



Wholesale Announcement

FHA & USDA Guideline Updates

FHA Updates

The following update update effective for all loans

Arc Underwriting Guide		
Topic	Previous Guideline	New Guideline
Private Well Distance Requirements for Existing Construction <u>FHA 4000.1 Single Family Housing Policy Handbook Chapter II.A. 3.a. ii. (n)(2)(a)</u>	The following tables provide the minimum distance required between wells and sources of pollution for Existing Construction: Individual Water Supply System for Minimum Property Requirements for Existing Construction* 1. Property line/10 feet 2. Septic tank/50 feet 3. Drain field/100 feet 4. Septic tank drain field reduced to 75 feet if allowed by local authority. 5. If the subject Property line is adjacent to residential property, then local well distance requirements prevail. If the subject Property is adjacent to nonresidential Property or roadway, there needs to be a separation distance of at least 10 feet from the property line. * Distance requirements of local authority prevail if greater than stated above	The following tables provide the minimum distance required between wells and sources of pollution for Existing Construction: Individual Water Supply System for Minimum Property Requirements for Existing Construction* 1. Property line/10 feet 2. Septic tank/50 feet 3. Drain field/100 feet 4. Septic tank drain field reduced to 75 feet if allowed by local authority. 5. If the subject Property line is adjacent to residential property, then local well distance requirements prevail. If the subject Property is adjacent to nonresidential Property or roadway, there needs to be a separation distance of at least 10 feet from the property line. * Distance requirements of local authority prevail if greater than stated above The above distance requirements are waived for new construction when: • The property meets the distance requirements of the local jurisdiction*
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Topic	Previous Guideline	New Guideline
		• Acceptable water testing results are documented by the mortgagee * The local jurisdiction refers to the local health authority, environmental agency, or governing municipality who has inspected, permitted, or grandfathered the private water system in its current configuration

USDA Updates

The following update is effective for all loans.

USDA		
Topic	Previous Guideline	New Guideline
<u>Updated Adjusted Annual Income Deductions</u> <u>USDA Single Family Housing Guaranteed Loan Program (SFHGLP) Handbook 1-3555</u>	<u>Dependent Deduction:</u> • \$480 deduction per eligible dependent at the time of submission to the Agency • Applicants with shared custody may include their children <u>Elderly Household Deduction:</u> • Applicants age 62 or older • One \$400 deduction allowed per household	<u>Dependent Deduction:</u> • \$480 \$500 deduction per eligible dependent at the time of submission to the Agency • Applicants with shared custody may include their children <u>Elderly Household Deduction:</u> • Applicants age 62 or older • One \$400 \$550 deduction allowed per household

