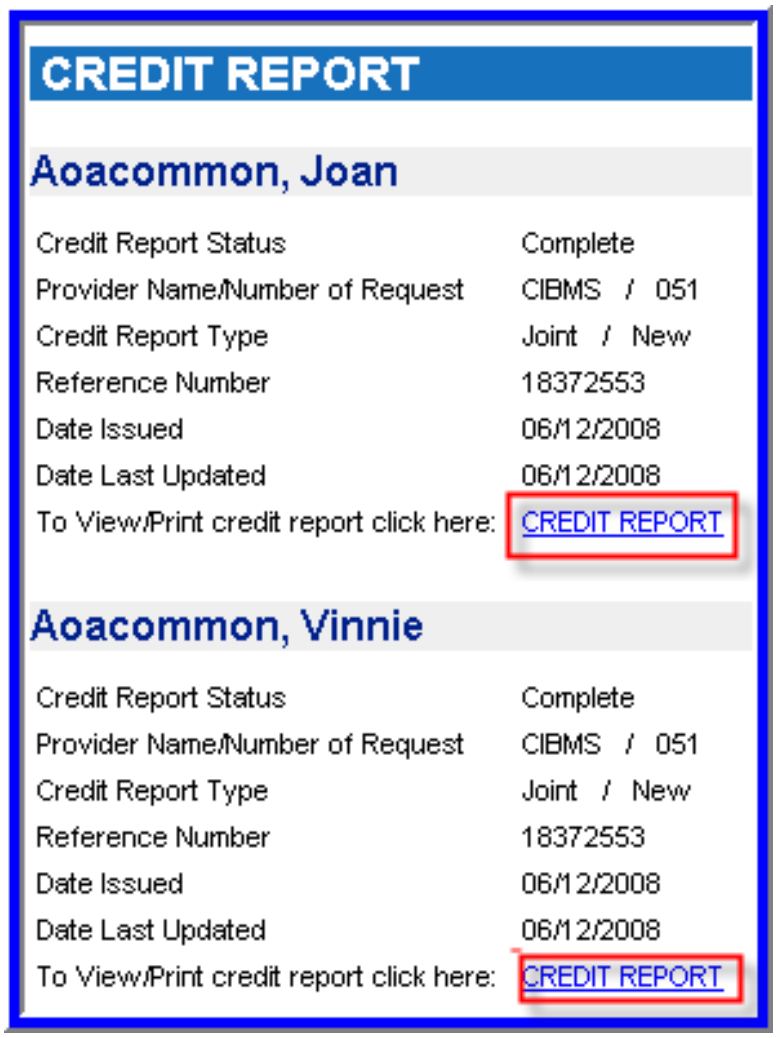


8. Check "Joint" for each borrower to order a joint credit report. No more than two borrowers may be selected for a joint credit report. (See "Additional Credit Tips" for more information.)
9. Check "New" for each borrower to order a new credit report.
10. Select a credit provider from the "Service Provider" dropdown box. The Service Provider list mirrors the providers noted at FannieMae.com: https://www.efanniemae.com/sf/refmaterials/creditproviders/index.jsp
11. Enter the user "Account Number."
12. Enter the user "Password."
13. Click on "Submit."

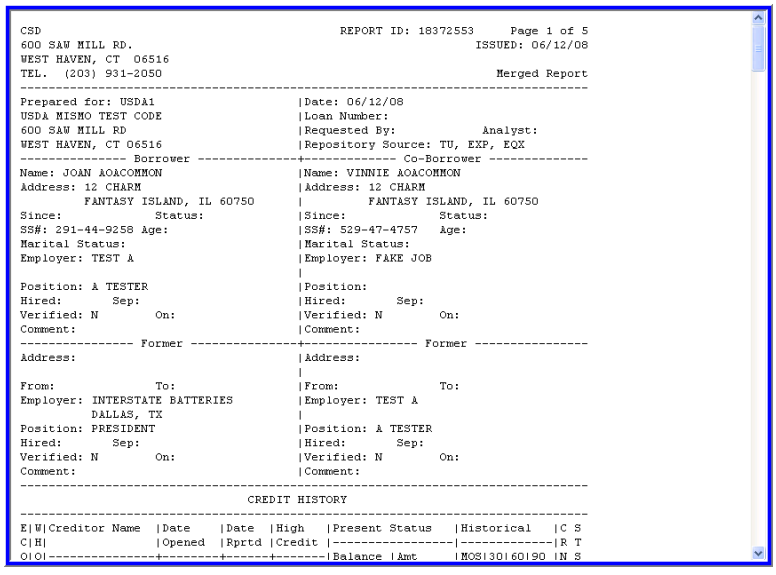
If users do not know their credit account number and password, they should contact the credit provider.

Error messages returned in the request for credit displayed represents an error from the service provider. NOT GUS. The user must contact their service provider for assistance.

14. A processing message will display at the top of the "Credit/Underwriting" page to confirm the credit report request is being processed.



15. GUS will display confirmation that the credit report(s) was successfully retrieved.
16. Click on **"CREDIT REPORT"** to view and/or print the credit report(s).



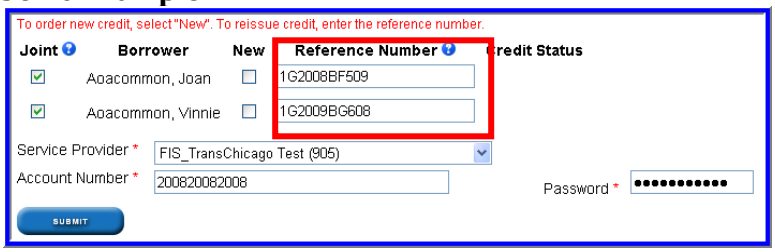
```
CSD                                              REPORT ID: 18372553     Page 1 of 5
600 SAW MILL RD.                                                      ISSUED: 06/12/08
WEST HAVEN, CT  06516
TEL.  (203) 931-2050                                                   Merged Report
-------------------------------------------------------------------------------------
Prepared for: USDA1                          |Date: 06/12/08
USDA MISMO TEST CODE                         |Loan Number:
600 SAW MILL RD                              |Requested By:              Analyst:
WEST HAVEN, CT 06516                         |Repository Source: TU, EXP, EQX
---------- Borrower ----------+------------ Co-Borrower ----------
Name: JOAN AOACOMMON                         |Name: VINNIE AOACOMMON
Address: 12 CHARM                            |Address: 12 CHARM
         FANTASY ISLAND, IL 60750            |         FANTASY ISLAND, IL 60750
Since:              Status:                  |Since:              Status:
SS#: 291-44-9258 Age:                        |SS#: 529-47-4757   Age:
Marital Status:                              |Marital Status:
Employer: TEST A                             |Employer: FAKE JOB
                                             |
Position: A TESTER                           |Position:
Hired:       Sep:                            |Hired:       Sep:
Verified: N        On:                       |Verified: N        On:
Comment:                                     |Comment:
---------- Former ----------+---------- Former ----------
Address:                                     |Address:
                                             |
From:              To:                       |From:              To:
Employer: INTERSTATE BATTERIES               |Employer: TEST A
          DALLAS, TX                         |
Position: PRESIDENT                          |Position: A TESTER
Hired:       Sep:                            |Hired:       Sep:
Verified: N        On:                       |Verified: N        On:
Comment:                                     |Comment:
-------------------------------------------------------------------------------------
                                  CREDIT HISTORY
-------------------------------------------------------------------------------------
E|W|Creditor Name  |Date    |Date  |High   |Present Status   |Historical   |C S
C|H|               |Opened  |Rprtd |Credit |-----------------|-------------|R T
O|O|---------------+--------+------+-------|Balance |Amt     |MOS|30|60|90  |N S
```

Example of displayed credit report.

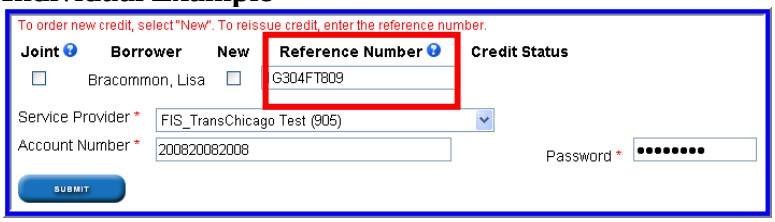
REQUEST REISSUED CREDIT REPORT

Users that previously obtained a three-in-file merged credit report for a loan can request a re-issue of the credit report in GUS. Users must ensure that the borrower's name(s) and Social Security Number (SSN) entered the "Borrower" page of the GUS application is an exact match of what is listed on the current credit report. **Failure to input matching information will result in the need for a NEW credit report in GUS.**

Joint Example



Individual Example



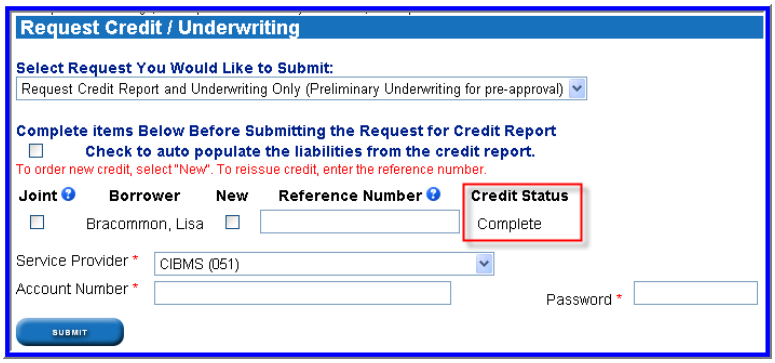
1. To reissue an existing credit report, enter the reference number that appears on the existing report. This number can be listed as a reissue number, reference number, or order number on the original credit report.

If users need to reissue separate credit reports for the borrower and co-borrower, enter both reference numbers.

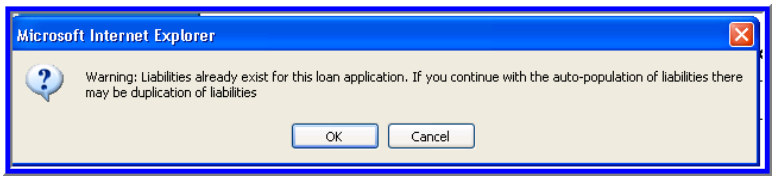
To reissue, the user must verify the requested report type matches that of original report. Validate the report type (joint or individual).

2. The remaining process follows Steps #6 - #10 of ordering new credit.

ADDITIONAL CREDIT TIPS



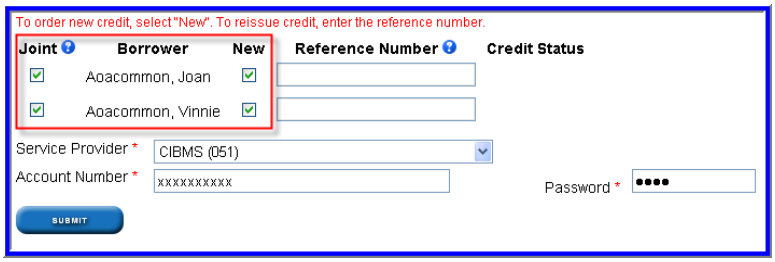
1. The "Credit Status" message alerts users to the status of their credit request. Credit Status" may display various messages including:
   - Unknown: No credit report(s) is available to GUS.
   - Complete: Credit report(s) is available to GUS.
   - Error: No credit report(s) is available to GUS, error has occurred, attempt to retrieve credit again.



2. Warning pop-up message may appear when the user checks the auto populate liabilities indicator box. Two scenarios may trigger this warning:
   - Users have manually entered liabilities or additional expenses on the "Assets and Liabilities" page.
   - An earlier credit report had been retrieved and liabilities were auto populated from that report.

Users should click on "Cancel" if they do not want to auto populate the liabilities again.

If liabilities exist, by selecting "OK" liabilities on the "Assets and Liabilities" page may be duplicated.

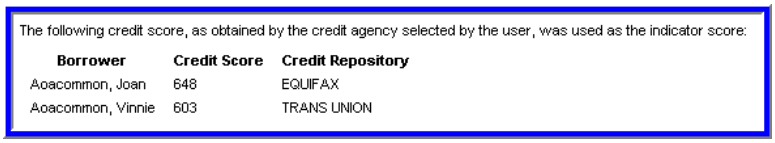


3. To order a joint credit report, check "Joint" for both borrowers when ordering new or reissuing credit reports.
4. Check "New" for all borrowers when ordering new credit reports.
5. Enter "Reference Numbers" for all borrowers when reissuing credit reports.

No more than two borrowers may be selected for a joint request.

Reissued credit must be ordered exactly as the original report (i.e. joint report/joint reissue).

A joint report may not be processed if "New" is selected for one borrower, and a "Reference Number" is entered for a reissued credit report for the other borrower.

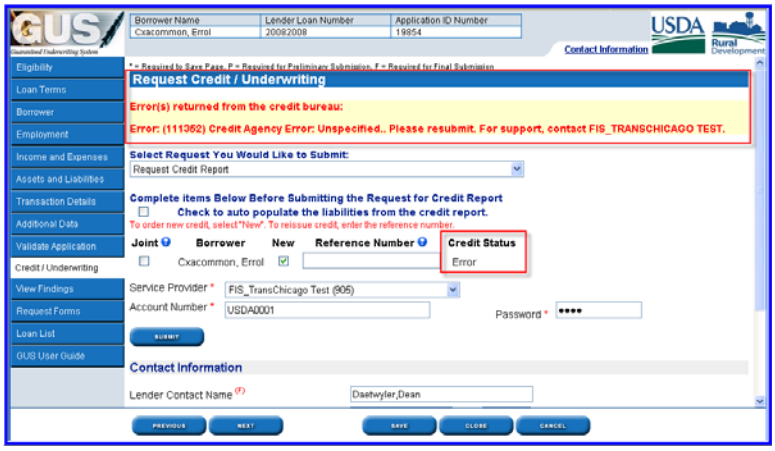


6. In the "Credit Report" section of the "GUS Underwriting Report," information regarding the borrower(s) credit score and credit repository utilized in the underwriting recommendation is displayed.

POTENTIAL CREDIT ERRORS

GUS utilizes Fannie Mae's Credit Interface Service (CIS) to retrieve tri-merged credit reports to arrive at an underwriting recommendation. This service is only utilized as a vehicle. Credit reports are not viewable by users external to GUS. Errors experienced when retrieving credit are returned from the CIS. When credit report errors occur users should contact their credit providers as the error was not reported by GUS, but by the credit provider. GUS will report the Fannie Mae error code (111XXX format). Users should contact their credit providers with this Fannie Mae error code to expedite a resolution to the issue.

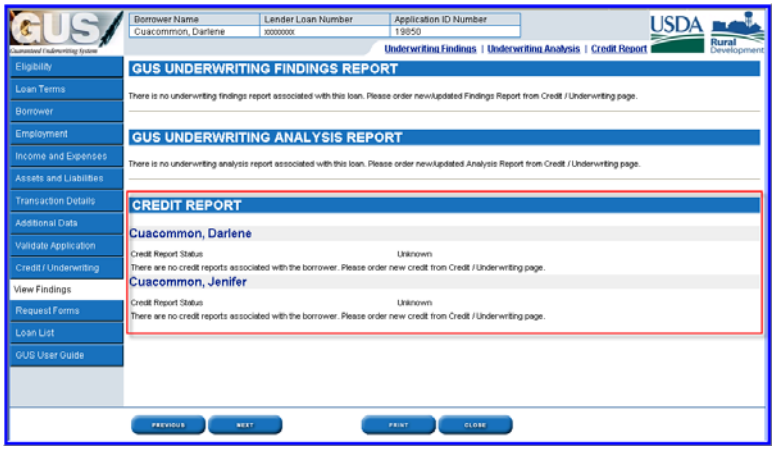
Common errors: The account number and password users received from their credit provider are invalid.
The borrower(s) name and /or SSN# do not match data retrieved by the credit provider.
Reissued credit report requests cannot be fulfilled due to discrepancies in borrower(s) name, SSN#, etc.



Example error message which appears at the top of the "Credit/Underwriting" page.

The "Credit Status" is "Error."

Notice Fannie Mae error number 111352 is listed. The user is advised to resubmit or contact the credit provider for assistance.



Once retrieved, credit reports are available to view and/or print on the "View Findings" page.

The example displays a credit report message when the "Credit Status" or "Credit Report Status" is "Unknown."

"There are no credit reports associated with the borrower. Please order new credit from the "Credit/Underwriting" page.

This message may appear if:

- Issued credit reports have expired (most credit reports expire within 180 days of the date issued.)
- Critical data has been changed, such as the borrower's name, middle initial, Date of Birth, or Social Security Number.

For joint credit reports:
If this message appears for one borrower, the user will need to re-order credit in GUS exactly as the first report was issued.

Example: A joint credit report was issued. The user changed critical data for Borrower 1. A new joint credit report must be ordered for both borrowers, as credit can not be updated for only one.

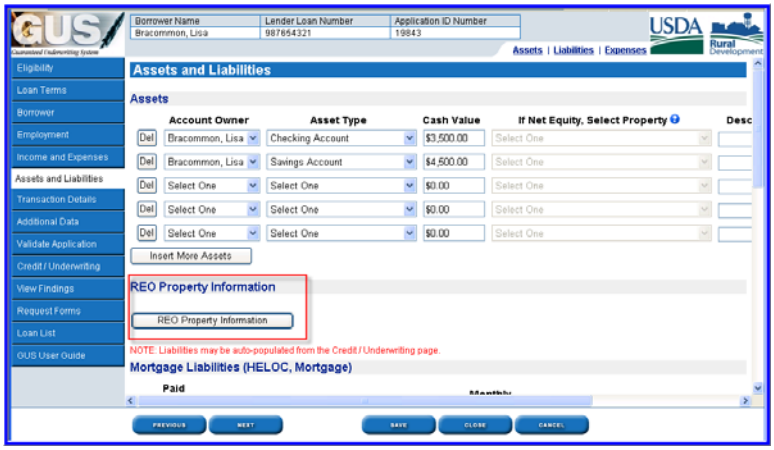
Section 6 ➔ Entering REO Properties

ENTERING REO PROPERTIES

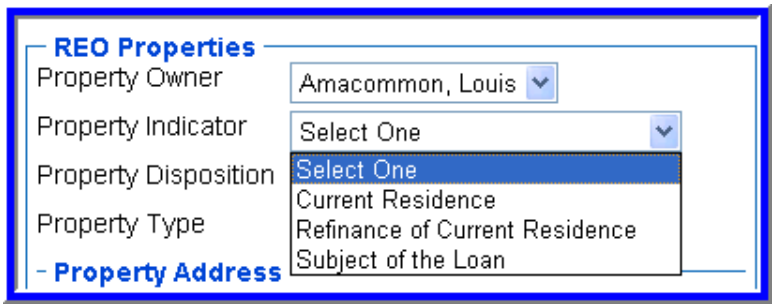
The REO (Real Estate Owned) Property Information portion of the "Assets and Liabilities" page captures real estate owned data that is associated with the application request. It is important that all housing expenses are accurately accounted for in the risk analysis and validity of the GUS underwriting recommendation.

REO PROPERTY INFORMATION

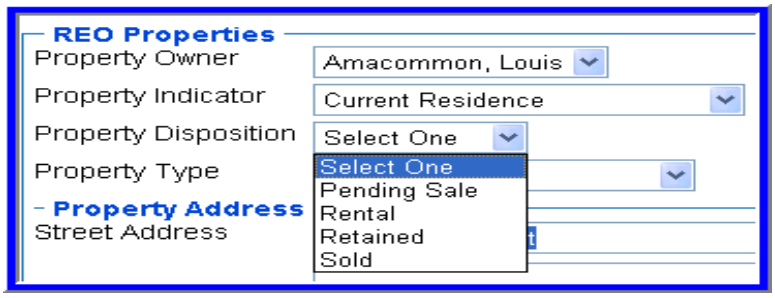
The following general data fields will be completed for all REO Property. Following the general data information, this guide will expand upon guidance for each Property Disposition type.



1. When real estate property is owned, click on "REO Property Information" located on the "Assets and Liabilities" page.

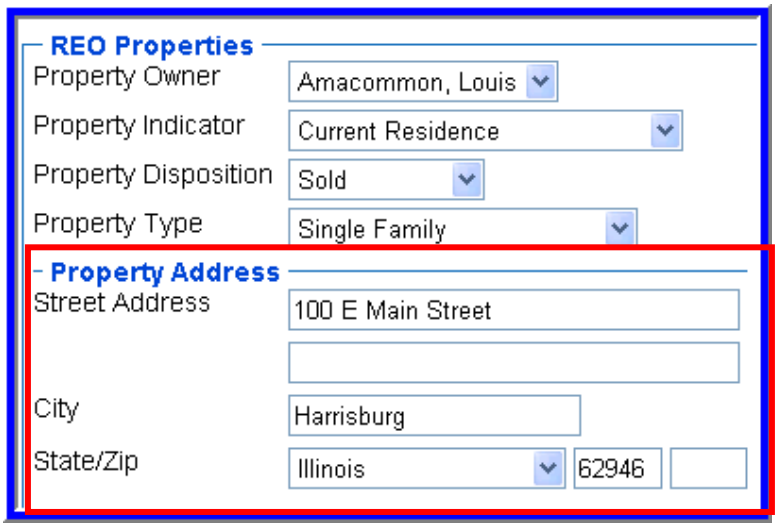


2. Select the "Property Owner" from the drop down box. When jointly owned, select the primary borrower.
3. Select the "Property Indicator" from the options displayed.

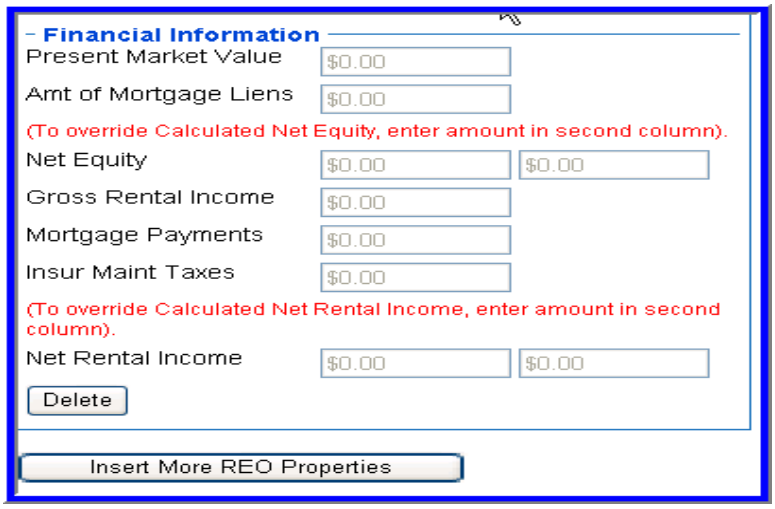


4. Select the "Property Disposition" from the options displayed.

5. Select the "Property Type" from the options displayed.



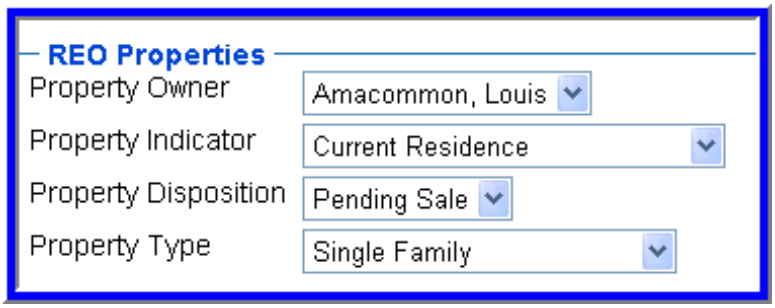
6. Enter the "Property Address" of the property.



7. "Financial Information" is dynamically populated based upon the "Property Disposition" type selected. Users should refer to the individual REO property disposition selections provided in this guide for clarification.

8. Click the "Back" footer button to return to the "Assets and Liabilities" page.

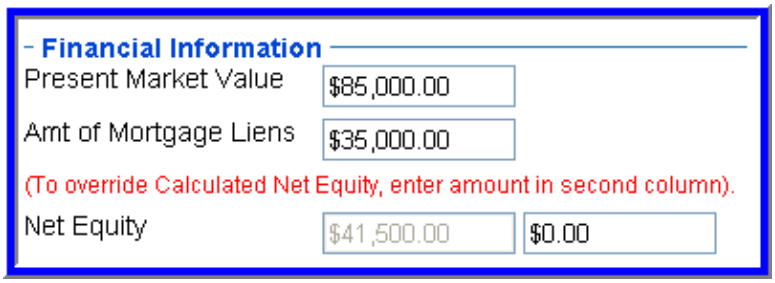
PROPERTY DISPOSITION: PENDING SALE



1. Select "Pending Sale" as the "Property Disposition."

Users may select "Pending Sale" if the property is under contract at the time of the loan application and it will close *on or before* the closing of the subject property.

On the "Assets/Liabilities" page users should select "Paid By Close" for mortgage liabilities defined as "Pending Sale"; otherwise GUS will include the monthly payments in the total expense ratio.



2. Enter the "Present Market Value" of the subject property.
3. Enter the "Amount of Mortgage Liens."
4. "Net Equity" will automatically calculate and be protected.

GUS calculates net equity on pending sales based on the following formula:

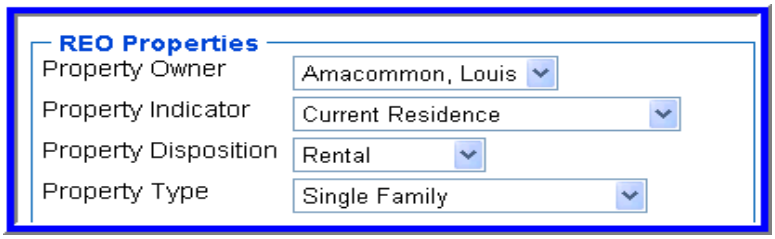
(Present Market Value X 90%) – Amt. of Mortgage Liens = net equity

GUS will calculate the net equity from the REO property information and include it in the borrower's available funds.

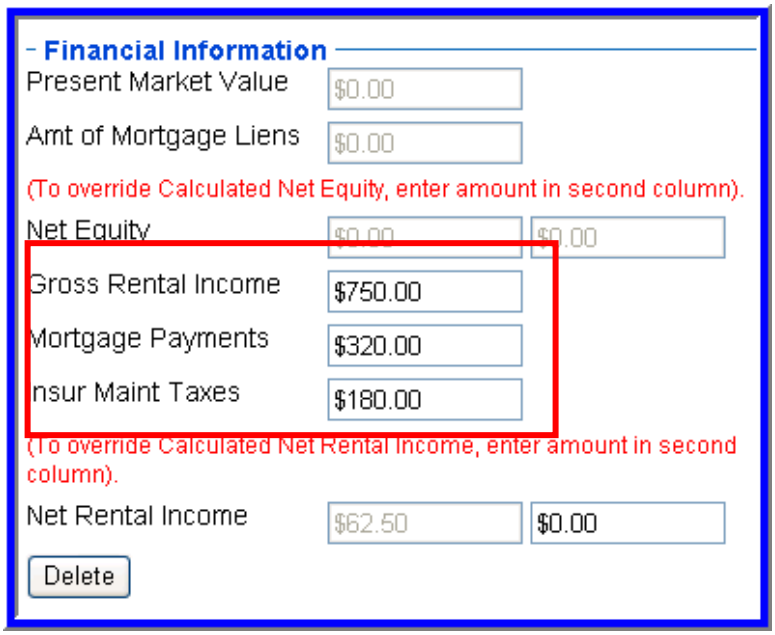
5. If "Net Equity" differs from the amount calculated by GUS, users may override the GUS calculation by entering the correct amount in the data field provided. Calculation of borrower's available funds will be based upon the amended "Net Equity."

Users should retain documentation to support the override calculation in their permanent loan file.

PROPERTY DISPOSITION: RENTAL PROPERTIES



1. Select "Rental" as the "Property Disposition."



Repayment Income Calculation:

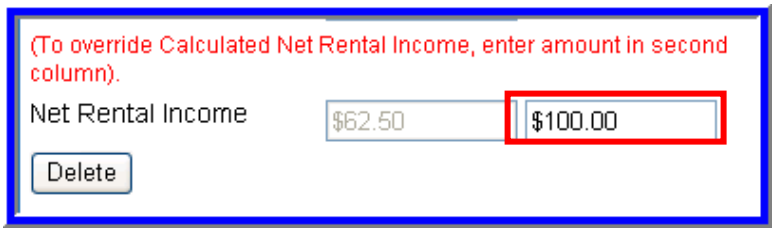
2. If there is a 24 month history of rental income enter the "Gross Rental Income."
3. Regardless of rental history enter the "Mortgage Payments" if applicable.
4. Regardless of rental history enter the "Insurance, Maintenance, and Real Estate Taxes."
5. "Net Rental Income" will automatically calculate and be protected. If less than a 24 month history of rental income is present then Net Rental Income will not be considered repayment income and should always be a negative number because even when no mortgage liability is associated with the property there will be tax and insurance assessments.

When a documented history of 24 months of rental income exists and the user completes the REO page, GUS calculates net rental income or loss based on the following formula:

(Gross Rental Income X 75%) – Mortgage payments - Insurance, Maintenance, Taxes = Net Rental Income (or loss)

Annual Income Calculation:
Regardless of rental history any positive net rental income (using the above calculation) must be manually added to the borrower(s) eligibility income on the "Eligibility" page in the "Net Rental" data field. Negative net rental income would be considered zero on the "Eligibility" page. When there is a 24 month history of rental income, positive or negative net rental income will automatically populate to the "Income and Expenses" page under "Net Rental" data field of the "Gross Monthly Income" section.

Note: Although negative net rental income is displayed on the "Income and Expenses" page of the GUS application it is treated as a recurring liability in the underwriting evaluation. Negative net rental income will not be displayed in the "Repayment Income" subsection of the GUS Underwriting

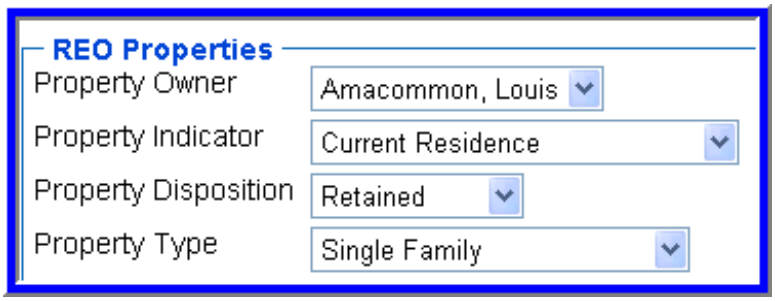


Findings Report but will be included in the "Mortgage Information" subsection as part of the "Other Monthly Debt" figure. The user does not need to manually enter negative net rental amounts as a liability on the "Assets and Liabilities" page.

6. Users may override the GUS calculation of "Net Rental Income" by entering a different amount in the available data field. If the user intends the amount to be zero, utilize $0.01.

Users should retain documentation to support the override calculation in their permanent loan file.

PROPERTY DISPOSITION: RETAINED

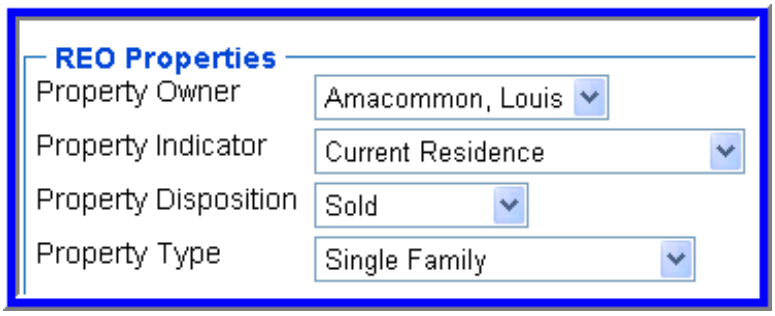


1. Select "Retained" as the "Property Disposition."

"Retained" is selected if the borrower(s) will retain ownership of the property after the closing of the loan. "Retained" may be selected if the purpose of the loan is "refinance." A retained property would also apply to a second home already owned by the borrowers.

Refer to RD Instruction 1980-D, Section 1980.346 to verify regulation regarding retained home(s) eligibility. RD Instruction 1980-D is available at: **http://www.rurdev.usda.gov/regs/regs/doc/1980d.doc**

PROPERTY DISPOSITION: SOLD



1. Select "Sold" as the "Property Disposition."

"Sold" applies to property that, *at the time of application*, has already been sold.

Any sale proceeds would be reflected on the "Asset and Liabilities" page.

GUS will not calculate net equity for sold properties.

A mortgage(s) associated with the *sold* property should be omitted on the "Mortgage Liabilities" section of the "Asset and Liabilities" page unless the debt(s) remains owed after the sale of the property.

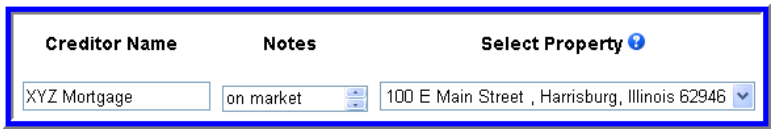
REO PROPERTY WITH A MORTGAGE LIABILITY

When a "Retained" or "Pending Sale" property has an associated mortgage liability, users must ensure all current monthly debts are included in the "Mortgage Liabilities" section of the "Assets/Liabilities" page. Account for present housing expenses under the current column of the "Combined Monthly Housing Expense" of the "Income and Expenses" page.

Liabilities may be auto populated from the credit report on the "Credit / Underwriting" page or manually entered by the user on the "Asset and Liabilities" page.

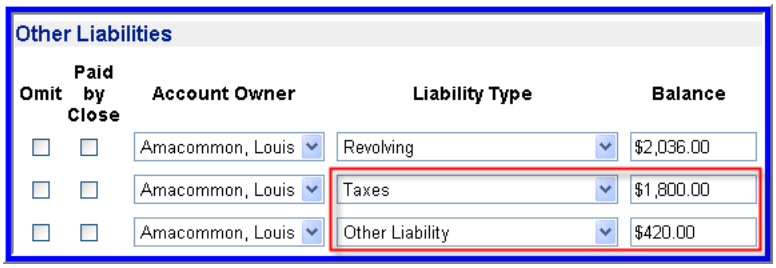
Mortgage Liabilities has nine data fields available to the user. To view all data fields, users may utilize the scroll bar located at the footer of the GUS page to view all data fields left to right. Mortgage Liabilities fields include:

1. If the mortgage liability is not applicable to the loan application, select the "Omit" check box.
2. If the mortgage liability will be paid by closing, select the "Paid By Close" check box.
3. Select the "Account Owner." If jointly owned, utilize the primary borrower.
4. Select the "Liability Type," options include "Mortgage Loan" or "HELOC."
5. Enter the "Balance" of this liability.
6. Enter the "Monthly Payment." If the mortgage liability does <u>not</u> include escrows for real estate taxes, insurance, or homeowners association fees, etc. enter these manually under "Other Liabilities" (example is provided under "REO Properties without mortgage liabilities" in screens following.)



7. Enter the "Creditor Name."
8. Enter "Notes" to document the file. (optional field for the lender)
   Select the appropriate property for this mortgage liability in the dropdown box "Select Property." Properties available are those properties entered on the "REO Property Information" page.

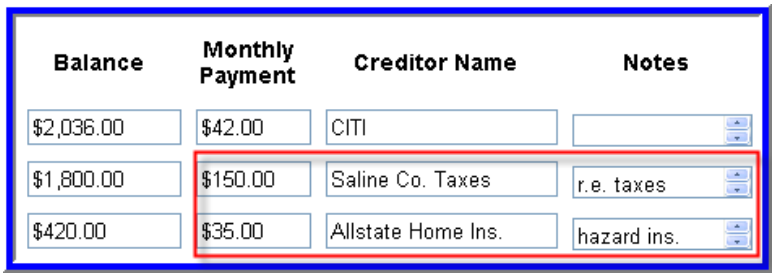
REO PROPERTY WITHOUT A MORTGAGE LIABILITY



For properties owned that do not have an associated mortgage liability but real estate taxes, hazard insurance, and other fees continue as monthly liabilities, include this type of liability manually under "Other Liabilities" on the "Assets and Liabilities" page.

Users may utilize the GUS scroll bar located at the footer of the GUS page to view all data fields left to right.

1. Select the "Account Owner."
2. Select the "Liability Type," to record taxes, insurance, homeowner fees, etc. associated with the liability free property, options include "Taxes" and "Other Liability."
3. Properties without a mortgage liability would not reflect a balance. In the balance field when the borrower incurs additional monthly expense for taxes, insurance, etc. enter the annual amount. In the example the annual balance for taxes is $1800. "Balance" is not a required field.

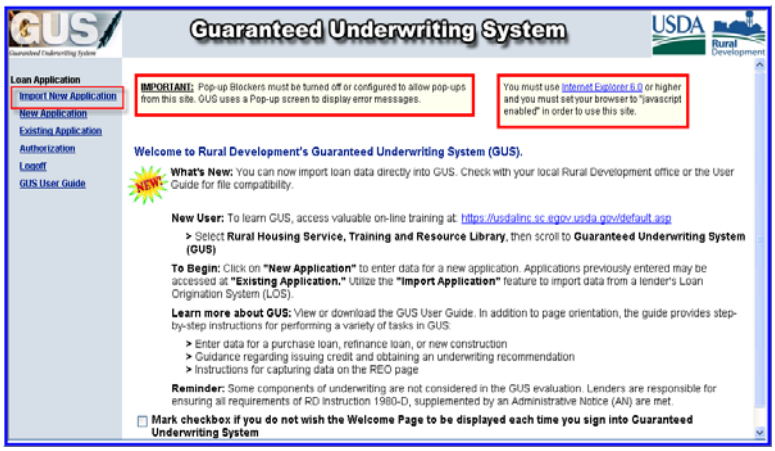


4. Enter "Monthly Payment." In this example for taxes $1800 ÷ 12 = $150.00 monthly payment.
5. Enter "Creditor Name"; this is a required field when a monthly payment is entered.
6. Enter "Notes" to document the file. (optional field for lender)

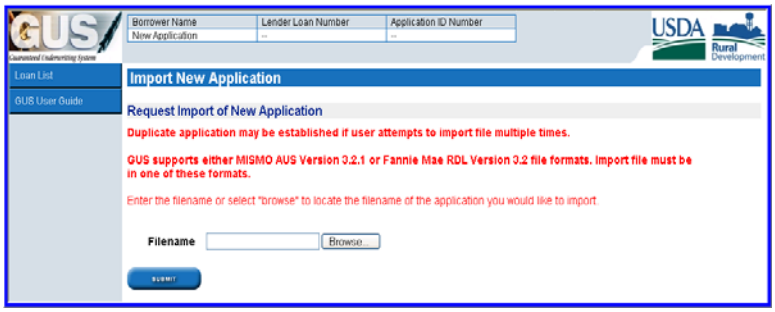
Section 7 ➔ Importing A Loan Into GUS

IMPORTING A LOAN INTO GUS

Users may import a loan file from their loan origination system (LOS) into GUS for preliminary and final underwriting submission.



Select "Import New Application" from the GUS Welcome Page / Home Page.



The "Import New Application" screen will appear.

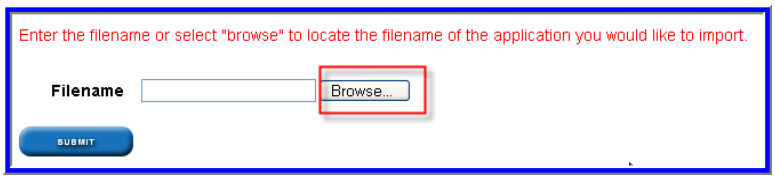
User should review the warning messages that appear in **red.**

"Duplicate application may be established if user attempts to import file multiple times."

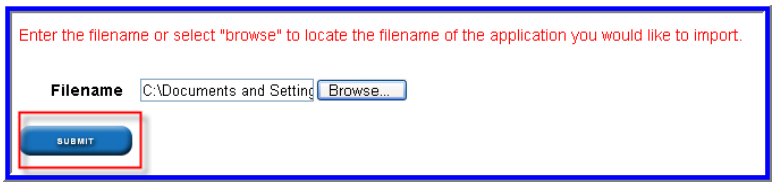
Once a loan file has been successfully imported, any changes must be made to the file in GUS. Changes made in the user's loan origination system (LOS) will *not* reflect in GUS. Therefore, if the user attempts to import an updated LOS file into GUS the result will be two separate loan files appearing on the GUS Loan List. This practice is discouraged and incorrect.

"GUS supports either MISMO AUS Version 3.2.1 or Fannie Mae RDL Version 3.2 file formats. Import file must be in one of these formats."

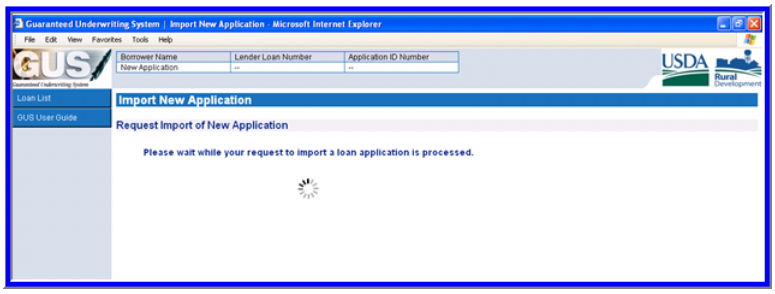
Lenders may only import LOS files that meet one of the acceptable formats.



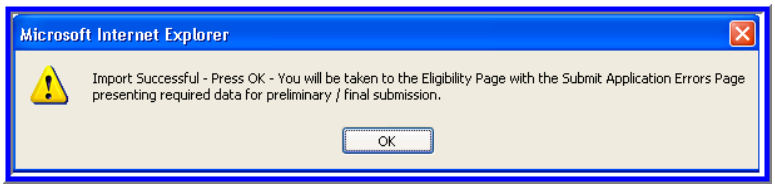
Users may locate the LOS file they wish to import by selecting the "Browse" function.



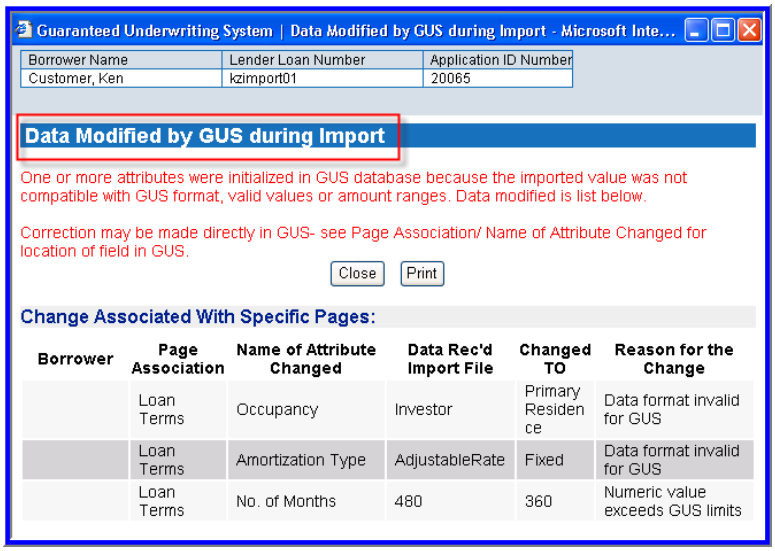
When the LOS file has been selected and appears in the "Filename" data field, click on "Submit."



"Please wait while your request to import a loan application is processed" message will display.

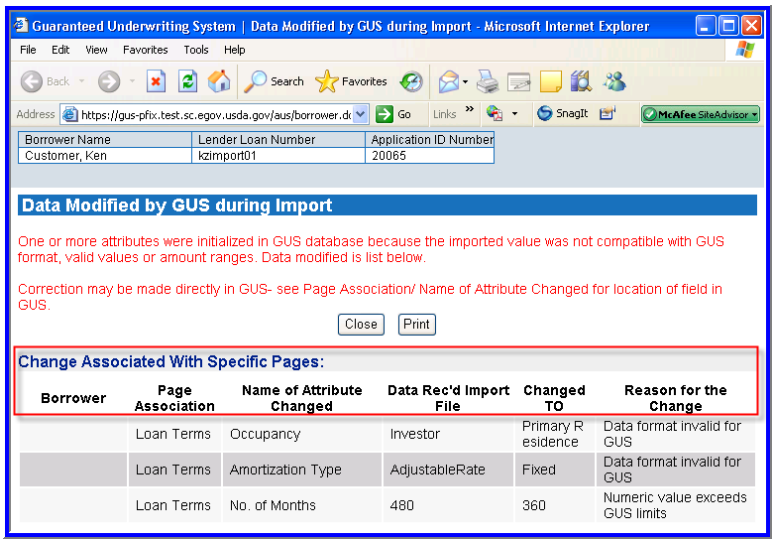


"Import Successful" message will display following a successful file import.



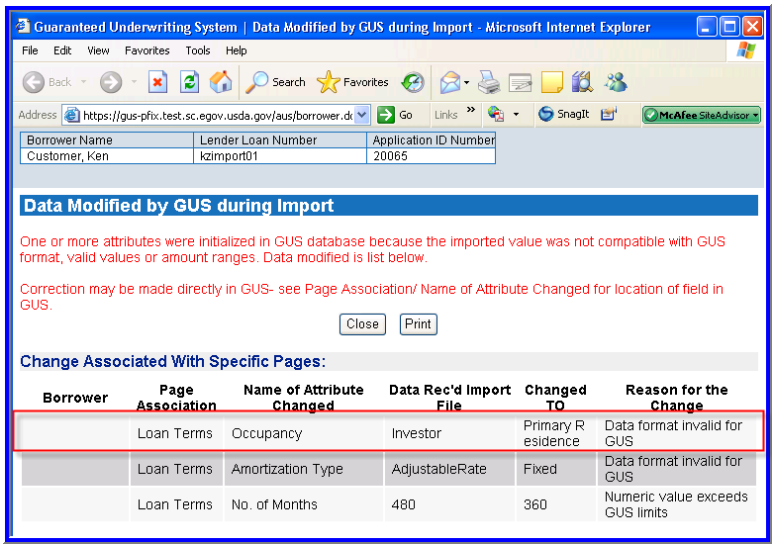
The "Data Modified by GUS during Import" pop up box will appear *if* any data attributes contained in the imported file were modified in order to meet the parameters of the GUS system.

The user should review the data fields that were changed.



"Change Associated With Specific Pages" identifies:

- **Borrower:** When there are multiple applicants the correct borrower name will display in this column.
- **Page Association:** Identifies the GUS application page where the data was modified.
- **Name of Attribute Changed:** Lists the exact data field that was modified.
- **Data Rec'd Import File:** Original data that GUS received during file import.
- **Changed TO:** Identifies all imported data that has been modified by GUS.
- **Reason for the Change:** Explanation as to why imported data was modified.

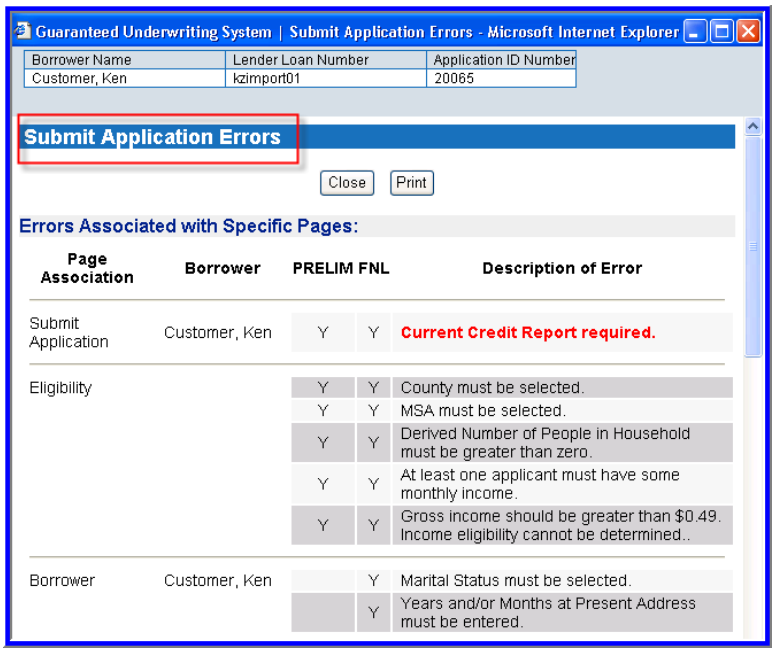


Example of a modified data element.

Ken Customer is a single applicant therefore all "Borrower" references will apply to Ken Customer. If multiple applicants are on an application the individual borrower would be identified for each modification.

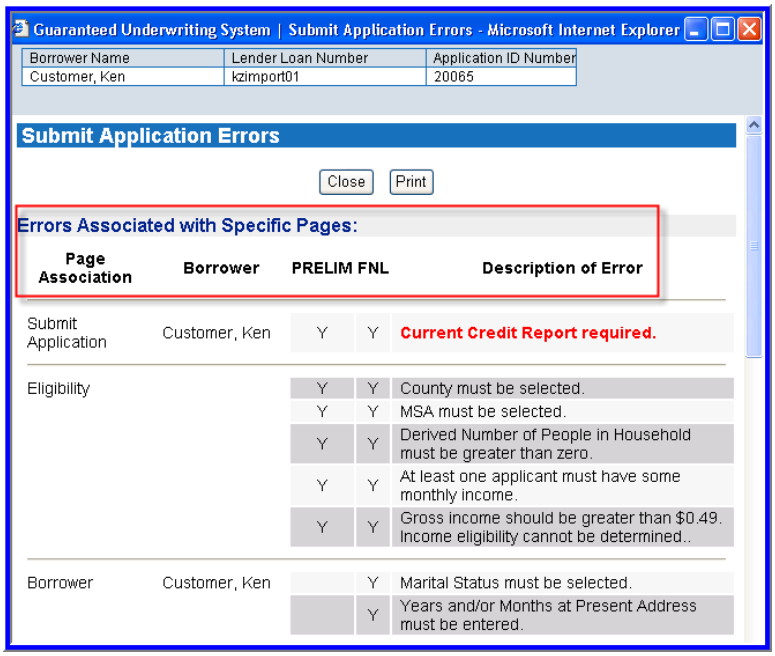
On the "Loan Terms" page in GUS, the "Occupancy" was imported as "Investor" from the users LOS. "Investor" has been changed to "Primary Residence" in GUS because "Investor" is not a valid selection for GUS.

The pop up box can be printed for user reference.



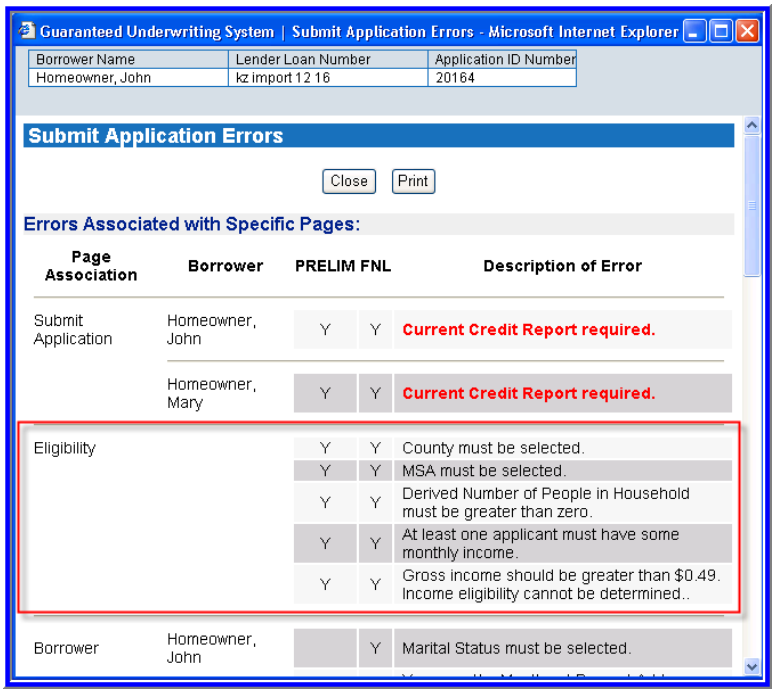
A second pop up box will appear which identifies data fields that must be completed *prior* to a "Preliminary" or "Final" underwriting request.

The pop up box can be printed for user reference.



The missing data fields are identified by:

- **Page Association:** Identifies which GUS application page the data field is located.
- **Borrower:** The borrower for each deficient attribute will be identified.
- **PRELIM/FNL:** If a "Y" meaning "Yes" is listed, the data fields must be completed prior to a "Preliminary" or "Final" underwriting submission. Failure to complete the necessary data fields for either submission type will result in the "Submit Application Errors" pop up box to appear again when a "Preliminary" or "Final" underwriting submission fails.
- **Description of Error:** The error will be identified in order to assist the user in correction of data fields.



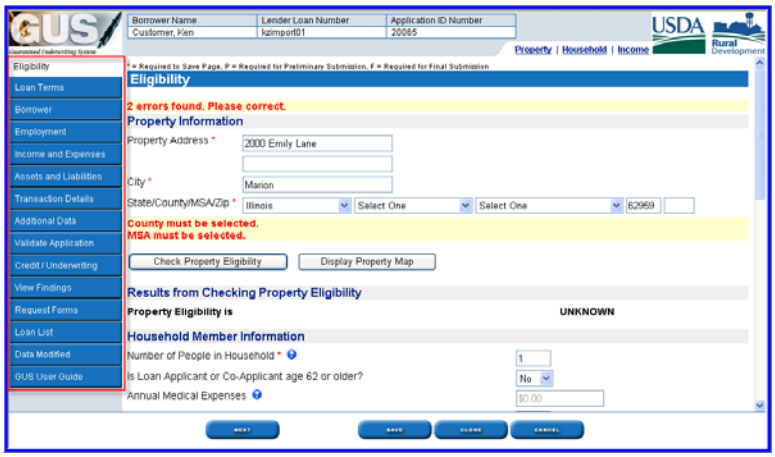
Example of an application error.

On the GUS "Eligibility" application page the following data fields must be corrected prior to a preliminary or final underwriting submission:

- County
- MSA
- Number of People in the Household
- Gross Monthly Income

The GUS Navigation Menu will appear on each GUS Application Page.

The "Data Modified" page will *only* display if imported data from the LOS system was modified by GUS.



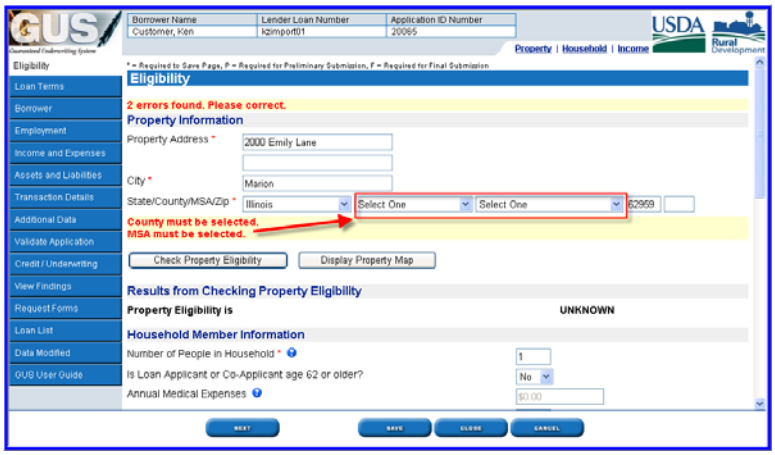
GUS will dynamically direct the user to the "Eligibility" page for completion and review.

The application warning and error messages noted in the "Submit Application Errors" pop up box will be highlighted to assist the user in completing all necessary data fields.

Error messages appear in red font with yellow background. Users will not be able to navigate from an application page until the errors are corrected.

Warning messages appear in black font with aqua background. Warning messages do not have to be corrected for a "Preliminary" underwriting submission, but must be corrected prior to a "Final" submission. Warning messages will not restrict the user from viewing additional GUS application pages.

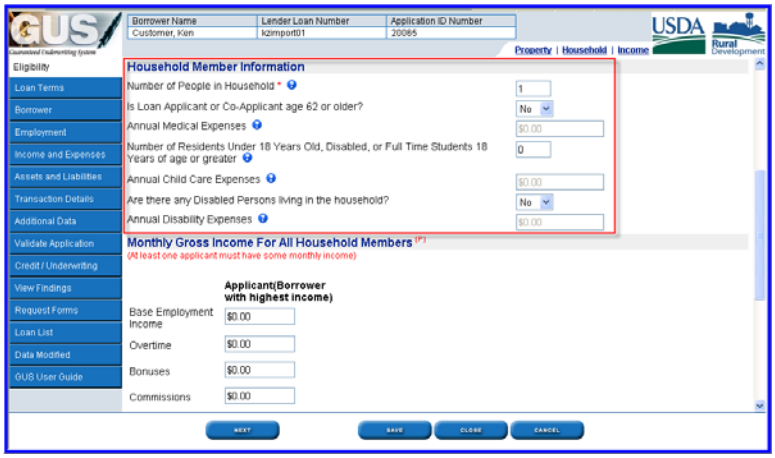
The example to the left displays the "Eligibility" application page. Users should review each data field to ensure accuracy.



Example of two errors that must be completed before the user may advance to additional GUS application pages.

GUS will alert the user to "Errors" and "Warning" messages at the top of the applicable GUS application page.

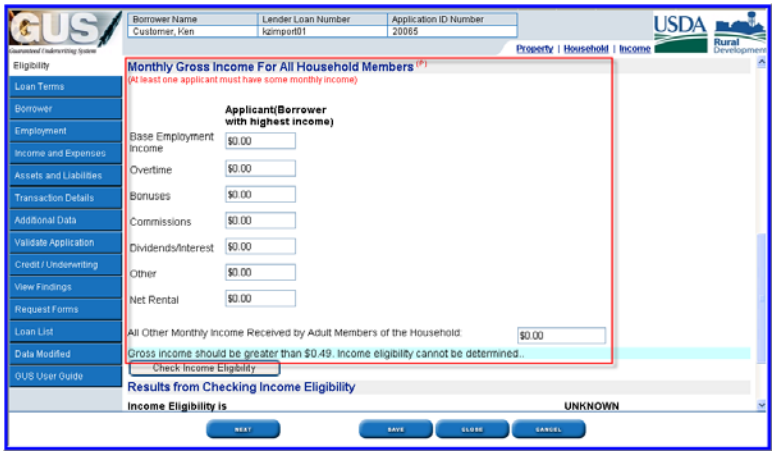
GUS will highlight each "Error" or "Warning" by the applicable data field.



Users must review the "Household Member Information" to ensure accuracy.

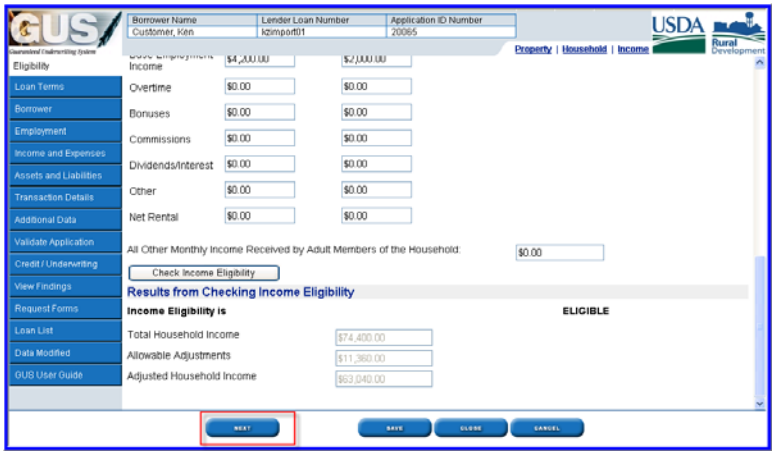
The import data retrieved from the users LOS file does not include the specific information necessary to complete the "Eligibility" page.

The "Eligibility" page determines if the applicant(s) are eligible for the Guaranteed Loan Program.

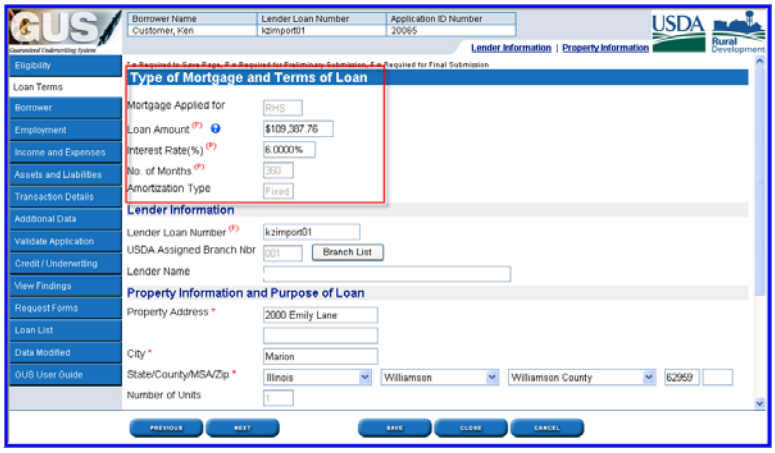


"Monthly Gross Income For All Household Members" refers to **eligibility income** for the Guaranteed Loan Program. This income calculation may differ from *repayment income* that was imported to the "Income and Expenses" application page.

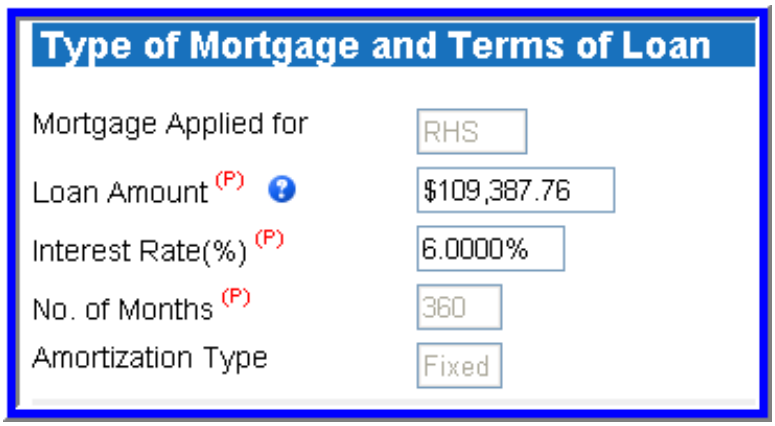
Users must include all income received by all household members per RD Instruction 1980-D, section 1980.347.



When the "Eligibility" page is complete the user may click on "Next" to advance to the "Loan Terms" page.



Review the "Loan Terms" application page.



"Mortgage Applied for" will always default to "RHS," regardless of the type of loan selected in the user's LOS system.

If the "Mortgage Applied For" data field imported from the users LOS system was "Conventional," the "Data Modified" pop-up box will identify GUS changed "Conventional" to "RHS" on the "Loan Terms" application page.

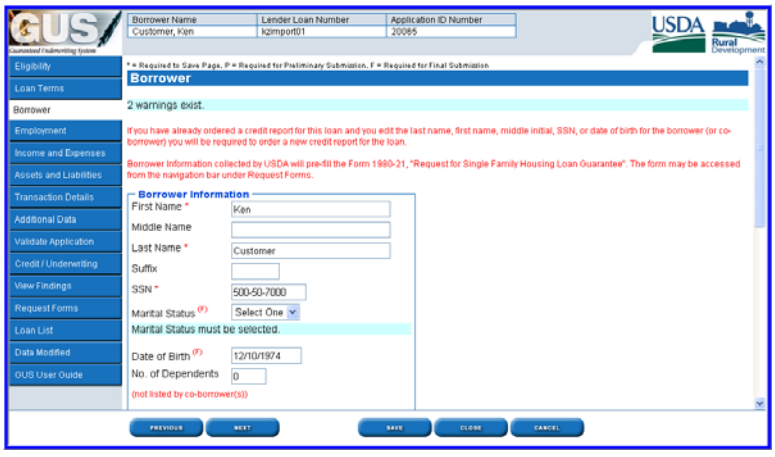
"Loan Amount" should include the guaranteed fee if it is financed as part of the loan amount.

User Note: The "Loan Amount" data field in some LOS systems states guarantee fees should *not* be included in the loan amount. Users must update the "Loan Amount" field with the correct total loan amount for the Guaranteed loan request. The total loan amount may not exceed 100% of the appraised value plus the one time guarantee fee. The "Loan Amount" in GUS may include purchase price, closing costs, prepaid items, eligible repairs, eligible fees, and the guarantee fee.

Verify the "Interest Rate." If the loan file has a temporary buydown associated the interest rate should reflect the full note rate.

"No. of Months" and "Amortization Type" are both protected data fields that default to GUS specifications.

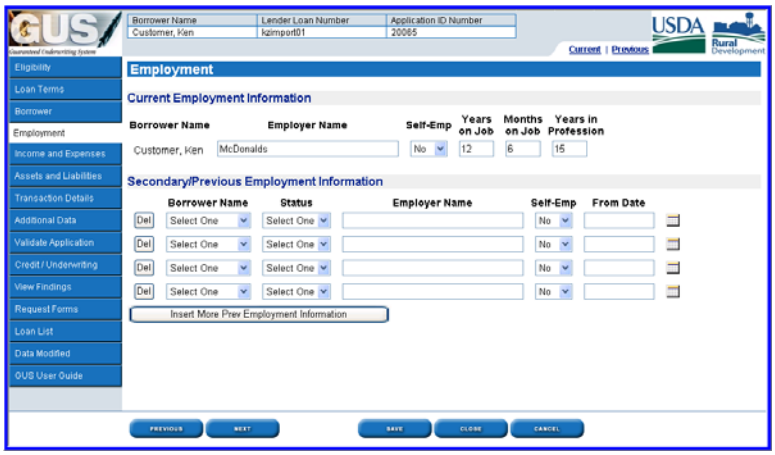
When the review of the "Loan Terms" page is complete, users may click on "Next" to advance to the "Borrower" application page.



Review the "Borrower" page to ensure accuracy of imported data and to correct any "Error" or "Warning" messages that appear.

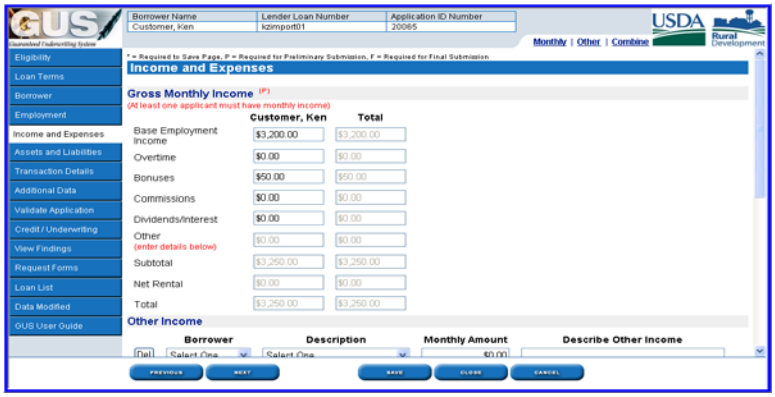
As evidenced by the "Warning" message, "Marital Status" must be completed prior to a "Final" underwriting loan submission.

When the review of the "Borrower" application page is complete, users may click on "Next" to advance to the "Employment" page.



Review the "Employment" application page for accuracy and completeness.

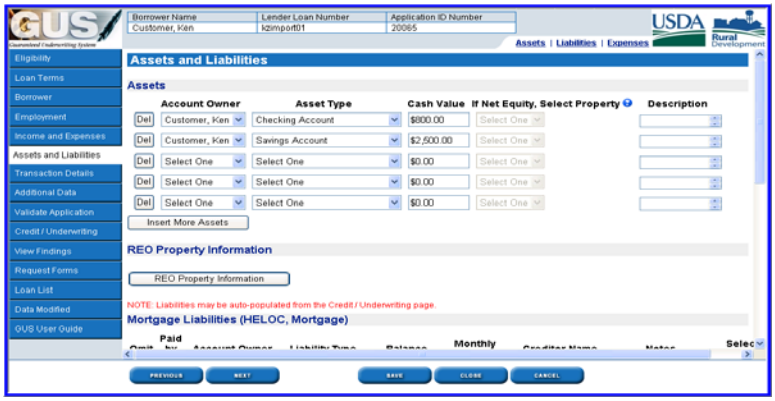
Click on "Next" to advance to the "Income and Expenses" application page.



Review the "Income and Expenses" application page.

User Note: This application page captures the repayment income of each loan applicant. Repayment income *may* vary from the "Eligibility Income" that was entered on the "Eligibility" application page. Repayment income must meet RD Instruction 1980-D, section 1980.345(c) (2).

Click on "Next" to advance to the "Assets and Liabilities" page.

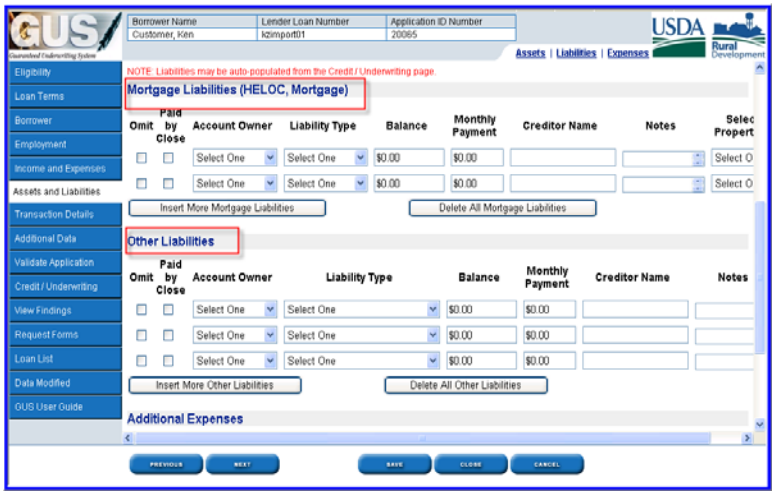


Review the "Assets and Liabilities" application page.

Users must verify and document all assets entered into GUS.

If a REO property was imported from the users LOS system it can be accessed by clicking on "REO Property Information."

Review the data imported and complete any necessary corrections. Some data fields may have been modified to GUS specifications.

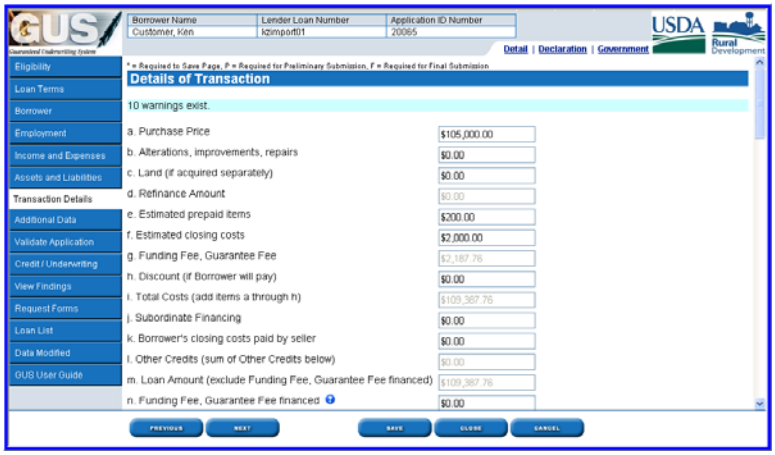


Review the liabilities section of the "Assets and Liabilities" application page.

User Note: If the user has already ordered a credit report in their LOS and completed the "Mortgage Liabilities" and "Other Liabilities" accurately, the user must verify these accounts for accuracy and *decline* the auto-populate liabilities function offered on the "Credit/Underwriting" page.

If "Mortgage Liabilities" and "Other Liabilities" have not been completed, the user should *select* the auto-populate function when ordering credit in GUS on the "Credit/Underwriting" page.

Click on "Next" to advance to the "Transaction of Details" page.

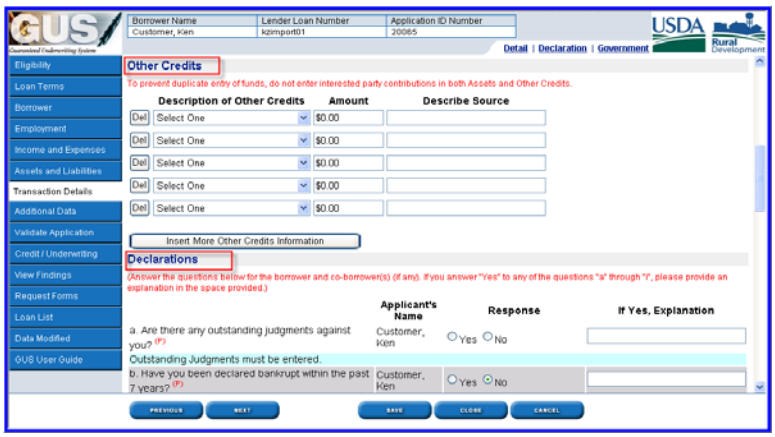


Review the "Details of Transaction" application page.

User Note: Some loan origination systems may exclude the guaranteed fee from the total loan amount and/or details of transaction. Therefore, when importing a loan application into GUS, users must verify the accuracy of each data field.

In GUS the <u>total</u> loan amount may not exceed 100% of the appraised value plus the one time guarantee fee. The loan amount may also include purchase price, closing costs, prepaid items, eligible lender fees, eligible repairs, and the guarantee fee. These items must be calculated and entered on the "Loan Terms" application page under "Loan Amount."

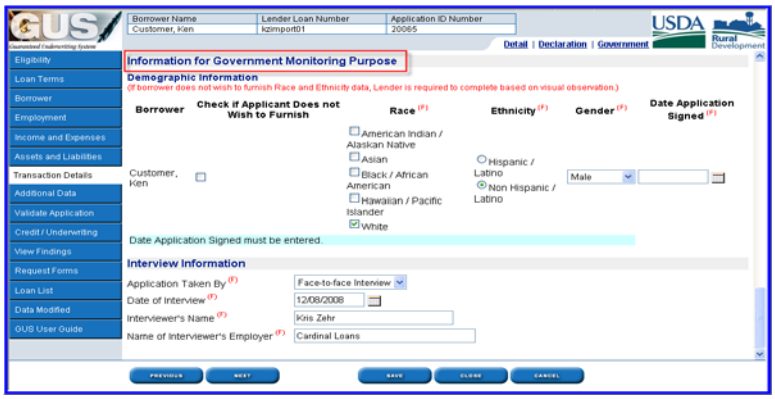
The "Details of Transaction" application page will detail each individual loan fee/cost.



The "Other Credits" section should be reviewed to ensure that credits listed do not duplicate assets that were already entered on the "Assets and Liabilities" page.

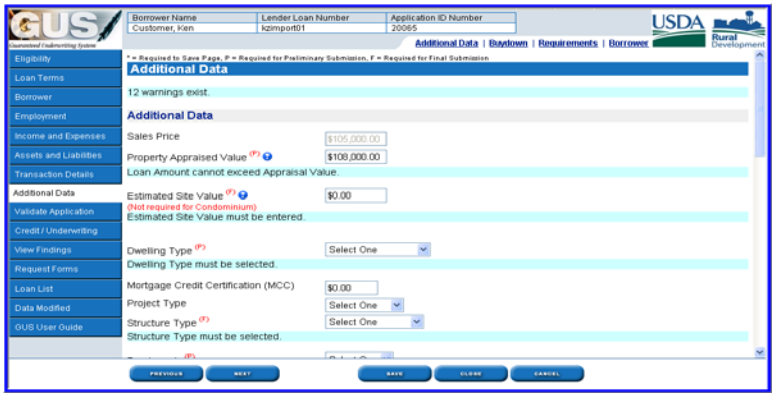
Example: "Cash deposit on sales contract" should not be listed on the "Assets and Liabilities" page *and* on the "Details of Transaction" page.

Review the "Declarations" section to ensure each question has been answered by the applicant(s).

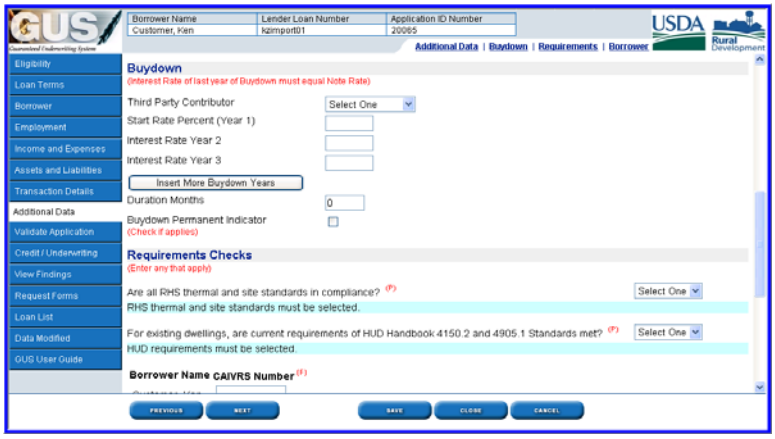


"Information for Government Monitoring Purposes" may import from the user's LOS, however the "Date Application Signed" data field will need to be completed.

Click on "Next" to advance to the "Additional Data" application page.



Review the "Additional Data" page.



If a buydown is associated with the application the user must complete the "Buydown" section.

Temporary Buydowns

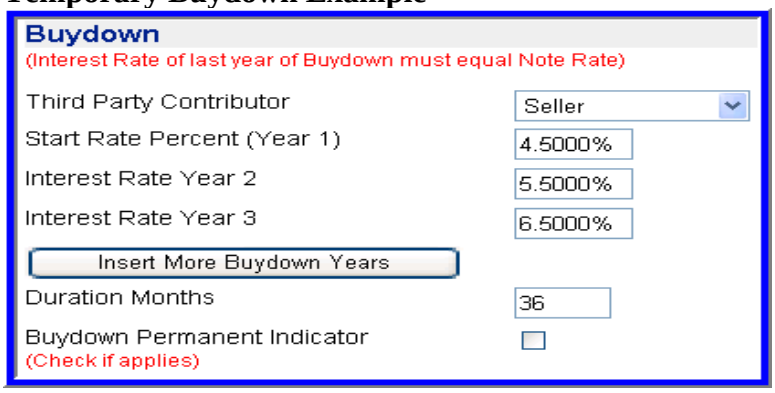
- **Third Party Contributor:** For temporary buydowns funds cannot come from the borrower.
- **Start Rate Percent (Year 1):** Enter the first year interest rate.
- **Interest Rate Year 2:** Enter the second year interest rate. This rate can not increase more than 1% above the first year rate.
- **Interest Rate Year 3:** Enter the third year interest rate. This rate can not increase more than 1% above the second year rate.

Click on "Insert More Buydown Years" if applicable.

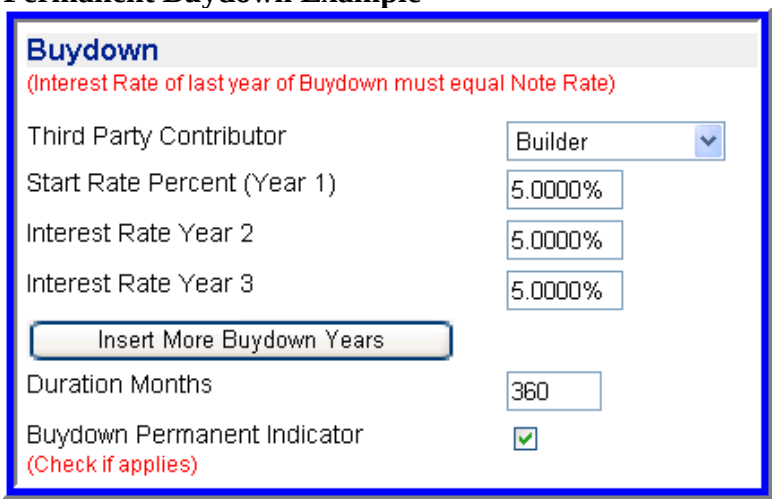
Enter the "Duration Months." If a 2-1-0 temporary buydown is utilized the duration would be "36."

Note: GUS will qualify a mortgage loan request with a temporary buydown at the full note rate.

Temporary Buydown Example



Permanent Buydown Example



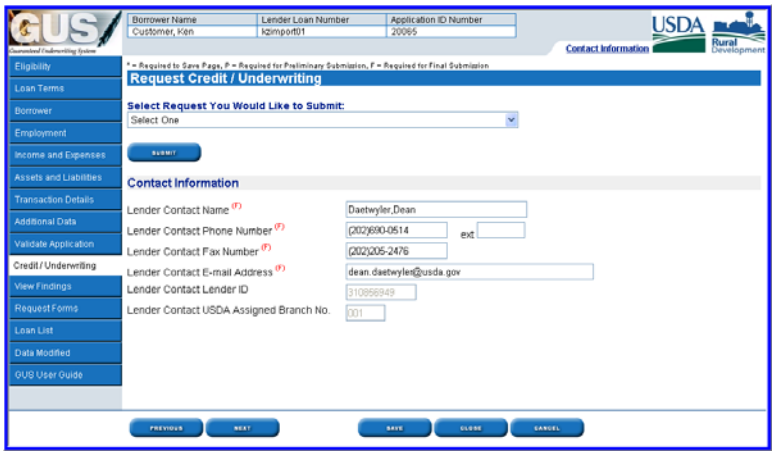
Permanent Buydowns

- **Third Party Contributor:** The **a**pplicant(s) may pay for their own permanent buydown. RD Instruction 1980-D, section 1980.310(d) states for ***low income applicants only***, loan discount points to reduce the note interest rate from the rate authorized in RD Instruction 1980-D, section 1980.320 is allowed. Discount points may not exceed 2% of the loan amount.
- **Start Rate Percent (Year 1):** Enter the permanently bought down interest rate.
- **Interest Rate Year 2:** Enter the same interest rate as year one.
- **Interest Rate Year 3:** Enter the same interest rate as year one.

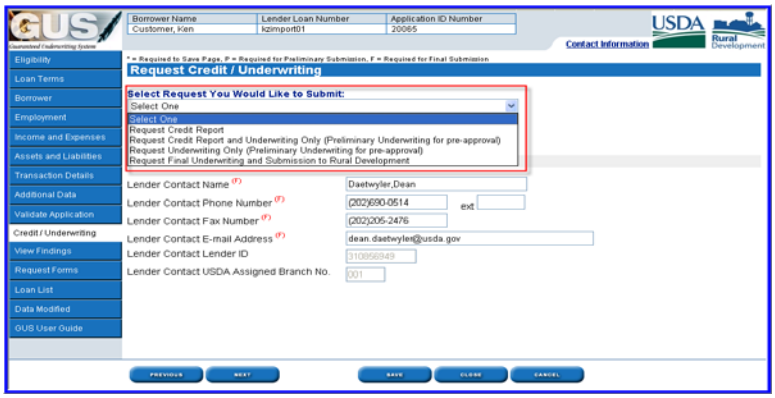
Enter the "Duration Months" as "360."

Click on the "Buydown Permanent Indicator."

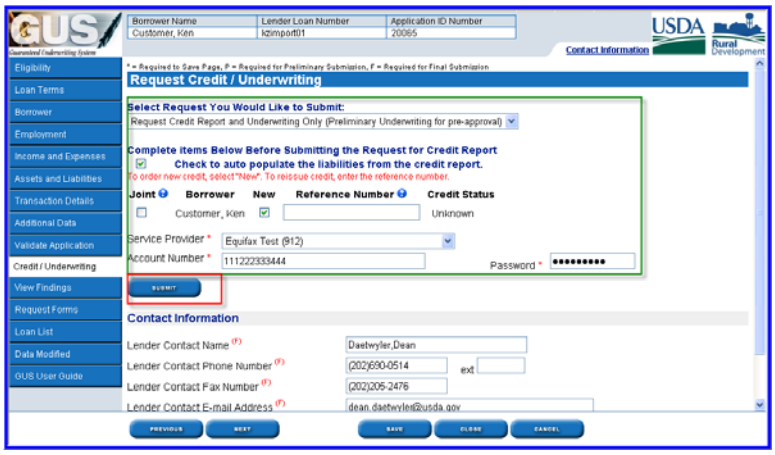
Click on "Next" to advance to the "Credit/Underwriting" application page.



Users may choose to order a new credit report or re-issue a current credit report for the applicant(s).



Select the appropriate credit report and/or underwriting option from the drop down box.



This example displays "Request Credit Report and Underwriting Only (Preliminary Underwriting for pre-approval)."

Additional data fields will dynamically appear based upon the user's credit/underwriting selection.

Users should click the box next to "Check to auto-populate liabilities from the credit report" if they wish to have the liabilities from the credit report transferred to the "Asset and Liabilities" page.

If the user has already populated the "Liabilities" section from the imported loan file, they will <u>not</u> want to select the "auto-populate" function. If the "auto-populate" function is selected it will result in duplicate liabilities. This duplication will lead to a misrepresentation of debt obligations in GUS, and may adversely affect underwriting recommendations.

Click "Joint" for each applicant if there are two applicants and a joint credit report is needed.

Click "New" for each applicant if the credit report requested will be a new credit report.

If a re-issue of a current credit report is desired, the user must enter the "Reference Number" for each applicant.

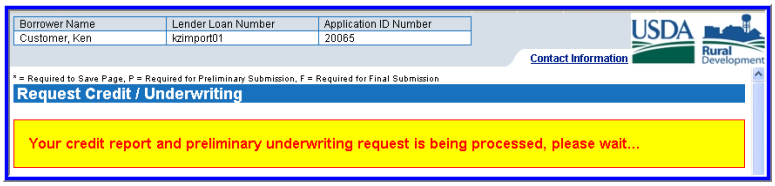
The "Credit Status" will display "Unknown" until a credit report is successfully retrieved. Once the credit is retrieved the "Credit Status" will state "Complete." "Error" will appear if credit can not be retrieved. "Out of Date" will be listed if the credit retrieved is no longer valid.

Enter the "Service Provider."

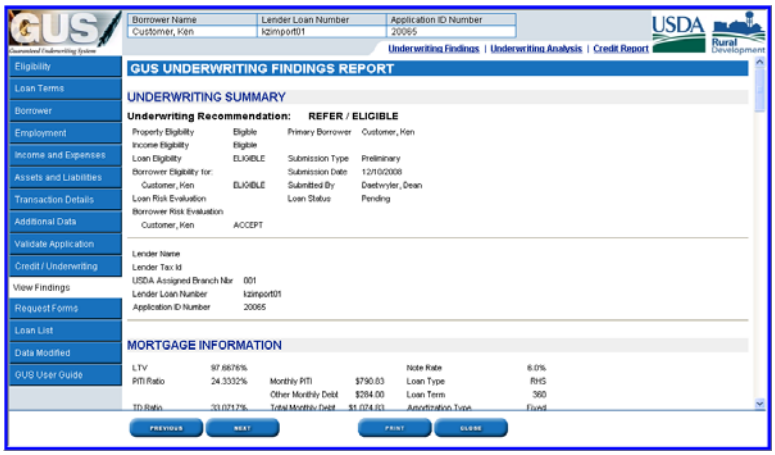
Enter the "Account Number."

Enter the "Password."

User Note: Account numbers and passwords are issued by the user's credit provider, not by Rural Development.



"Your credit report and preliminary underwriting request is being processed, please wait…" message will display.



If the action is successful the "GUS Underwriting Findings Report" will be displayed.

Users must review the findings to verify accurate data entry into GUS and examine the "Lender's Required Conditions" listed prior to submitting the loan to Rural Development for a conditional commitment for loan note guarantee.

User Note: GUS renders an underwriting recommendation. Underwriters must review all documentation, verify accuracy, completeness, and determine final loan approval. GUS does not take the place of prudent underwriting judgment.