



"We Make Mortgages Happen"

Date: August 26, 2011
From: Ashton Ewing/Kim Roddy
Re: Bulletin 2011-09 USDA Implementation of Annual Fee and Decreased Upfront Fee

The following is effective for October 1, 2011 for all RD loans:

Per AN No. 4551 issued by USDA on February 3, 2011, effective with all loans obligated (loans approved by the local RD office) on or after October 1, 2011, the Upfront Guarantee Fee will be reduced from 3.50% to 2.00%. In addition to this change, USDA will be implementing an Annual fee (monthly fee) of 0.30% of the outstanding principal balance for the life of the loan for **all** transactions. The upfront guaranteed fee for refinance loans will remain at 1 percent.

Remember to disclose both of these fees in your Good Faith Estimate (GFE) and Truth-In-Lending (TIL) at time of origination if originated after October 1, 2011. If the loan was originated prior to October 1, 2011 and a Conditional Commitment is not received from the local USDA office prior to October 1, 2011 it may be necessary to re-disclose the GFE and TIL to include the monthly payment that will be required.

*Source: USDA AN 4551, February 3, 2011

Guidelines subject to change without notice.

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