

Newrez Announcements



Announcement 2023-068 **USDA Rural Housing Property Location Eligibility**

September 25, 2023

Newrez LLC "Newrez" Approved Correspondent Clients; USDA issued a bulletin on September 8, 2023 announcing changes to the eligibility of certain rural areas effective October 1, 2023.

Effective Date Details

On October 1, 2023, the new ineligible area maps for the Rural Development Single Family Housing will be updated to the USDA Income and Property Eligibility Site and the current maps will be moved to the "previous eligibility areas" tab. All properties for new applications must be located in an eligible rural area based on the new eligibility maps. However, a property that is located in an area being changed from rural to non-rural may still be acceptable if all of the following conditions are met:

- The application is dated and received by the lender prior to October 1, 2023
- The Loan Estimate was issued within three days of the application date.
- The purchase contract is signed and ratified prior to October 1, 2023
- The borrower and property meet all other loan eligibility requirements.

Existing conditional commitments that have been issued will be honored provided the commitment was issued prior to the area designation change.

If the property is located in an area being changed from rural to non-rural, the lender must provide Rural Development all of the following information in addition to all other required documentation.

For loans submitted via the Guaranteed Underwriting System (GUS), the documentation must be uploaded into the system.



- Copy of the signed and dated sales contract.
- Copy of the Loan Estimate issued to the borrower.
- Verification that the property was located in an eligible rural area prior to October 1, 2023. Maps of the “Previous Eligible Areas” (eligibility maps prior to October 1, 2023) will be available on the Eligibility site beginning October 1, 2023. A printout of the map indicating the property address was previously eligible is acceptable.


GUS underwriting recommendations will display an INELIGIBLE property determination for property that is no longer located in an eligible rural area.

- The INELIGIBLE property determination is the second half of the GUS underwriting recommendation.
 - For example, an ACCEPT/INELIGIBLE underwriting recommendation will apply to a request where the borrower’s credit and capacity assessment is an ACCEPT (first part of the underwriting recommendation) however the property is located in an INELIGIBLE area (second part of the underwriting recommendation). This does not prevent the lender from completing the final submission to Rural Development. The Rural Development reviewer will be able to override the property eligibility determination when the lender has uploaded the required documentation noted above.

View the Updated Rural Area Map

The updated [rural area map](#) can now be viewed by following the steps in the table below:

Step	Action
1	Go to the following site: https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do
2	Click Single Family Housing Guaranteed . 
3	Click on Proposed Eligibility Areas , then click Accept . 

Step	Action
4	<p>Type the subject property address and click Go.</p> 

The link is also in the (Property Location Eligibility Section) of the product summaries.

Questions

If you have any questions regarding any information in this announcement, please feel free to contact your regional sales manager or client manager.

Newrezcorrespondent.com

Newrez Fort Washington Operations 877-700-4622

Newrez Fort Washington Registration Desk/NT Desks 866-396-4622

Client Development

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