

Alert

Update

Reminder

Clarification

Training Information

Preview

Updates to RD HB 1-3555

Truist Bank (Truist) announces alignment with the U.S. Department of Agriculture’s (USDA’s) recently announced revisions to RD Handbook 1-3555.

Effective Dates

Effective for new and existing RD applications on or after June 06, 2025.

Background Information

On May 05, 2025, USDA announced updates to RD HB-1-3555.

Bulletin Details

The following updates are included in USDA’s recent announcement:

- Closing costs and/or prepaid items paid by the lender through premium pricing and funds provided by the seller for repairs or to pay the buyer’s real estate commission fees are not included in the seller contribution limitation.
- Minor clarifications in the Refinance Options for Section 502 Direct and Guaranteed Loans, including:
 - Existing loan must have closed at least 180 days prior to the request for Conditional Commitment.
 - Fixed interest rate at or below the current interest rate of the loan being refinanced.
- The one year builder’s warranty must be fully executed and include the date of warranty, owner, warrantor name, location of property, signature of all parties, and any other applicable information.
- Repair escrows, post issuance of the Loan Note Guarantee, are acceptable provided the home is habitable, as determined by the lender.
- All items of new construction must be 100 percent complete in accordance with plans and specifications except for minor items not affecting the livability of the structure or that cannot be completed due to weather conditions, and the estimated cost to complete the work is not greater than 10 percent of the total loan amount.

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator at 800.382.2111, option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

This information is for use by mortgage professionals only and should not be distributed to or used by consumers or other third parties. This is not for solicitation of sales. Information is accurate as of date of posting and is subject to change without current product details and lending procedure. Truist Bank does not guarantee or assume liability for any third-party products or services. Truist Bank is an Equal Housing Lender. ©2025 Truist Financial Corporation. Truist, Truist Purple and the Truist logo are service marks of Truist Financial Corporation. All rights reserved.