

The New Homeowner Information Guide provides crucial details for customers with USDA Rural Housing Service home loans, managed by the Servicing and Asset Management Office in St. Louis, Missouri. This office handles various services, including payment processing, escrow account management for taxes and insurance, and eligibility assessments for payment subsidies. Homeowners must maintain real estate taxes and acceptable hazard insurance, with payments due monthly on the anniversary of the loan closing. Billing statements are issued 15 days before the due date, and payments must encompass principal, interest, taxes, and insurance, collectively termed "PITI." Payment methods include preauthorized debit (PAD), customer-initiated payments (CIP), and payments through Western Union or MoneyGram, with specific instructions for each. Payments are credited only when the total scheduled amount is received, and partial payments remain in "unapplied" status until the full amount is settled. Late fees, calculated at 4% of the principal and interest due, may apply if payments are not received within 15 days of the due date. Homeowners facing payment difficulties are encouraged to contact a Servicing Office counselor to explore options such as a Promise to Pay Agreement, Delinquency Workout Agreement, or a moratorium for financial hardship.

The insurance policy details loan servicing and payment assistance for borrowers under the USDA Single Family Direct Loan program. Eligible borrowers can establish a new payment schedule through re-amortization, which incorporates missed payments and other charges. If a borrower cannot maintain homeownership, selling the property at its highest value is advised, with further options available through a Servicing Office counselor. The policy requires an escrow account for real estate taxes and hazard insurance, which the Rural Housing Service pays on behalf of the borrower; borrowers cannot pay their own taxes and insurance if an escrow account is in place. If taxes or insurance remain unpaid, the Servicing Office may cover these costs and charge the borrower. Borrowers may voluntarily establish an escrow account by submitting necessary documentation, and an annual escrow analysis ensures sufficient funds for taxes and insurance, with an Escrow Account Disclosure Statement provided annually.

Lender-Placed Insurance (LPI) may be acquired by the Servicing Office if the borrower fails to maintain adequate insurance, although it does not cover personal property. In case of home damage, borrowers should contact their insurance agent and notify the Servicing Office, as insurance claim checks are made payable jointly to the borrower and the Rural Housing Service. Payment assistance is available to lower monthly payments based on household income, but may require repayment if the property is sold or no longer occupied. Borrowers must report income changes and submit documentation for a Payment Assistance Review, with subsidy recapture applicable if the property is sold or the loan is paid off, necessitating notification to the agency of any income increase exceeding 10 percent.

The Service Members Civil Relief Act of 2003 offers protections for service members, including the ability to reduce mortgage interest rates, requiring a written request and mobilization orders to invoke these protections. The policy encourages eligible borrowers to refinance with private credit and allows for penalty-free loan prepayment, with payoff information available from the Servicing Office. Selling or refinancing requires specific documentation for payoff statements, and renting the property is prohibited under loan terms, which may impact subsidy assistance. Delinquent accounts may lead to tax refunds being intercepted to cover loan payments. For home repairs, borrowers can apply for a USDA Single Family Housing Repair loan or grant. The policy also emphasizes non-discrimination in accordance with federal civil rights laws and provides information on filing complaints regarding discrimination. The Office of the Assistant Secretary for Civil Rights is located at 1400 Independence Avenue, SW, Washington, D.C. 20250-9410, with contact options including a fax number (202) 690-7442 and an email address (program.intake@usda.gov). The USDA is noted as an equal opportunity provider, employer, and lender, with the document dated October 2021.