



MFM Bulletin: 022-2026

Date: September 29, 2026

Subject: USDA Rural Development update

USDA has announced that funding will not be available for a short time at the beginning of Fiscal Year 2027, which begins on October 1, 2026. MFM will continue to allow USDA Rural Development closings during this time; however, the unexpired Condition Commitment “subject to the availability of commitment authority” must be in the file prior to closing.

Fee Structure:

- For FY 2027, the upfront guarantee fee of 1.00 percent and an annual fee of .35 percent remain the same and apply to both purchase and refinance transactions.

The application processing workflow is as follows:

- Rural Development will continue to accept complete guaranteed loan applications for purchase and refinance loan transactions from approved lenders.
- Rural Development will process, approve, and issue Conditional Commitments for eligible applications “subject to the availability of commitment authority”.
- When funds become available, Rural Development will obligate loans which originally received a Conditional Commitment subject to the availability of funding and will issue new Conditional Commitments.
- Once loans are obligated, the Agency will process lenders’ requests for Loan Note Guarantee after verifying the loan closing and confirming the lender has satisfied all Conditional Commitment requirements.

Please contact the MFM Underwriting department (underwriting@memberfirstmortgage.com) if you have any questions or concerns.

Thank you