



## **MFM Bulletin: 019-2021**

**Date:** September 30, 2021

**Subject:** USDA Fiscal Year 2022 Conditional Commitments Notice

Please see below USDA's Fiscal Year 2022 Conditional Commitment Notice. Member first mortgage will close and purchase USDA loans with Condition Commitments issued "subject to the availability of commitment authority".

Fiscal Year 2022 will begin October 1, 2021, and ends at the close of business September 30, 2022.

### **Fee Structures:**

An upfront guarantee fee of 1.00 percent and an annual fee of .35 percent will apply to both purchase and refinance transactions for FY 2022.

### **Issuance of Conditional Commitments:**

At the beginning of each fiscal year, funding for the guaranteed loan program is not available for a short period of time – approximately two weeks. USDA anticipates this brief lapse in funding to continue for FY 2022. During the temporary lapse in funding, Rural Development - Rural Housing Service (RHS) will issue Conditional Commitments (Form RD 3555-18/18E) "subject to the availability of commitment authority" for purchase and refinance transactions.

The application processing workflow is as follows:

- Rural Development will continue to accept complete guaranteed loan applications for purchase and refinance loan transactions from approved lenders;
- Rural Development will process, approve, and issue Conditional Commitments for those applications that are eligible "subject to the availability of commitment authority";
- Lenders may close loans as scheduled;
- When funds become available, Rural Development will utilize the Electronic Customer File (ECF) system to advance the file to "Obligate Application" for Conditional Commitments that were issued for loans subject to the availability of commitment authority;
- Once loans are obligated, Rural Development may process lender's Loan Note Guarantee requests when the loan closing is verified, and all conditions of the Conditional Commitment are satisfied