



Date: Oct 13, 2011

To: DMI ALL

From: Underwriting

Subject: USDA Guaranty Loan Update

As in previous years, there is a brief delay as USDA awaits receipt of the funds for their new fiscal year.

After a brief interruption USDA is again issuing Conditional Commitments subject to the funds being allocated.

As in prior years we will fund USDA loans that are clear to close if the conditional commitment is subject to these funds.

Not all lenders are allowing USDA loans to close while waiting for the funds to be restored.

As a reminder, the new Guarantee fee structure will be as follows for all loans that receive a conditional commitment from Rural Development on or after October 1, 2011:

- 2% up-front for purchases
- 1% up-front for refinances and
- 0.3% annual fee, for both purchases and refinances