

## NOTICE TO ALL CUSTOMERS

### Important USDA Credit Guideline Updates

FLC Bank is notifying customers of the upcoming updates being made by USDA effective August 5, 2024 to the Single-Family Housing Guaranteed Loan Program Handbook 3555-1 announced via [Advance Notice June 25, 2024](#)

#### Debt-to-Income Ratio Analysis

- Increased housing ratio from 29% to 34% on GUS Refer or Manual Downgraded loans.
- Added additional compensating factors to consider approval of a DTI ratio waiver.
- Added additional guidance in order for lenders to exclude business debt(s) reported on the borrower's personal credit report when all of the following conditions are documented:
  - Business debt reported on the personal credit report is paid through a business account.
  - Acceptable evidence is provided with cancelled checks or bank statements from the business account for the previous 12 months documenting the debt is paid by the business.
  - Payments made by the business must be included in the cash flow analysis and/or business profit and loss statement.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).