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Implementation of the Final Rule for Special Servicing Options for Non-Performing Loans

The Single Family Housing Guaranteed Loan Program's (SFHGLP) Final Rule for the special servicing options for non-performing loans and adjusting the Mortgage Recovery Advance (MRA) process has been made effective as of April 14, 2025.

This Final Rule is intended to benefit borrowers and servicers by providing servicers with more flexibility in their servicing options. It offers a less expensive and less cumbersome MRA process and reduces program risk of the guaranteed loan portfolio.

This Final Rule applies to loans that experience an initial delinquency on or after April 14, 2025. If the delinquency occurred prior to April 14, 2025, and the final documents have not been executed with the borrower, Servicers have the optionality to execute according to the Final Rule providing they are adhering to applicable regulations, document requirements, and timeframes.

More details regarding the Final rule are located in the [Federal Register](#) or you can refer to the GovDelivery announcement [here](#).

Questions regarding program policy and this announcement may be directed to the SFHGLP Servicing Division at sfhglservicing@usda.gov or (833) 314-0168, option 4.