LENDER NOTICE

September 30, 2019 — RD Max Rate Removal

*Rural Development Max is Gone So Cash Assistance is On!*

We are excited to announce that USDA Rural Development (RD) is removing the rate cap on October 1, 2019 (USDA Final Rule, also attached pdf). This means RD borrowers can now fully take advantage of our Cash Assistance Mortgage Program to help buy their home. For example, the borrower can fund their downpayment via the RD loan and use our Cash Assistance Mortgage for closing costs.

Based on our communications with RD, here is what we have been told. Any loan issued a Conditional Commitment by RD before October 1, 2019, is subject to the interest-rate-cap restrictions. Loans with a Conditional Commitment issued by RD on or after October 1, 2019, are not subject to the interest rate cap.

If a borrower was approved (via GUS) before October 1 but you want them to take advantage of the Cash Assistance Program, RD will allow lenders to run the loan through GUS at the new rate, and the loan must be resubmitted to RD for a new Conditional Commitment dated on or after October 1. RD requires the borrower to still qualify at the new interest rate.

Note: The New Hampshire Housing Homeownership Fellows advocated for this change during the 2018 Fellowship meeting with RD in Washington, DC. Nice to see it worked!

If you have any questions, please contact Darren O'Toole at 603-310-9245 or dotoole@nhhfa.org.

Thank you for all that you do for New Hampshire Housing!