

WELCOME

- **This training is an overview of the Single Family Housing Guaranteed Loan Program.**
- **If you are taking the training as a mandatory requirement, you are responsible for reporting your completion to your company's contact.**
- **Download and/or print the course materials for future reference.**

WELCOME

- **The executor of your company's approved lender's agreement (Form RD 1980-16) must sign a master attendance sheet (provided in the course materials) and return it to either the National Office or the State Office that sent your company their pre-approval letter.**

WELCOME

- **When all necessary application materials have been received and reviewed, Rural Development will notify your company of their approval status for the Guaranteed Loan Program.**



Committed to the future of rural communities.

Guaranteed Loans

- **Affordable**
- **Stable**
- **Responsible**



November 2009

Training Tools

- Titles with * indicate an Administrative Notice is available on this topic.
- Titles with * indicate a ListServ Notice was delivered on this topic.
- This training is not all inclusive. Please refer to RD Instruction 1980-D, Administrative Notices, Unnumbered Letters, and all other published guidance.

Single Family Housing Guaranteed Loans

How can lenders offer Guaranteed Loans?

1. Become an approved lender*

- Form RD 1980-16 Approved Lender Agreement
- Be an approved lender with Fannie Mae, Freddie Mac, HUD, VA, State Housing Finance Agency, Farm Credit Service, or participate in other guaranteed loan programs (i.e. Rural Business, Utilities, and/or Farm Service Agency)
- National or state approved status available

Single Family Housing Guaranteed Loans

How can lenders offer Guaranteed Loans?

2. Work with an approved lender

- Submit originated loan files to an approved lender for underwriting
- Refer to the approved lender for potential overlays/guidelines (i.e. minimum FICO scores, documentation requirements, property type restrictions, etc.)

Single Family Housing Guaranteed Loans

Who is not eligible to become an approved lender?*

- HUD Loan Correspondents
- VA Agents
- Freddie Mac Third Party Originators (TPO)
- Mortgage Brokers

These lenders must find an approved lender to work with in order to originate Guaranteed loans.

Key Guaranteed Loan Benefits



Key Guaranteed Benefits!

Maximum Loan Amount:

- Up to 100% of appraised value, plus one time guarantee fee



Key Guaranteed Benefits!

Maximum Loan Amount

Example:

- Purchase price: \$150,000
- Appraised Value: \$153,000

Lender has \$3,000 available between the appraised value and the purchase price amount to include eligible items if they choose.



Key Guaranteed Benefits!

Maximum Purchase Price:

- No maximum purchase price
- Repayment ratios determine purchasing power and affordability.



Key Guaranteed Benefits!

No monthly mortgage insurance:

- More affordable payments



Key Guaranteed Benefits!

Qualifying Ratios*

- 29% Housing
- 41% Total debt

- Ratio waiver requests may be approved by Rural Development with strong compensating factors supported with documentation submitted by the approved lender



Key Guaranteed Benefits!

Fixed Interest Rates:

- 30 year fixed rates
- Added stability



Key Guaranteed Benefits!

No reserve requirements:

- No reserve minimum
- No asset limit
- Income derived from liquid assets will be considered in the annual income calculation to ensure program eligibility.



Key Guaranteed Benefits!

Flexible Credit Guidelines*

- No minimum FICO score
- Nontraditional credit allowed
- Applicants must display an ability and willingness to repay debts in a timely manner.



Key Guaranteed Benefits!

Assistance Programs Allowed:

- Gift/Grant programs
- Downpayment assistance
- Seller concessions
- Mortgage Credit Certificates (MCC's)
- Temporary or permanent buydowns



Key Guaranteed Benefits!

**NOT limited to first time
homebuyers**



Key Guaranteed Benefits!

**Loans are GUARANTEED up to 90%
of the original loan amount in the
event of a loss**

**Example:
Loan Amount: \$100,000
Guaranteed Amount: \$90,000**



Eligible Housing

Eligible Housing

- Existing homes

Must meet HUD Handbooks 4150.2 and 4905.1



Eligible Housing

- **Condominiums***

**Lenders must certify on the 1008 or similar document
They have retained documented evidence the project
is approved by:**

- **Fannie Mae or**
- **Freddie Mac or**
- **HUD or**
- **VA**



Eligible Housing

- **Townhouses/(PUD's)**

**All PUD's (attached and detached) are eligible for
Guaranteed financing**



Eligible Housing

- **Modular homes**

New and existing modular homes are eligible



Eligible Housing

- **New Construction***



Eligible Housing

- **Manufactured homes***

New units: 1980.313(i)

- purchase agreement must be dated within one year of the date displayed on the manufacture date of the unit
- Built by an approved dealer-contractor (each state maintains a list)

Existing units: 1980.313(i)(2)(i)

- Must be originally built and financed with a Direct or Guaranteed loan
- Original owner must be seller



No Income Producing Property

- **Rental Homes/Second Homes**

Guaranteed loans are for single family **primary residences** only.



No Income Producing Property

- **Grain bins, silos, dairy farms, hog barns, multiple equestrian stables**

Any appurtenances that have specific income producing abilities/purposes are ineligible.

1980.311(a)(4) and 1980.313(a).



No Income Producing Property

- **Farm service buildings**

Large farm service buildings are non-essential for RD purposes. 1980.311(a)(4) and 1980.313(a).



No Income Producing Property

- **Windmills, Cell phone towers**

Typically these structures generate income as the company is “renting” the land where these are located.



No Income Producing Property

- **Acreage: non-tillable (farm), no “limit,” 30% site value**

30% or more: If typical for area (as verified by appraisal and comps) and the site cannot be subdivided into two or more sites, the 30% limitation may be exceeded. 1980.313(e)



In-Ground Swimming Pools*

States may approve requests:

- No loan funds for contributory value of pool
- Appraiser must provide accurate value
- No ARRA Funds may be used
- Above ground pools are non-issues



Example: Maximum Loan Amount Calculation w/ In-Ground Pool

Appraised Value:	\$175,000
Pool Value:	<u>- \$2,500</u>
Maximum loan amount:	\$172,500 + g fee

$\$172,500 \div .98 = \$176,020.41$ loan amount w/ guarantee fee



Property and Income Eligibility

2 Program “Rurals”

- Eligible area
- Eligible adjusted household income



Nationwide Eligibility Web Site

<http://eligibility.sc.egov.usda.gov>

- Property Eligibility
- Income Eligibility
- Income Limit pdf by state

Property Eligibility

USDA United States Department of Agriculture
Rural Development

Committed to the Future of Rural Communities

Home About A Contact Us

You are here: Eligibility / Home

Eligibility

You must use [Internet Explorer 5.0](#) and higher or [Netscape 4.76](#) and higher in order to view this site. Best viewed using screen resolution of 1024 X 768.

Welcome to the USDA Income and Property Eligibility Site

This site is used to determine eligibility for certain USDA home loan programs. In order to be eligible for many USDA loans, household income must meet certain guidelines. Also, the home to be purchased must be located in an eligible rural area as defined by USDA.

To learn more about a USDA home loan program, click on the **Loan Program Basics** link on the left side of this screen and select one of USDA's home loan programs.

To determine if a property is located in an eligible rural area, click on the **Property Eligibility** link on the left side of the screen and select a Rural Development program. When you select a Rural Development program, you will be directed to the appropriate property eligibility screen for the Rural Development loan program you selected.

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Bookmark as a Favorite

Property Eligibility

The screenshot shows the USDA Rural Development website. At the top, the USDA logo and "United States Department of Agriculture Rural Development" are on the left, and the Rural Development logo with "Committed to the Future of Rural Communities" is on the right. Below the header is a navigation bar with "Home", "About SCA", and "Contact Us". The main content area has a breadcrumb trail "You are here: Eligibility / Home" and a green header "Eligibility". A yellow box contains a browser compatibility warning: "You must use Internet Explorer 5.0 and higher or Netscape 4.76 and higher in order to view this site. Best viewed using screen resolution of 1024 X 768." Below this is a "Welcome to the USDA Income and Property Eligibility Site" section. The left sidebar contains a menu with "Eligibility" at the top, followed by "Home", "Property Eligibility Programs" (with "Single Family Housing" circled in red), "Multi Family Housing", "Business Programs", "Income Eligibility Programs" (with "Single Family Housing" below it), "Income Limits" (with "Single Family Housing" below it), "Direct", "Guaranteed", "Loan Program Basics" (with "Single Family Housing" below it), and "Direct" at the bottom. The main content area contains three paragraphs of text explaining the site's purpose and how to use it.

Property Disclaimer

The screenshot shows the USDA Rural Development website's disclaimer page. The header and navigation bar are identical to the previous page. The breadcrumb trail is "You are here: Eligibility / Property Eligibility". The main content area has a green header "Rural Housing Services" and a red sub-header "Property Eligibility Disclaimer". Below this is a paragraph of text: "Every effort is made to provide accurate and complete property eligibility determinations based on Rural Development rural area requirements. USDA, however, does not guarantee the accuracy, or completeness of any information, product, process, or determination provided by this system. Final determination of property eligibility must be made by Rural Development. To proceed with your property eligibility determination, you must accept this disclaimer." Below the text is a link to a "license agreement" and two buttons: "Accept" and "Decline". The left sidebar is identical to the previous page.

You are here: [Eligibility / Property Eligibility](#)

Rural Housing Services

USDA Property Eligibility

Property eligibility can be determined in any one of three ways:

- Enter an address below,
- Select a state from the map, or
- Click the Text Description button

TEXT DESCRIPTION

Pin Point Address on U.S. Map

Please enter an Address:

(State and Zip Code must be entered)

Address

City

State*

Zip-Code* -

[Click here to find out about additional areas that are also considered eligible, including disaster areas](#)

Please select a state to view eligibility area by placing cursor over desired state and clicking.



"Best viewed using screen resolution of 1024 X 768"

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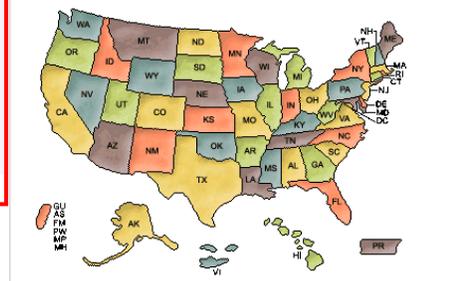
City

State*

Zip-Code* -

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"Best viewed using screen resolution of 1024 X 768"

Map an exact address: Eligible

Pin Point Address on U.S. Map

Please enter an Address:
(State and Zip Code must be entered)

Address

City

State*

Zip-Code* -



This address IS eligible.

Map an exact address: Ineligible

Pin Point Address on U.S. Map

Please enter an Address:
(State and Zip Code must be entered)

Address

City

State*

Zip-Code* -



This address is not located in an eligible area.

Map an exact address: Unable to Determine

Pin Point Address on U.S. Map

Please enter an Address:
(State and Zip Code must be entered)

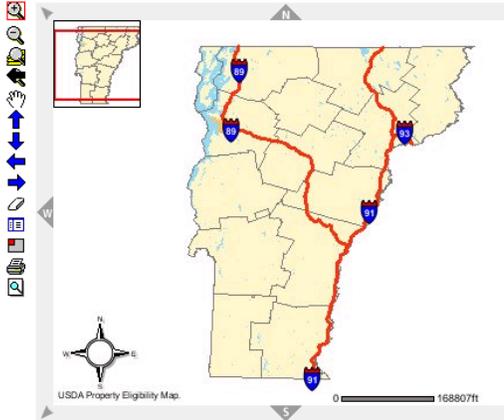
Address

City

State*

Zip-Code* -

Vermont Property Eligibility



UNABLE TO DETERMINE ADDRESS

You are here: [Eligibility / Property Eligibility](#)

Rural Housing Services

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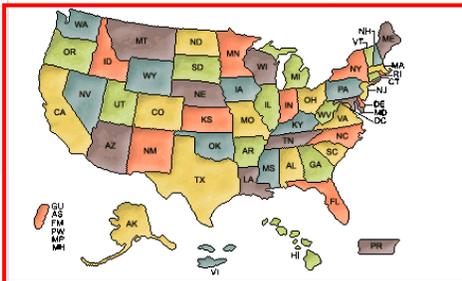
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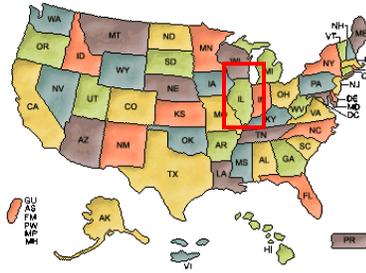
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TEXT DESCRIPTION

Quick list of Counties containing ineligible areas



- [Adams](#)
- [Boone](#)
- [Champaign](#)
- [Cook](#)
- [DeKalb](#)
- [DuPage](#)
- [Grundy](#)
- [Kane](#)
- [Kankakee](#)
- [Kendall](#)
- [Knox](#)
- [Lake](#)
- [McHenry](#)
- [McLean](#)
- [Macon](#)
- [Madison](#)
- [Peoria](#)
- [Rock Island](#)
- [St. Clair](#)
- [Sangamon](#)
- [Tazewell](#)
- [Vermilion](#)
- [Will](#)



Income Eligibility

United States Department of Agriculture
Rural Development

Committed to the Future
of Rural Communities

[Home](#) [About SCA](#) [Contact Us](#)

You are here: [Eligibility / Home](#)

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Eligibility

- [Home](#)
- Property Eligibility Programs**
 - [Single Family Housing](#)
 - [Multi Family Housing](#)
 - [Business Programs](#)
- Income Eligibility Programs**
 - [Single Family Housing](#)
- Income Limits**
 - [Single Family Housing](#)
 - [Direct](#)
 - [Discreet](#)
- Loan Program Basics**
 - [Single Family Housing](#)
 - [Direct](#)

USDA United States Department of Agriculture
Rural Development

Committed to the Future of Rural Communities

Home About SCA Contact Us

You are here: [Eligibility / Income Eligibility](#)

Single Family Housing Income Eligibility

Property Location
 State : Illinois
 County : McLean
 Metropolitan Area : Bloomington-Normal ?

Household Members Information
 Number of People in Household : ?
(Include all persons living in the household except foster adults and foster children.)
 Number of Residents Under 18 Years Old, Disabled or Full Time Students : ?
(Do not include the applicant, spouse, or co-applicant)
 Is Loan Applicant or Co-Applicant age 62 or older? : No ?
 Are there any Disabled Persons Living in the Household? : No ?

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MSA

Metropolitan Statistical Area (MSA):

MSA is a county or group of counties of 50,000 people or more, or “twin cities” with a combined population of at least 50,000. In addition to the county such a city, contiguous counties are included in a metro area according to commuting patterns. In New England states, metro areas consist of towns and cities instead of counties, otherwise the rules are similar.

You are here: [Eligibility / Income Eligibility](#)

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Number of People In the Household

The applicant, co-applicant, and all other persons who will make the applicant's dwelling their primary residence for all or part of the next 12 months. The temporary absence of a child from the home due to placement in foster care shall not be taken into account in considering family composition and size. Foster children placed in the borrower's home and live-in aides shall not be counted as members of the household.

Example: Family of four could consist of the following: John Doe (applicant), Mary Doe (co-applicant), Kaitlyn Doe (daughter), and Juanita Sweat (John Doe's mother)

You are here: [Eligibility / Income Eligibility](#)

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Is Loan Applicant or Co-Applicant age 62 or older? : No ▾ ?

Are there any Disabled Persons Living in the Household? : No ▾ ?

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Dependents

Residents Under 18 Years Old, Disabled, or Full Time Students:

A deduction of \$480 for each member of the family residing in the household, other than the applicant, spouse, or co-applicant, who is:

1. Under 18 years of age **or**
2. 18 years of age or older “and” is disabled per RD Instruction 1980-D, section 1980.302(a) **or**
3. A full time student age 18 year or older

You are here: [Eligibility / Income Eligibility](#)

Single Family Housing Income Eligibility

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(Do not include the applicant, spouse, or co-applicant)

Is Loan Applicant or Co-Applicant age 62 or older? : ?
 No ?
 Yes ?

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Elderly Household

An elderly family consists of one of the following:

1. A person who is the head, spouse, or sole member of a family who is 62 years of age or older, or who is disabled, and is an applicant or borrower; **or**
2. Two or more persons who are living together, at least one of whom is age 62 years of age or older, or disabled, and who is an applicant or borrower, **or**



Elderly Household

3. In the case of a family where the deceased borrower or spouse was at least 62 years old or disabled, surviving household members shall continue to be classified as an elderly family for the purpose of determining adjusted income, even though the surviving members may not meet the definition of elderly family on their own, provided:
 - A. They occupied the dwelling with the deceased family member at the time of death;
 - B. If one of the surviving family members is the spouse of the deceased family member, the family shall be classified as an elderly family only until the remarriage of the surviving spouse;
 - C. At the time of the death of the deceased family member, the dwelling was financed under title V of the Housing Act of 1949

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(Do not include the applicant, spouse, or co-applicant)
Is Loan Applicant or Co-Applicant age 62 or older? : No ▾ ?
Are there any Disabled Persons Living in the Household? : No ▾ ?

No
Yes

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Disabled person

Please see section 1980.302(a) of RD Instruction 1980-D for a full definition of “Disabled Person.”

A person who is unable to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or which has lasted or is expected to last for a continuous period of not less than 12 months.

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Single Family Housing Income Eligibility

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State : Illinois
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Expenses and Deductions

Annual Child Care Expenses : ?
Annual Medical Expenses : ?
(Enter amount of medical expenses, that when combined with eligible disability expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)
Annual Disability Expenses : ?
(Enter amount of disability expenses, that when combined with eligible medical expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)

You are here: [Eligibility / Income Eligibility](#)

Single Family Housing Income Eligibility

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(Enter amount of disability expenses, that when combined with eligible medical expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)



Child Care Deduction

A deduction for the care of minors 12 years of age or under, to the extent necessary to enable a member of the applicant/borrower's family to be gainfully employed or to further his or her education.

Payment for these services may not be made to persons whom the applicant/borrower is entitled to claim as dependents for income tax purposes.

A full "written" justification for this deduction must be recorded in detail in the loan docket.

You are here: [Eligibility / Income Eligibility](#)

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Annual Disability Expenses : ?

(Enter amount of disability expenses, that when combined with eligible medical expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)



Medical Expense Deduction

Medical expenses for any "Elderly Family" as defined in RD Instruction 1980-D, section 1980.302(a). This includes medical expenses for any household member the applicant/borrower anticipates incurring over the ensuing 12 months "and" which are not covered by medical insurance. Examples of said expenses are: dental expenses, prescription medications, medical insurance premiums, eyeglasses, hearing aids, home nursing care, monthly payments on accumulated major medical bills and full time nursing or institutional care which "cannot" be provided in the home for the member of the household.



Medical Expense Deduction

The deduction is the amount by which the aggregate allowable medical expenses of the household, combined with eligible disability expenses of the household, exceeds 3 percent of the qualifying household members Gross Annual Income (GAI).

Example: Qualifying household medical expenses are \$3,200. The Gross Annual Income is \$15,500. 3% of annual income is \$465. Allowable deduction is \$2,735 (\$3,200 - \$465)

You are here: [Eligibility / Income Eligibility](#)

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Annual Medical Expenses :

(Enter amount of medical expenses, that when combined with eligible disability expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)

Annual Disability Expenses :

(Enter amount of disability expenses, that when combined with eligible medical expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)



Disability Expense

Reasonable expenses for the care of an individual with disabilities in excess of 3% of the annual income, when combined with eligible medical expenses, may be deducted from annual income if the expenses:

- Enable the individual with disabilities or another family member to work
- Are not reimbursable from insurance or any other source; and
- Do not not exceed the amount of earned income included in annual income by the person who is able to work as a result of the expenses.



Disability Expense

Typical disability expenses include:

- Care attendant to assist an individual with disabilities with daily activities of daily living directly related to permitting the individual or another family member to work;
- Special apparatus, such as wheelchairs, ramps, adaptations to vehicles or work place equipment, if directly related to permitting the individual with disabilities or another family member to work.

Gross Monthly Income

	Applicant	Other Household Member	
Base Employment Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Overtime Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Bonus Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Commission Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Self-Employment Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Dividend/Interest Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Net Rental Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Other Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>

All Other Income Received by Adult Members of the Household :

(See help for further explanation)

Gross Monthly Income

	Applicant	Other Household Member	
Base Employment Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Overtime Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Bonus Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Commission Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Self-Employment Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Dividend/Interest Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Net Rental Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>
Other Income	<input type="text" value="0"/>	<input type="text" value="0"/>	<input style="background-color: #0070C0; color: white; border: none; border-radius: 50%; width: 20px; height: 20px; text-align: center; vertical-align: middle;" type="button" value="?"/>

All Other Income Received by Adult Members of the Household :

(See help for further explanation)

Expenses and Deductions

Annual Child Care Expenses : ?

Annual Medical Expenses : ?

(Enter amount of medical expenses, that when combined with eligible disability expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)

Annual Disability Expenses : ?

(Enter amount of disability expenses, that when combined with eligible medical expenses, exceed 3% of the Gross Annual Income of the Applicant and Co-Applicant)

Gross Monthly Income

	Applicant	Other Household Member
Base Employment Income	<input type="text" value="4500"/>	<input type="text" value="3000"/> ?
Overtime Income	<input type="text" value="0"/>	<input type="text" value="100"/> ?
Bonus Income	<input type="text" value="0"/>	<input type="text" value="100"/> ?
Commission Income	<input type="text" value="0"/>	<input type="text" value="0"/> ?
Self-Employment Income	<input type="text" value="0"/>	<input type="text" value="0"/> ?
Dividend/Interest Income	<input type="text" value="0"/>	<input type="text" value="0"/> ?
Net Rental Income	<input type="text" value="0"/>	<input type="text" value="0"/> ?
Other Income	<input type="text" value="0"/>	<input type="text" value="0"/> ?

All Other Income Received by Adult Members of the Household : ?
(See help for further explanation)

<< Prev
Finish
Reset

Single Family Housing Program Income Eligibility Determination Summary

Applicant is **ELIGIBLE** for the Section 502 Guaranteed Rural Housing Loan Program and **INELIGIBLE** for the Section 502 Direct Rural Housing Loan Program based on income entered and Program Income Guidelines in effect as of 10-14-2009. (Applicant must show repayment ability, have a reasonable credit history for the loan requested, and must meet other program requirements.)

[Contact Us](#) for further details on the Guaranteed Loan Program.
[Contact Us](#) for further details on the Direct Loan Program.

Summary of Adjusted Annual Household Income

Annual Household Income : **\$92,400.00**

Total Deductions : **\$9,480.00**

Household Adjusted Annual Income : **\$82,920.00**

Section 502 Guaranteed Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and County : **\$86,850.00**

Section 502 Direct Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and County : **\$60,400.00**

Adjusted Household Income Exceeds Maximum Income by : **\$22,520.00**

USDA Rural Housing Single Family Housing Guaranteed Loan Contacts

If you are an individual interested in learning how to apply for a USDA Rural Housing Single Family Housing Guaranteed Loan, please contact an Agency representative in your State from the table below. Our representative can provide you with information on the USDA, Single Family Housing Guaranteed Loan Program and inform you of local lenders participating in the Single Family Housing Guaranteed Loan Program.

If you are a lender interested in participating in the Single Family Housing Guaranteed Loan Program, you may also contact an Agency representative in your State from the table below. Our representative will provide you with information on how to participate in the USDA, Single Family Housing Guaranteed Loan Program.

STATE	CONTACT	PHONE #	EXT.	FAX #	E-MAIL ADDRESS
AK	Karen LaMouna	(907)761-7732		(907)761-7794	klamouni@ak.usda.gov
AL	Al Butler	(256)532-1677		(256)532-1931	al.butler@al.usda.gov
AR	Linda McCaslin	(501)301-3235		(501)301-3290	linda.mccaslin@ar.usda.gov
AS	Stephanie Taketa	(808)933-8308		(808)933-8327	stephanie.taketa@hi.usda.gov
AZ	Earl Tatlow	(602)280-8709		(602)280-8879	earl.tatlow@az.usda.gov
CA	Annete Joyer	(916)714-1104	107	(916)714-1118	annette.joyer@ca.usda.gov
CA	Ed Amen	(530)226-2589		(530)226-2567	ed.amen@ca.usda.gov
CA	Nellie Nunez	(559)734-8732	110	(559)732-3481	nellie.nunez@ca.usda.gov
CA	Violet Gomes	(831)757-5294	106	(831)424-7289	violet.gomes@ca.usda.gov
CO	Jamie A Spakow	(720)544-2918		(720)544-2970	jamie.spakow@co.usda.gov
CT	Arlene Nunes	(413)253-4300	4333	(413)253-4347	arlene.nunes@ma.usda.gov
DE	Stacey Slacum	(302)857-3603		(302)857-3611	stacey.slacum@de.usda.gov
FL	Bob Coordsen	(352)338-3435		(352)338-3437	bob.coordsen@fl.usda.gov
FL	Roger Taylor	(352)338-3435		(352)338-3437	roger.taylor@fl.usda.gov

Single Family Housing Program Income Eligibility Determination Summary

Applicant is **ELIGIBLE** for the Section 502 Guaranteed Rural Housing Loan Program and **INELIGIBLE** for the Section 502 Direct Rural Housing Loan Program based on income entered and Program Income Guidelines in effect as of 10-14-2009. (Applicant must show repayment ability, have a reasonable credit history for the loan requested, and must meet other program requirements.)

[Contact Us](#) for further details on the Guaranteed Loan Program.

[Contact Us](#) for further details on the Direct Loan Program.

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Annual Household Income : **\$92,400.00**
 Total Deductions : **\$9,480.00**
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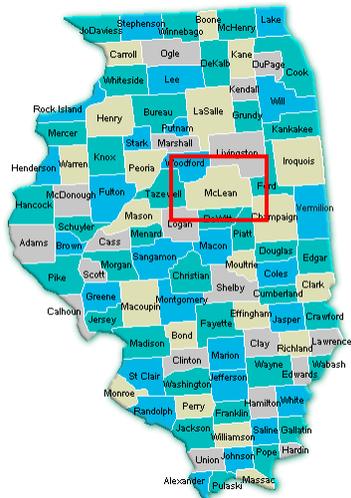
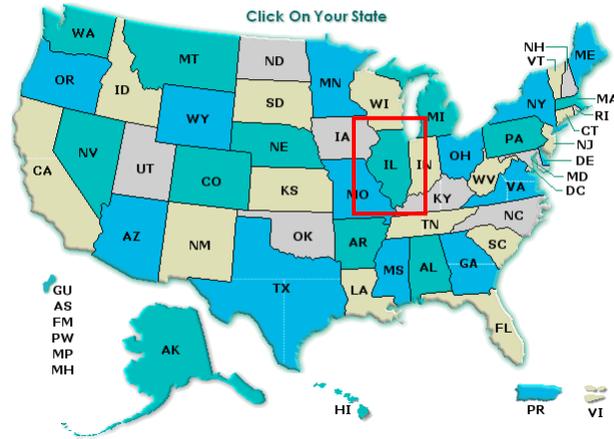
Section 502 Guaranteed Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$86,850.00**
 County :

Section 502 Direct Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$60,400.00**
 County :
 Adjusted Household Income Exceeds Maximum Income by : **\$22,520.00**

USDA Service Centers are designed to be a single location where customers can access the services provided by the Farm Service Agency, Natural Resources Conservation Service, and the Rural Development agencies. This web site will provide the address of a USDA Service Center and other Agency offices serving your area along with information on how to contact them.



Serving MCLEAN County, Illinois

Service Centers In Your County

NORMAL SERVICE CENTER
402 N KAYS DR
NORMAL, IL 61761-1957
(309) 452-3848
(309) 452-6642 fax

- [Street Map](#)
- [Driving Directions](#)
- [Mailing Address](#)

Farm Service Agency
Natural Resources Conservation Service
Conservation District

Service Centers In Other Counties

PONTIAC SERVICE CENTER
1510 W REYNOLDS ST
PONTIAC, IL 61764-9674
(815) 844-6127
(815) 844-6344 fax

- [Street Map](#)
- [Driving Directions](#)
- [Mailing Address](#)

Rural Development

ILLINOIS STATE OFFICE
2118 W PARK CT
CHAMPAIGN, IL 61821-2986

- [Street Map](#)
- [Driving Directions](#)
- [Mailing Address](#)

Rural Development (Area Office)

**Single Family Housing Program
Income Eligibility Determination Summary**

Applicant is **ELIGIBLE** for the Section 502 Guaranteed Rural Housing Loan Program and **INELIGIBLE** for the Section 502 Direct Rural Housing Loan Program based on income entered and Program Income Guidelines in effect as of 10-14-2009. (Applicant must show repayment ability, have a reasonable credit history for the loan requested, and must meet other program requirements.)

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Section 502 Guaranteed Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$86,850.00**
County :

Section 502 Direct Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$60,400.00**
County :
Adjusted Household Income Exceeds Maximum Income by : **\$22,520.00**

**Single Family Housing Program
Income Eligibility Determination Summary**

Applicant is **ELIGIBLE** for the Section 502 Guaranteed Rural Housing Loan Program and **INELIGIBLE** for the Section 502 Direct Rural Housing Loan Program based on income entered and Program Income Guidelines in effect as of 10-14-2009. (Applicant must show repayment ability, have a reasonable credit history for the loan requested, and must meet other program requirements.)
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Section 502 Guaranteed Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$86,850.00**
County :

Section 502 Direct Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$60,400.00**
County :
Adjusted Household Income Exceeds Maximum Income by : **\$22,520.00**

You are here: [Eligibility / Home](#)

Eligibility

You must use [Internet Explorer 5.0](#) and higher or [Netscape 4.76](#) and higher in order to view this site. Best viewed using screen resolution of 1024 X 768.

Welcome to the USDA Income and Property Eligibility Site

This site is used to determine eligibility for certain USDA home loan programs. In order to be eligible for many USDA loans, household income must meet certain guidelines. Also, the home to be purchased must be located in an eligible rural area as defined by USDA.

To learn more about a USDA home loan program, click on the **Loan Program Basics** link on the left side of this screen and select one of USDA's home loan programs.

To determine if a property is located in an eligible rural area, click on the **Property Eligibility** link on the left side of the screen and select a Rural Development program. When you select a Rural Development program, you will be directed to the appropriate property eligibility screen for the Rural Development loan program you selected.

To determine income eligibility of an applicant/household, click on the **Income Eligibility** link on the left side of the screen and select a Rural Development program. When you select a Rural Development program, you will be directed to the appropriate income eligibility screen for the Rural Development loan program you selected.

To find out how to apply for a Rural Development Loan, click on the **Contact Us** link on the left side of the screen and then select a Rural Development Loan program.

USDA Rural Development

Committed to the future of rural communities.

Search

[Versión en Español](#)

SFH Guaranteed Loan Income Limits

[MSA Definitions](#)
[Idaho](#)
[Montana](#)
[Rhode Island](#)
[All States](#)
[Illinois](#)
[Nebraska](#)
[South Carolina](#)
[Alabama](#)
[Indiana](#)
[Nevada](#)
[South Dakota](#)

Eligibility

- Home
- Property Eligibility Programs
 - Single Family Housing
 - Multi Family Housing
 - Business Programs
- Income Eligibility Programs
 - Single Family Housing
- Income Limits
 - Single Family Housing
 - Direct
 - Guaranteed
- Loan Program Basics
 - Single Family Housing
 - Direct
 - Guaranteed
- Contact Us
 - Single Family Housing
 - Direct
 - Guaranteed
 - Business Programs
 - Direct and Guaranteed

	PROGRAM	1-4 PERSON	5-8 PERSON
Bloomington-Normal, IL MSA	RHS LOW INCOME	60400	79750
	RHS MOD. INC-GUAR. LOAN	86850	114650
Champaign-Urbana, IL MSA	RHS LOW INCOME	52150	68850
	RHS MOD. INC-GUAR. LOAN	74950	98950
Chicago-Naperville-Joliet, IL HUD Metro FMR Area	RHS LOW INCOME	60300	79600
	RHS MOD. INC-GUAR. LOAN	86700	114450
DeKalb County, IL HUD Metro FMR Area	RHS LOW INCOME	58250	76350
	RHS MOD. INC-GUAR. LOAN	85300	112600
Grundy County, IL HUD Metro FMR Area	RHS LOW INCOME	61050	80600
	RHS MOD. INC-GUAR. LOAN	87750	115850
Kendall County, IL HUD Metro FMR Area	RHS LOW INCOME	64000	84500
	RHS MOD. INC-GUAR. LOAN	92000	121450
Danville, IL MSA	RHS LOW INCOME	43450	57350
	RHS MOD. INC-GUAR. LOAN	73600	97150
Deavenport-Moline-Rock Island, IA-IL MSA	RHS LOW INCOME	49300	65100
	RHS MOD. INC-GUAR. LOAN	73600	97150
Decatur, IL MSA	RHS LOW INCOME	47450	62650
	RHS MOD. INC-GUAR. LOAN	73600	97150
Kankakee-Bradley, IL MSA	RHS LOW INCOME	49350	65150
	RHS MOD. INC-GUAR. LOAN	73600	97150
Peoria, IL MSA	RHS LOW INCOME	52650	69500
	RHS MOD. INC-GUAR. LOAN	75700	99900
Rockford, IL MSA	RHS LOW INCOME	50950	67250
	RHS MOD. INC-GUAR. LOAN	73600	97150
St. Louis, MO-IL HUD Metro FMR Area	RHS LOW INCOME	54300	71700
	RHS MOD. INC-GUAR. LOAN	78050	103050

**THIS METHOD IS NOT RECOMMENDED
UNTIL LENDERS ARE FAMILIAR
WITH INCOME ELIGIBILITY
DETERMINATIONS!**

	PROGRAM	1-4 PERSON	5-8 PERSON
Bloomington-Normal, IL MSA	RHS LOW INCOME	60400	79750
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	RHS MOD. INC-GUAR. LOAN	87750	115850
Kendall County, IL HUD Metro FMR Area	RHS LOW INCOME	64000	84500
	RHS MOD. INC-GUAR. LOAN	92000	121450
Danville, IL MSA	RHS LOW INCOME	43450	57350
	RHS MOD. INC-GUAR. LOAN	73600	97150
Deavenport-Moline-Rock Island, IA-IL MSA	RHS LOW INCOME	49300	65100
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	RHS MOD. INC-GUAR. LOAN	78050	103050

Guarantee Fee Calculation and Maximum Loan Amount

GUARANTEE FEE BENEFITS!

- **Include in loan amount above appraised value**
- **Lower monthly payments**
- **Guaranteed up to 90%**



Maximum Loan Amount

100% of the appraised value plus the one time guarantee fee

Example:

Appraised Value: \$180,000

Appraised value + guarantee fee ($\$180,000 \div .98$) = **\$183,673.47**

\$183,673.47 is the maximum loan amount RD will guarantee

Maximum CLTV

- No max CLTV
- RD only guarantees the maximum loan amount
- Grant funds/closing cost assistance, etc. is allowed but will NOT be guaranteed

Calculate the Guarantee Fee

FIRST DETERMINE:

Will the fee be financed into the loan?

OR

Will the fee be paid at closing and not be part of the loan amount?

**Calculate the Guarantee Fee:
FINANCED into the loan**

Finance the Guarantee Fee

Purchase: 2%

Fee financed into the loan

Appraised Value: \$175,000

Purchase Price: \$172,000

Closing Costs: \$3,000

$$\$175,000 \div .98 = \$178,571.43$$

Disclose the g-fee: $\$178,571.43 \times .02 = \$3,571.43$

Finance the Guarantee Fee

Refinance: .5%

Fee financed into the loan

Appraised Value: \$175,000

Purchase Price: \$172,000

Closing Costs: \$3,000

$$\$175,000 \div .995 = \$175,879.39$$

Disclose the g-fee: $\$175,879.39 \times .005 = \879.39

Calculating the Guarantee Fee: **NOT** Financed

No Finance the Guarantee Fee

Purchase: 2%

Fee NOT financed into the loan

Appraised Value: \$175,000

Purchase Price: \$172,000

Closing Costs: \$3,000

$$\boxed{\$175,000 \times .02 \text{ (or 2\%)} = \$3,500}$$

Borrower, Seller, Builder, Gift, Grant, etc. may pay for g-fee at closing.

No Finance the Guarantee Fee

Refinance: .50%

Fee **NOT** financed into the loan

Appraised Value: \$175,000

Purchase Price: \$172,000

Closing Costs: \$3,000

$$\$175,000 \times .005 \text{ (or .5\%)} = \$875$$

Calculate the Guarantee Fee

What if the appraised value is equal to the purchase price?

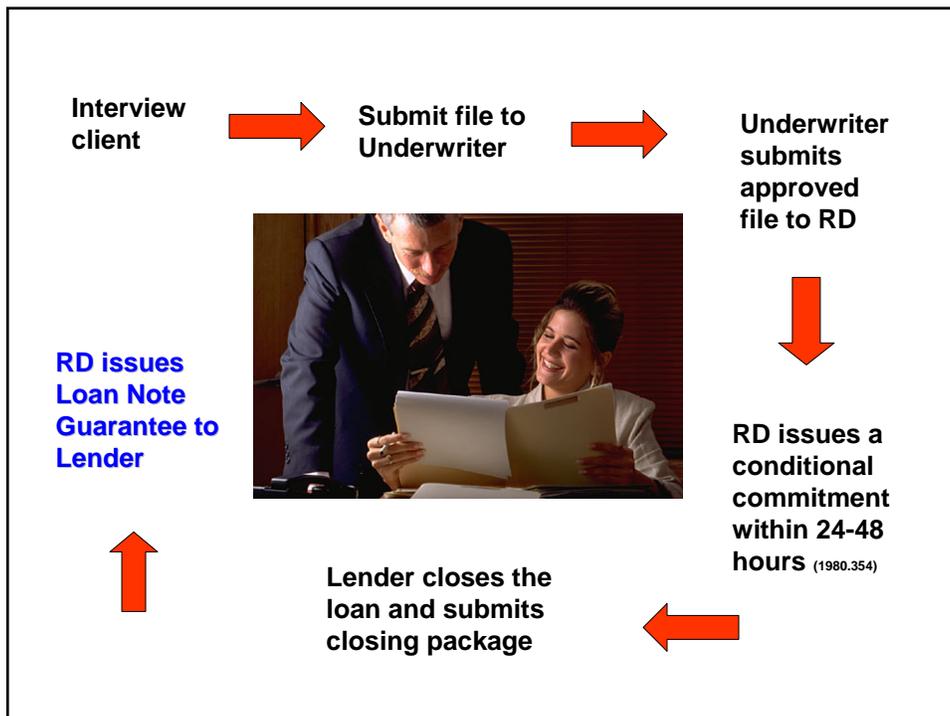
Lender may only include the guarantee fee into the loan amount.

Appraised Value: \$175,000

Purchase Price: \$175,000

Maximum loan amount: $\$175,000 \div .98 = \$178,571.43$

Loan Process



Loan Processing Timeframes*

“Record High Volume May Impact Approval Turnaround”

- 24-48 hour turnaround may increase
- States should keep lenders informed
- Submit complete packages ASAP
- Watch your lock expirations / closing dates



Complete Loan Application

RD Instruction 1980-D, section 1980.353(c):

- Form RD 1980-21 executed by lender and applicant(s)
- 1003 Uniform Residential Loan Application (URLA), signed by the applicant(s) and lender
- Appraisal report and evidence minimum property standards are met
- 1008 Uniform Underwriting Transmittal Summary or similar underwriting document executed by the lender
- Credit report
- Income verifications
- Purchase agreement
- Flood determination certificate
- Debt ratio waiver request, if applicable

Form RD 1980-21
(Rev. 6-06)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
RURAL HOUSING SERVICE

Form Approved
OMB No. 0575-0078

REQUEST FOR SINGLE FAMILY HOUSING LOAN GUARANTEE

TO: Rural Development Rural Housing Service	Lender ID No.
	Lender Name
	Lender Contact Person
	Lender Phone Number
	Lender Fax Number

Please issue a Conditional Commitment for Single Family Housing Loan Guarantee in the following case:

Applicant's Name, Address, and County	Social Security No.
	Date of Birth
	Telephone Number

- The applicant has does not have a relationship with any current Rural Development employee.
- The applicant is a (check applicable): U.S. citizen qualified alien U.S. Non-citizen National
 other (explain)
- The applicant is a (check applicable): veteran first time homebuyer
- Number of persons in the household: _____
- The applicant's credit report indicates (check one):
 - The applicant has no credit history
 - The applicant has no adverse credit history
 - The applicant has experienced adverse credit history but we have determined that it is beyond the applicant's control
 - Other (explain):
- The current annual income for the household is: \$ _____
- The current adjusted income for the household is: \$ _____
- TOTAL DEBT ratio _____ PITI ratio _____
- We propose to loan \$ _____ for 30 years at _____ % per annum with payments of \$ _____ per month.
- The interest rate is based on the Fannie Mae VA rate on ____/____/____.

The interest rate is locked in until ____/____/____.

The interest rate will float until loan closing.
(If this option is checked and the interest rate increases at loan closing, the loan must be re-underwritten and this certification must be updated).
- The applicant is unable to secure the necessary conventional credit without a Rural Development guarantee upon terms and conditions which the applicant could reasonably be expected to fulfill.
- The applicant understands that Rural Development approval of the guarantee is required and is subject to the availability of funds.
- Housing and Urban Development's Credit Alert Interactive Voice Response System (CAIVRS) was checked for outstanding delinquent Federal debts and confirmation No. _____ was obtained.
- Loan funds will be used for the following purpose(s):

Purpose	Amount
_____	\$ _____
_____	\$ _____
Total Loan = _____ 0.00	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

1. The applicant has does not have a relationship with any current Rural Development employee.

2. The applicant is a (check applicable): U.S. citizen qualified alien U.S. Non-citizen National
 other (explain) _____

3. The applicant is a (check applicable): veteran first time homebuyer

4. Number of persons in the household: _____

5. The applicant's credit report indicates (check one):

a. The applicant has no credit history

b. The applicant has no adverse credit history

c. The applicant has experienced adverse credit history but we have determined that it is beyond the applicant's control

d. Other (explain):

6. The current annual income for the household is: \$ _____

7. The current adjusted income for the household is: \$ _____

8. TOTAL DEBT ratio _____ PITI ratio _____

9. We propose to loan \$ _____ for 30 years at _____ % per annum with payments of \$ _____ per month.

10. The interest rate is based on the Fannie Mae VA rate on ____/____/____
 _____ The interest rate is locked in until ____/____/____.
 _____ The interest rate will float until loan closing.
 (If this option is checked and the interest rate increases at loan closing, the loan must be re-underwritten and this certification must be updated).

11. The applicant is unable to secure the necessary conventional credit without a Rural Development guarantee upon terms and conditions which the applicant could reasonably be expected to fulfill.

12. The applicant understands that Rural Development approval of the guarantee is required and is subject to the availability of funds.

13. Housing and Urban Development's Credit Alert Interactive Voice Response System (CAIVRS) was checked for outstanding delinquent Federal debts and confirmation No. _____ was obtained.

14. Loan funds will be used for the following purpose(s):

Purpose	Amount
Purchase home	\$ \$175,000
Closing costs \$3,000 + g-fee \$3,632.65	\$ \$6,632.65
Total Loan =	\$181,632.65

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0078. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Page 1 of 4

Approved Lender Certification

Certifications

In order to induce the Agency to issue the requested guarantee, we certify that we have originated and underwritten the loan in compliance with all Agency loan requirements. This form contains or is supplemented with all information required by 7 CFR 1980.353(e).

_____ Date _____ Lender's Authorized Representative Signature

Applicants Certification

Applicant(s) Acknowledgments and Certifications

CERTIFICATION. As the applicant, I certify to the best of my knowledge and belief: (1) I am not presently debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; (2) I have not within a three year period preceding the proposal been convicted or had a civil judgment rendered against me for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) transaction or contract under a public transaction; or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statement, or receiving stolen property; (3) I do not have an outstanding judgement lien on any property for a debt in favor of the United States which was obtained in any Federal court other than the United States Tax Court; and (4) I am not delinquent on any outstanding debt to the Federal Government (excluding and Federal tax debt).

I (We) certify and acknowledge that if the Agency pays a loss claim on the requested loan to the lender, I (We) will reimburse the Agency for that amount. If I (We) do not, the Agency will use all remedies available to it, including those under the Debt Collection Improvement Act, to recover on the Federal debt directly from me (us). The Agency's right to collect is independent of the lender's right to collect under the guaranteed note and will not be affected by any release by the lender of my (our) obligation to repay the loan. Any Agency collection under this paragraph will not be shared with the lender.

I AM (WE ARE) unable to provide the housing I (we) need on my (our) own account, and I am (we are) unable to secure the credit necessary for this purpose from other sources upon terms and conditions which I (we) can reasonably fulfill. I (we) certify that the statements made by me (us) in this application are true, complete and correct to the best of my (our) knowledge and belief and are made in good faith to obtain a loan.

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any Department or Agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Applicant's Certification

Applicant(s) Acknowledgments and Certifications

CERTIFICATION. As the applicant, I certify to the best of my knowledge and belief: (1) I am not presently debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; (2) I have not within a three year period preceding the proposal been convicted or had a civil judgment rendered against me for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) transaction or contract under a public transaction; or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statement, or receiving stolen property; (3) I do not have an outstanding judgement lien on any property for a debt in favor of the United States which was obtained in any Federal court other than the United States Tax Court; and (4) I am not delinquent on any outstanding debt to the Federal Government (excluding and Federal tax debt).

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Borrower Co-Borrower Date

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1980-21
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NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION

The information requested on this form is authorized to be collected by the Rural Housing Service (RHS), Rural Business Cooperative Services (RBCS), or Rural Utilities Service (RUS) ("the agency") title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.) or by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or by other laws administered by RHS, RBCS or RUS.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, may result in a delay in the processing of an application or its rejection. Information provided may be used outside of the agency for the following purposes:

1. When a record on its face, or in conjunction with other records, indicates a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued pursuant thereto, disclosure may be made to the appropriate agency, whether Federal, foreign, state, local, or tribal, or other public authority responsible for enforcing, investigating or prosecuting such violation or charged with enforcing or implementing the statute, rule, regulation, or order issued pursuant thereto, if the information disclosed is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility of the receiving entity.
2. A record from this system of records may be disclosed to a Member of Congress or to a Congressional staff member in response to an inquiry of the Congressional office made at the written request of the constituent about whom the record is maintained.
3. Rural Development will provide information from this system to the U.S. Department of Treasury and to other Federal agencies maintaining debt servicing systems, in connection with overdue debts, in order to participate in the Treasury Offset Program as required by the Debt Collection Improvement Act, Pub. L. 104-134, Section 31001.
4. Disclosure of the name, home address, and information concerning default on loan repayment when the default involves a security interest in tribal allotted or trust land. Pursuant to the Custer-Soldado National Allottee Housing Act of 1960 (42 U.S.C. 12701, et seq.), legislators may be pursued only after offering to transfer the account to an eligible tribal member, the tribe, or the Indian Housing Authority serving the tribe(s).
5. Referral of names, home addresses, social security numbers, and financial information to a collection or servicing contractor, financial institution, or a local, state, or Federal agency, when Rural Development determines such referral is appropriate for servicing or collecting the borrower's account or has provided for in contracts with servicing or collection agencies.
6. It shall be a routine use of the records in this system of records to disclose them in a proceeding before a court or adjudicative body, when: (a) the agency or any component thereof; or (b) any employee of Rural Development in his or her official capacity; or (c) any employee of the agency in his or her individual capacity where the agency has agreed to represent the employee; or (d) the United States is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation, provided, however, that in such case, the agency determines that disclosure of the records is a use of the information contained in the records that is compatible with the purpose for which the agency collected the records.
7. Referral of names, home address, and financial information for selected borrowers to financial consultants, advisors, lending institutions, packagers, agents, and private or commercial credit sources, when Rural Development determines such referral is appropriate to encourage the borrower to refinance their RHS indebtedness as required by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471) or to assist the borrower on the sale of the property.
8. Referral of legally enforceable debts to the Department of the Treasury, Internal Revenue Service (IRS), to be offset against any tax refund that may become due the debtor for the tax year in which the referral is made, in accordance with the IRS regulations and under the authority contained in 31 U.S.C. 3720A.
9. Referral of information regarding individuals to the Defense Manpower Data Center, Department of Defense, and the United States Postal Service for the purpose of conducting computer matching programs to identify and locate individuals receiving Federal salary or benefit payments and who are delinquent in their payment of debts owed to the U.S. Government under certain programs administered by the agency in order to collect debts under the provisions of the Debt Collection Act of 1982 (5 U.S.C. 5514) by voluntary repayment, administrative or salary offset procedures, or by collection agencies.
10. Referral of names, home addresses, and financial information to lending institutions when Rural Development determines the individual may be financially capable of qualifying for credit with or without a guarantee.
11. Disclosure of names, home addresses, social security numbers, and financial information to lending institutions that have alien against the same property as the agency for the purpose of the collection of the debt by Rural Development or the other lender. These loans can be under the direct and guaranteed loan programs.
12. Referral to private attorneys under contract with either Rural Development or with the Department of Justice for the purpose of foreclosures and possession actions and collection of past due accounts in connection with Rural Development.
13. It shall be a routine use of the records in this system of records to disclose them to the Department of Justice when: (a) The agency or any component thereof; or (b) any employee of the agency in his or her official capacity where the Department of Justice has agreed to represent the employee; or (c) the United States Government, is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation and the use of such records by the Department of Justice is therefore deemed by the agency to be for a purpose that is compatible with the purpose for which the agency collected the records.
14. Referral of names, home addresses, social security numbers, and financial information to the Department of Housing and Urban Development (HUD) as a record of location utilized by Federal agencies for an automatic credit processing system.

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15. Referral of names, home addresses, social security numbers, and financial information to the Department of Labor, state wage information collection agencies, and other Federal, state, and local agencies, as well as those responsible for verifying information furnished to qualify for Federal benefits, to conduct wage and benefit matching through manual or automated means, for the purpose of determining compliance with Federal regulations and appropriate servicing actions against those not entitled to program benefits, including possible recovery of improper benefits.

16. Referral of names, home addresses, and financial information to financial consultants, advisors, or underwriters, when Rural Development determines such referral is appropriate for developing packaging and marketing strategies involving the sale of Rural Development loan assets.

17. Rural Development in accordance with 31 U.S.C. 3711(a)(5), will provide to consumer reporting agencies or commercial reporting agencies information from this system indicating that an individual is responsible for a claim that is current.

18. Referral of names, home and work addresses, home telephone numbers, social security numbers, and financial information to escrow agents (which also could include attorneys and title companies) selected by the applicant or borrower for the purpose of closing the loan.

OPTIONAL FORM

Form RD 1980-86

“Reservation of Funds”

Form RD
1980-86

Page 1 of 1

Form RD 1980-86 (12-86) FORM APPROVED
OMB NO. 5875-0075

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
SINGLE FAMILY HOUSING GUARANTEED LOAN PROGRAM (SFHGLP)

REQUEST FOR RESERVATION OF FUNDS

LENDER INFORMATION:

Submitting Lender Name: _____ Tax ID No. _____

Address: _____

Lender Contact Person: _____

Contact Phone No. _____ Ext. _____ Fax No. _____

Rural Development Approved Lender (Complete when Submitting Lender (listed above) is not an Rural Development Approved Lender):
Name: _____ Tax ID No. _____

APPLICANT/PROPERTY INFORMATION:

Reservation Amount Requested: \$ _____ Applicant and Co-Applicant are both First Time Home Buyers
Is this a Refinance Loan? Yes No If Yes, Loan being refinanced is a Rural Development Single Family Housing Guaranteed Loan Other Loan

Applicant Information (Please complete, circle, or mark as appropriate)	Co-Applicant Information (Please complete, circle, or mark as appropriate)
Name: _____	Name: _____
SSN: _____ Date of Birth: _____	SSN: _____ Date of Birth: _____
US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Permanent Resident/Qualified Alien <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	US Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Permanent Resident/Qualified Alien <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
Veteran <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Disabled <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	Veteran <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Disabled <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
Gender: <input type="checkbox"/> M <input type="checkbox"/> F	Gender: <input type="checkbox"/> M <input type="checkbox"/> F
Ethnicity: (Check only One Box) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: (Check only One Box) <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
(Check all that apply as applicable) Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> other	(Check all that apply as applicable) Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried	Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Separated <input type="checkbox"/> Unmarried
Property Address: _____	Property Address: _____
City, State, Zip Code: _____	County: _____

We are processing an application from the above named person(s), and expect to have a complete package, to you within 90 days. Please reserve funds for this loan. We have reviewed the applicant's income and credit history and have tentatively determined the applicant(s) has sufficient qualifying income and credit history to proceed with this application.

(Authorized Lender Representative/Officer)

Date: _____

Annual Income Adjusted Income Repayment Income

Annual Income

The income of all adult household members.

RD Instruction 1980-D, section 1980.347

- **Current verified income**, either part time or full time, received by the applicant/borrower and all adult household members of the household.
- **Includes income of less than 12 months duration** (i.e. seasonal income, commissions, overtime, bonuses, and unemployment computed as the estimated annual amount of such income for the upcoming 12 months.) Consideration should be given as to whether the income is dependable based on verification by the employer and the applicant's history of such income over the previous 24 months.

Annual Income

RD Instruction 1980-D, section 1980.347

- The gross amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services of all adult members of the household.
- Interest/Dividend income from liquid assets in excess of \$5,000.
- Social Security (including payments received on behalf of minors), annuities, retirement funds, pensions, etc.
- Alimony, child support, maintenance (unless payments have not been received and documented efforts have been made to collect)

Adjusted Income

The household's annual income minus eligible household deductions.

RD Instruction 1980-D, section 1980.348

- Dependents (\$480 each)
- Child care expenses
- Elderly household: 62 years of age (\$400 flat deduction)

Deduction of the following expenses that exceed 3% of the gross annual income:

- Medical expenses (elderly families/disabled only)
- Attendant care/apparatus expenses for disabled members

Adjusted Income

Adjusted income compared to maximum adjusted income limits determines Guaranteed [program](#) eligibility.

Summary of Adjusted Annual Household Income

Annual Household Income : \$90,480.00
Total Deductions : ~~\$6,160.00~~
Household Adjusted Annual Income : \$84,320.00

Section 502 Guaranteed Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and **\$84,550.00**
County:

Repayment Income

Adequate and dependable income of the applicant's who are on the loan.

RD Instruction 1980-D, section 1980.345(c)(2)

- Repayment income may differ from annual income. Lender must determine there is a historical basis to conclude that the income is likely to continue.
- Typically income of less than 24 months should not be included.
- Tax exempt income may be grossed up in the amount of tax savings attributable to the nontaxable income. Adjustments for other than the applicable tax rate are not authorized.

Repayment Income

RD Instruction 1980-D, section 1980.347(e): Income that is not considered for annual income, but may be considered for repayment:

- Income from employment of minors
- Value of allotment of food stamps
- Payments received for care of foster children
- Lump-sum additions to assets such as inheritances, capital gains, insurance payments, etc.
- Reimbursements of medical expenses
- Remainder of funds from VA/educational benefits (minus books tuition, fees, and equipment.) Student loans are not income.
- Hazardous duty pay for exposure to hostile fire
- Federal benefits received as assistance

Income Verification

Basic Income Verification*

For household members who are applicants and party to the note:

OPTION #1:

- Written verification of employment (VOE) **and**
- One recent paystub with a YTD figure



Basic Income Verification*

For household members who are applicants and party to the note:

OPTION #2:

- 30 days of paystubs with YTD figure **and**
- 2 years of W-2's **and**
- Telephone verification of employment (VOE)

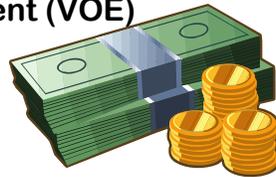


Basic Income Verification*

For household members who are applicants and party to the note:

OPTION #3:

- Electronic print outs of 30 days of paystubs with YTD figure **and**
- 2 years of W-2's **and**
- Telephone verification of employment (VOE)



Basic Income Verification*

For household members who are not applicants, and therefore not party to the note:

- Most recent paystub with YTD figure required



Self Employed Income*

25% or greater ownership interest: industry standard

Is the SE income stable and dependable?

- 2 + years = yes
- 1-2 years = maybe, does the applicant have:
 - a. two years previous successful employment **or**
 - b. one year employment and formal education or training in related occupation or profession
- Less than 1 year = no

Self Employed Income*

Self-employed income verification:

OPTION #1:

- 2 years of income tax returns (signed and dated) with all applicable schedules **and**
- YTD Profit and Loss (P&L) and balance statements



Self Employed Income*

Self-employed income verification:

OPTION #2:

- IRS-issued transcripts with appropriate schedules **and**
- YTD Profit and Loss (P&L) and balance statements



Self Employed Income*

For quality assurance purposes, lenders should have the applicant sign at loan application:

- IRS Form 4506 “Request for Copy or Transcript of Tax Form” **or**
- IRS Form 8821 “Tax Information Authorization”

It is not necessary for the lender to have the information returned from the IRS prior to closing. Retain correspondence in permanent case file.



Self Employed Income*

Rural Development recommends but does not require:

- Fannie Mae form 1084 “Cash Flow Analysis”
- Fannie Mae form 1088 “Comparative Income Analysis”



Self Employed Income*

Determining repayment income for sole proprietorship:

- Net Profit +
- Depreciation +
- Depletion =
- **Repayment Income**



Self Employed Income*

How to treat business debts:

Remove from debt ratio calculations if:

- Documentation is provided to prove the debt is paid by the business
- 12 months of canceled checks/bank statements from business account are provided



Part time, Second Job, & Seasonal Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- 2 year or more history of receipt = stable and dependable
- Less 2 year history: verify with employer likelihood of continuance
- No history and no verification? = use as compensating factor only not repayment purposes



Commission Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- **Average previous 2 years of receipt**
- **Receipt less than one year = do not use for repayment purposes**
- **Significant compensating factors may be considered for special circumstances**
- **Non-reimbursed expenses are subtracted from the gross income**



Overtime & Bonus Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- **2 year history of receipt = stable and dependable**
- **Less than 2 years = underwriter must justify use**
- **Employer verification of continuance**
- **Declining income? Sound rationale must be provided if used**



Tax-Exempt Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- **Social Security, retirement, disability, child support, worker's compensation, military allowances, public assistance benefits, etc.**
- **Lender verifies non-taxable status and continuance**
- **"Gross up" amounts for repayment purposes are limited to the tax savings attributable to the non-tax status**



Child Support, Alimony, or Maintenance Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- **Receipt of payments for 12 months documented**
- **Receipt less than 12 months acceptable if lender can document justification**
- **Verify three year continuance into mortgage**



Retirement & Social Security Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- **Verify three year continuance into mortgage**
- **Benefits that expire within three years should be utilized as a compensating factor**



Automobile Allowance & Expense Account Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- **Amount that exceeds actual expenditure may be used for repayment income**
- **Receipt for two years and verification from employer for continuance**
- **Include the debt for the allowance is provided**



Military Income*

Lender must evaluate the stability and expected continuance of income types other than wages and salaries.

- Variable housing allowances, clothing allowances, flight or hazard pay, rations, proficiency pay, etc.
- Eligible for repayment purposes



Section 8 Vouchers*

Do not count in annual income.

1. **Add to Repayment Income**
(may be grossed up 25%) **or**
2. **Offset PITI** (only if benefit is paid directly to lender)



Liquid Asset Types and Documentation*

- Depository: (checking, savings, etc.)
- Earnest Money
- Gift funds
- Sale proceeds from currently owned property
- 401k/retirement accounts
- Stocks and bonds
- Cash on hand



Liquid Asset Types and Documentation*

Depository: (checking, savings, etc.)

- **Verification of deposit with the average 2 month balance or;**
- **Two consecutive monthly bank statements dated within 45 days of the initial loan application date**



Liquid Asset Types and Documentation*

Earnest Money

- Reflected in a liquid asset account (i.e. checking or savings)
- Funds cleared borrower's account and verified by lender: Enter as "Other Credit" in Section VII of the 1004



Liquid Asset Types and Documentation*

Gift Funds

- Identified separately, even if the funds are deposited in a liquid asset such as checking or savings
- Should NOT be reflected in depository accounts verified. Balance of these accounts should reflect the balance less the deposited gift funds
- May assist with available funds for closing costs, voluntary downpayments or guarantee fees
- May NOT be considered as cash reserves for compensating factors
- Documented gift letter signed by donor and applicant



Liquid Asset Types and Documentation*

Sale Proceeds from Currently Owned Property

- Final HUD-1 Settlement Statement documenting actual cash proceeds
- Proceeds may be used as a liquid asset (i.e. checking or savings)



Liquid Asset Types and Documentation*

Retirement Accounts, IRA's, Thrift Savings, etc.

- Only 60% of vested amount may be used
- Obtain the most recent statement



Liquid Asset Types and Documentation*

Stocks and Bonds

- The monthly or quarterly statement



Liquid Asset Types and Documentation*

Cash on Hand

- Defined as cash accumulated outside of a depository account, such as a checking or savings account.
- Borrower explains in writing accumulation of funds and timeframe
- Lender determines reasonableness based upon borrower's income and timeframe
- Can not be used as a compensating factor for credit or debt ratio waivers



Assets & Income

Cash Value Over \$5,000 1980.347(d)(3)(iii)

Include in annual income the **greater** of

- Actual income derived from asset **or**
- Imputed income: **Asset value X local passbook savings rate**



Example:

\$25,000 CD x 4% interest = \$1,000 annual interest
Add \$1,000 to the applicant's annual income calculation and confirm program eligibility

Assets & Income

Exclude downpayment and/or closing cost use:

Example:

\$25,000 CD - \$10,000 toward home purchase =
\$15,000 x 4% interest = \$600 annual interest

Add \$600 to the applicant's annual income calculation and confirm program eligibility



Retirement Assets*

- Eligible types include: 401k, IRA, Roth IRA, Thrift Savings Plans
- Retain documentation of account
- **Include only 60% of vested amount**
- Only include as cash reserves and a compensating factor if withdrawals are currently allowable
- **If access to funds is only granted upon death, employment separation, or retirement, they are not eligible to be use**



Retaining A Property *

RD Instruction 1980-D, section 1980.346(a)
MUST BE MET!

The applicant must:

*Be a person who does not own a dwelling in the local commuting area **or** owns a dwelling which is not structurally sound, functionally adequate.*

Retaining A Property*

Break it down:

Be a person who does not own a dwelling in the local commuting area

- Rural Development shall determine local commuting area (typically an hour or more commute time)

Retaining A Property*

Break it down:

or *owns a dwelling which is not structurally sound, functionally adequate.*

- Dwellings that are not structurally sound must have documented evidence of these issues
- Examples of not functionally adequate may include:
 - *applicants whose current homes are not handicap accessible
 - *applicants merging households and the current home will not accommodate all household members

Retaining A Dwelling*

Applicants may retain only ONE dwelling in addition to the new property financed with a GRH loan.



Liabilities

Installment debts:

6 months or less; underwriter does not have to count in debt ratios*

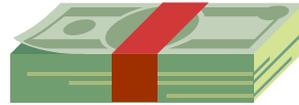
*Underwriter may include any debts regardless of months left to pay if the debt is considered to have an impact on repayment ability per RD Instruction 1980-D, section 1980.345(c)(1).



Liabilities

Revolving debts: No payment listed on credit report

- 5% of balance reported on credit report **or**
- Payment from current statement showing lower monthly payment due



Liabilities

Child Support / Alimony /Garnishments:

- Must be included in debt ratios



Liabilities

401k loans/loans against personal liquid assets:

- Not counted in debts or ratios



Deferred Student Loans*

RD Instruction 1980-D, section 1980.345(c)(1):

- Include payment listed on credit report **OR**
- Include payment verified through loan servicer **OR**
- Estimate payment as 1% of loan balance shown on credit report



Co-Signed Liabilities

RD Instruction 1980-D, section 1980.345(c)(1)(i)

Lender must include in debt ratios **unless**

- Lender can secure documented evidence payments have been made on time by primary obligor or other third party for 12 months.
- Evidence includes 12 months canceled checks, money order receipts, or bank statements.
- Any late payments in the last 12 months means the debt must be counted.
- Credit reports showing 12 months paid as agreed is not acceptable to exclude a debt.



Previous Mtg./Court Assignment of Debts

RD Instruction 1980-D, section 1980.345(c)(1)(ii)

Lenders must include in debt ratios **unless**

- Lender can secure documented evidence payments have been made on time by a third party for 12 months.
- Evidence includes 12 months canceled checks, money order receipts, or bank statements.
- Lender can secure documented evidence applicant has received a **release of liability** from creditor
- Court order/quit claim deed is not acceptable evidence



Previous Agency Loan

RD Instruction 1980-D, section 1980.345(d)(e)

Applicant has suffered a loss on a previous RD loan that is settled or is subject to settlement:

- **RD must determine that the loss was beyond the applicants control, and any identifiable reasons for the loss no longer exist.**
- Lender is responsible for submitting evidence to support RD's review.



Federal Debts

RD Instruction 1980-D, section 1980.345(f)

One or more applicant's have open federal debts or federal judgments, or have a claim reported via CAIVRS:

- All federal debts and federal judgments must be satisfied (paid in full) or otherwise resolved and have supporting documentation
- CAIVRS claims: Applicant must provide the lender with official documentation that the delinquency has been paid in full or otherwise resolved, then processing of the application will continue.



Ratios*

RD Instruction 1980-D, section 1980.345(c)(5)

- PITI: 29%
- Total Debt: 41%
- Ratios may be exceeded with strong documented compensating factors by the lender



Debt Ratio Waivers*

- No minimum FICO to request waiver
- Lender must request in writing (1008) w/ documented compensating factors
- **RD must concur**, issue approval in writing



Debt Ratio Waivers*

Examples of compensating factors may include:

- 660 FICO: can standalone IF no additional risk layers are present (i.e. credit waivers and payment shock)
- No or low payment shock
- Conservative attitude toward credit
- Cash reserves
- Previous housing history verifies ability to devote a greater portion of income to expenses
- 2 or more years of continuous employment history
- Additional compensation/income not counted in ratios
- Potential for increased earnings due to education/profession
- Trailing spouse income
- Low total debt ratio

LENDER IS RESPONSIBLE FOR DOCUMENTING!



Documentation of Debt Ratio Waivers*

Debt Ratio Waiver Requests are:

Issued by: Approved Lender

Documented by: Approved Lender

Approved by: **Rural Development**



Approved lender is responsible for documenting the compensating factors to support the debt ratio waiver request.

Documentation of Debt Ratio Waivers*

III. Underwriting Information																																													
Underwriter's Name		Appraiser's Name/License #																																											
Borrower		Appraisal Company Name																																											
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Request for Ratio Waiver: [Document compensating factors]																																													

Temporary Buydowns*

RD Instruction 1980-D, section 1980.392(b)

Lenders must:

- Qualify applicant at the **full note** interest rate
- Document compensating factors that full note rate will not adversely effect borrower
- Initial interest rate is no more than 2% below the full note rate, and increases no more than 1% each year
- Only seller, builder, or other third party may contribute
- Funds must be escrowed with a state or federally funded supervised lender



Permanent Buydowns

- **Permanent buydowns are forever!**
- Borrower or other third party may contribute

RD Instruction 1980-D, section 1980.310(d) for low income applicants only (80% HUD Median Income and below):

- Maximum of two discount points may be financed into the loan
- Permanent buydowns only
- Appraised value must provide room to include the discount points



Interest Rates

Maximum rate determined on day of lock

RD Instruction 1980-D, section 1980.320

OPTION #1:

Fannie 90 day delivery, plus 60 basis points, rounded up to the nearest quarter of one percent.



Interest Rate Example

www.efanniemae.com/sf/refmaterials/hrny/index.jsp

MANDATORY DELIVERY COMMITMENT — 30-YEAR FIXED RATE A / A

DATE	TIME	10-DAY	30-DAY	60-DAY	90-DAY
11/03/2009	08:15	04.62390	04.67281	04.74694	04.83081
11/03/2009	08:15	04.65147	04.69886	04.77134	04.85281

4.85 + 60 basis points = 5.45 round up to nearest ¼% = **5.50%**
Maximum rate if locked on 11/03/2009

Interest Rates

Maximum rate determined on day of lock

RD Instruction 1980-D, section 1980.320

OPTION #2:

Lender's published VA rate, no discount points (par rate)

Submit VA rate sheet on date locked to verify 1980.320 is met



Floating Interest Rates*

- **Maximum interest rate allowable is determined the date the rate is locked**
- **VA rates must have rate sheet submitted for the date the rate was locked**



Interest Rate/Loan Amount Reminder!

Interest rate or Loan Amount increasing prior to closing?

When 1980-18 Conditional Commitment has been issued submit the following:

- **Revised 1980-21, executed by lender and applicant(s)**
- **Revised 1008, executed by underwriter**
- **Revised 1003, final signed at closing will comply**

Processing time for a new Conditional Commitment may take 3 or more business days.



Lender Charges & Fees*

RD Instruction 1980-D, section 1980.342(a)

- Lenders may establish the charges and fees for the loan, provided they are the same as those charged other applicants for similar types of transactions
- Similar transaction include FHA and VA (fellow government loans)



Non-U.S. Citizen Eligibility*

RD Instruction 1980-D, section 1980.346(c)

The applicant must be:

- A U.S. Citizen
- A person legally admitted to the U.S. for permanent residence
- A person legally admitted to the U.S. on indefinite parole

Rural Development can assist lender's in determining applicant eligibility of non U.S. Citizens

Credit*

RD Instruction 1980-D, section 1980.345(d)

The applicant must have a credit history which indicates a reasonable ability and willingness to meet obligations as they become due.

Credit*

RD Instruction 1980-D, section 1980.345(d)(i)-(viii)

Indicators of unacceptable credit:

- More than one 30 day late payments in the last 12 months
- Foreclosure within the last 36 months
- Outstanding tax liens or delinquent government debts, regardless of age as long as they are currently due and payable
- Judgments caused by nonpayment within the last 12 months or currently outstanding
- Accounts converted into collections in the last 12 months
- Collection accounts outstanding, with no payment arrangements, regardless of age if they are currently due and payable
- Any debts written off within the last 36 months

Credit*

RD Instruction 1980-D, section 1980.345(d)(3)(i)-(ii)

The lender may consider mitigating circumstances to establish the borrower's intent for good credit when the applicant provides documentation that:

- The circumstances were of a temporary nature, **and** were beyond the applicant's control, **and** have been removed (e.g. loss of job, delay or reduction in government benefits or other loss of income, increased expenses due to illness, death, etc.) **or**
- The adverse action or delinquency is result of refusal to make payments due to defective goods or services, or justifiable dispute related to such goods or services.

Documentation of Credit Waivers*

Adverse credit waivers are:

Issued by: Approved Lender

Documented by: Approved Lender

Approved by: **Approved Lender**



Approved lender is responsible for retaining the documentation provided by the applicant to support the credit waiver.

Documentation of Credit Waivers*

III. Underwriting Information			
Underwriter's Name		Appraiser's Name/License #	
Borrower		Appraisal Company Name	
Stable Monthly Income			Present Housing Payment: \$
Base Income	\$	Total	Proposed Monthly Payments
Other Income	\$	\$ 0.00	Borrower's Primary Residence
Possible Cash Flow (subject property)	\$	\$ 0.00	First Mortgage P&I
Total Income	\$ 0.00	\$ 0.00	Second Mortgage P&I
			Hazard Insurance
			Taxes
			Mortgage Insurance
			HOA Fees
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			Other
			Total Primary Housing Expense
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			Other Obligations
			Negative Cash Flow (subject property)
			All Other Monthly Payments
			Total All Monthly Payments
			\$ 0.00
			Escrow Funds
			Escrow
			Level of Property Review
			Escrow/Interior
			Exterior Only
			No Appraisal
			Form Number:
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			Community Lending/Affordable Housing Initiative
			Yes <input type="checkbox"/> No <input type="checkbox"/>
			Home Buyers/Homeownership Education Certificate in file
			Yes <input type="checkbox"/> No <input type="checkbox"/>
Representative Credit Indicator Score			
Underwriter Comments			
Adverse Credit Waiver: (Document basis for waiver)			
Request for Ratio Waiver: (Document compensating factors)			

Credit*

RD Instruction 1980-D, section 1980.345(d)(2)(i)-(iii)

The following are not indicators of unacceptable credit:

- "No history" of credit transactions by the applicant
- A bankruptcy in which applicant was discharged more than 36 months before application
- A satisfied judgment or foreclosure with no loss of security which was completed more than 12 months before the date of application

Credit*

Selecting the FICO score for underwriting:

- Tri-merged credit reports or an in-file report with a minimum of 2 reported credit bureaus
- 3 scores: middle
- 2 scores: lowest
- 1 score: can not use, must prepare non-traditional credit report
- No score: must prepare non-traditional credit report

Credit*

- **Lenders only have to review the credit of the applicants (those on the loan)**
- **Lenders must review each applicants credit history separately**

Nontraditional Credit*

Lenders may only create nontraditional credit histories for applicants that have: No reported credit or only one FICO score

Rent/Housing history is available:
3 tradelines (including rent/housing) with a 12 month history

Rent/Housing history is not available:
4 tradelines, 12 month history

All tradelines must have a recent 12 month history (i.e. accounts from 2004 with a 12 mo. history are not acceptable.)



Nontraditional Credit*

- Nontraditional credit may NOT be used to offset derogatory references found in traditional credit information (i.e. late pays, collections, and judgments)
- Reported derogatory credit must be paid or otherwise resolved for the applicant to be eligible.



Nontraditional Credit*

- Additional layers of risk are not advised (i.e. exceeding debt ratios, waiving adverse credit)
- Payments made to relatives are not eligible tradelines



Nontraditional Credit*

12 month payment record from the following are acceptable sources:

- Utility payment records (if not included in rent/housing) including gas, electricity, water, land line home telephone service, cable TV, etc.
- Insurance payments (excluding those paid through payroll deductions) including medical, automobile, life, household, or renter's insurance
- School tuition
- Payments to retail stores (i.e. department, furniture, appliance stores, specialty stores, etc.)



Nontraditional Credit*

Acceptable verification and proof:

- Canceled Checks or Money Order Receipts over 12 months
 - Written verification from management companies must include:
 - * Creditor Name
 - * Date account was opened
 - * Balance of account
 - * Monthly payment amount
 - * Payment history: 0x30, 0x60, 0x90 format
- No "Satisfactory" or "Acceptable" comments**



Nontraditional Credit*

- Only one 30 day DQ on one nontraditional credit reference within the last 12 months
- 60 and 90 day DQ, and reports of disconnect notices are not allowed

Alternate Tradeline:

Steady periodic savings deposits over 12 month period to accumulate a cash reserve of 2 months PITI



Payment Shock*

Payment Shock as a risk layer is:

- Proposed PITI is 100% or higher than current rent/housing
- Applicant has no housing history (i.e. lives with parents)

Payment Shock is NOT a risk layer when:

- Payment shock is the **ONLY** risk factor associated with the loan file
- Payment shock is 100% or lower: \$850 Rent vs. \$1200 PITI=41% **NOT a risk layer!**

Payment Shock is approved by the LENDER.



Appraisals*

RD Instruction 1980-D, section 1980.334

- **Completed within 6 months of the date the request for a conditional commitment is submitted to RD**
- **Licensed or certified residential appraiser or a HUD Roster Appraiser**
- **Use appropriate appraisal forms for property type**
- **Clear photographs of front, rear, and street scene of subject and front view of each comparable. (color photographs are not required)**

1004MC "Market Conditions Addendum to the Appraisal" required with all appraisals as of July 1, 2009

Appraisals*

RD Instruction 1980-D, section 1980.341(b)(1)

- Existing homes must meet HUD Handbooks 4150.2 and 4905.1

HUD Handbook determinations may be made by a:

- HUD Roster appraiser **or**
- Lender certified appraiser deemed qualified to complete HUD Handbook determinations or provide a home inspection

Appraiser must note on the appraisal (page 3, addendum, or elsewhere on the appraisal) that the home meets HUD Handbooks 4150.2 and 4905.1 standards.

Additional Inspections*

- **Septic Inspection:** Only if the appraiser or inspector requests an additional inspection 1980.341(c)
- **Well Water:** ALWAYS test well water county/state health dept. or lab 1980.341(c)
- **Termite Inspection:** Only if appraiser or inspector requests inspection, **or** state law requirement



Repairs

- Repairs may be included in the loan amount when there is room between the purchase price and the appraised value
- HUD Handbook noted repairs must be completed
- Additional repairs may also be included
- Repairs must be completed at the time of Loan Note Guarantee request, unless exterior weather delayed
- All repairs that effect the safety, soundness, or sanitation of the home must be completed prior to loan closing and occupancy

Exterior Weather Delayed Repairs

RD Instruction 1980-D, section 1980.315

- Signed contract/bid documentation is in the file
- Completion within 120 days
- Lender agrees to obtain a final inspection of work and alert RD of completion
- Escrow account is established: 150% of the cost of repairs, or higher amount as determined by lender

Loan Note Guarantee will be issued without repairs completed if these items are documented per 1980.360(2)(ii)

Manufactured Homes: Built to HUD Code

New units: 1980.313(i)

- purchase agreement must be dated within one year of the date displayed on the manufacture date of the unit
- Built by an approved dealer-contractor (each state maintains a list)

Existing units: 1980.313(i)(2)(i)

- Must be originally built and financed with a Direct or Guaranteed loan
- Original owner must be seller



New Construction*

RD Instruction 1980-D, section 1980.341(b)(2)

Lender must retain evidence in permanent case file of:

- **Certified Plans and Specs**
- **Construction Inspections**
- **Builder Warranty**



Certified Plans & Specs*

3 options to prove

- Building Permit, issued by local jurisdiction*
- OR**
- Certificate of Occupancy, issued by local jurisdiction*
- OR**
- Copy of certification from a qualified individual or organization that states the reviewed documents comply with applicable development standards. Form RD 1924-25 “Plan Certification” is an acceptable form but may not be required by RD.

Certified Plans & Specs*

What local jurisdictions are eligible for building permits and/or a Certificate of Occupancy?

- The Rural Development State Director must determine whether local communities or jurisdictions qualify to use these forms of “acceptable evidence” under RD Instruction 1924-A, section 1924.5(f)(L)(iii)(c)(2).

Certified Plans & Specs*

Who is a qualified individual or organization to review plans and specs?

- Licensed Architects, Professional engineers, Plan Reviewers certified by a national code organization, Local building officials authorized to review and approve building plans and specifications, or National code organizations) These individuals may also sign Form RD 1924-25 “Plan Certification” which is an option RD form you may use, but it is NOT required.

Evidence of Construction Inspections*

2 options to prove

- **Certificate of Occupancy, issued by local jurisdiction that performs at least 3 construction inspections**

OR

Copies of 3 construction inspections

1. **Footings and foundation are ready to be poured, prior to backfilling**
2. **Shell is complete, but plumbing, electrical, and mechanical work are still exposed**
3. **Final inspection of completed work prior to occupancy**

Builder Warranty*

2 options to prove

- 1. One year builder's warranty**

OR

- 2. 10 year insured builder's warranty acceptable to Rural Development** If a 10 year insured warranty is secured, the lender only needs to request the builder to sign Form RD 1924-25 "Plan Certification" and these two items are all that need to be retained per 1980.341(2)(b)(iv).

Homes Without Evidence*

New homes completed for less than 12 months and never occupied with no evidence:

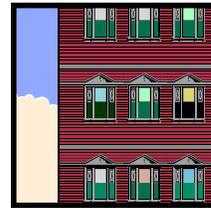
**Maximum Loan Amount:
90% LTV plus the one time guarantee fee**

Condominiums*

Lenders may self certify projects meet Fannie, Freddie, HUD, or VA requirements and must retain:

- Condo questionnaire
- Master hazard insurance policy

Lenders certify the project approval on the 1008 or similar form.



Streamlined Refinances*

ARRA Funds

- No new appraisal required
- Pay off principal balance
- New loan amount may not exceed the original loan amount
- Interest rate of new loan must be 100 basis points below the original interest rate
- No accrued interest, closing costs, or lender fees allowed to be financed
- .5% Guarantee fee may be included only to the extent of the original loan amount



Nonstreamlined Refinances*

ARRA funds

- **New and current appraisal required**
- **Interest rate must be 100 basis points below the original interest rate**
- **Principal, accrued interest, closing costs, lender fees, and the .5% may be included as determined by the appraisal**
- **For low income applicants only, up to 2 discount points may be financed to permanently reduce the interest rate further**



ARRA Refinances*

- **Interest rate must be 100 basis points below the original note rate**
- **Customary and reasonable closing costs include the actual cost of:**
 - *Appraisal, inspection, credit reports, imposed verification charges, title examination and title insurance fees, settlement fees, attorney fees, recording fees, taxes, test or treatment fees, and/or courier/wire/notary fees as long as the service provider is not an employee of the lender. Document preparation fees may only be charged if prepared by a third party and not the lender.
- **Origination fee of up to 1%, based on the combined total of the loan amount to be refinanced**



ARRA Refinances*

- Lock in/rate lock fees may be assessed to the borrower but are not considered in closing costs.
- No discount points or broker fees may be assessed to the borrower



ARRA Refinances*

Borrower Qualifications:

- Borrower(s) on existing promissory note must be identical to the new note unless one or more are deceased, or divorced.
- If a borrower wishes to relinquish interest, the remaining borrower must demonstrate repayment ability
- Current on loan for 180 days prior to loan application
- Late payments in the past 36 months must be considered by the underwriter



Streamlined Refinances*

Annual Funds

- **No new appraisal required**
- **Interest rate of new loan must be the same or lower than the original interest rate**
- **No accrued interest, closing costs, or lender fees allowed to be financed**
- **.5% Guarantee fee may be included above the appraised value**



Nonstreamlined Refinances*

Annual funds

- **New and current appraisal required**
- **Interest rate must be the same or lower than the original interest rate**
- **Principal, accrued interest, closing costs, lender fees, and the .5% may be included as determined by the appraisal**
- **For low income applicants only, up to 2 discount points may be financed to permanently reduce the interest rate further**



Form RD 1980-18

“Conditional Commitment for Single Family Housing Loan Guarantee”

Form RD
1980-18

Page 1 of 2

USDA-RD
Form RD 1980-18
(Rev. 12-97)

FORM APPROVED
OMB No. 0575-0078

CONDITIONAL COMMITMENT FOR SINGLE FAMILY HOUSING LOAN GUARANTEE

To: Lender's Name and Address _____ _____ _____ Borrower _____	Case No. _____ Date _____ County _____ Principal Amount of Loan \$ _____
---	---

From an examination of information supplied by the Lender on the above proposed loan, and other relevant information deemed necessary, it appears that the transaction can properly be completed.

Therefore, the United States of America acting through the Rural Housing Service (RHS), or its successor (herein referred to as Agency) hereby agrees that, in accordance with applicable provisions of the Agency regulations published in the Federal Register and related forms, it will execute Form RD1980-17, "Loan Note Guarantee," subject to the conditions and requirements specified in said regulations and below.

The Loan Note Guarantee for payable by the Lender to Agency is \$ _____.

The interest rate for the loan is _____ %.

A Loan Note Guarantee will not be issued until the Lender certifies as required in 7 CFR 1980.160 that there has been no adverse change(s) in the Borrower's financial condition, nor any other adverse change in the Borrower's condition during the period of time from Agency's issuance of this conditional commitment to issuance of the Loan Note Guarantee. The Lender's certification must address all adverse changes and be supported by financial statements of the Borrower and its guarantors not more than 60 days old at the time of certification.

This conditional commitment becomes null and void unless the conditions are accepted by the Lender and Borrower within 60 days from date of issuance by the Agency. Any negotiations concerning these conditions must be completed by that time.

Except as set out below, the purposes for which the loan funds will be used and the amounts to be used for such purposes are set out on Form RD 1980-21, "Request for Single Family Housing Loan Guarantee." Once this instrument is executed and returned to the Agency, no major change of conditions or approved loan purpose as listed on these forms will be considered.

Additional Conditions and Requirements including source and use of funds:

This conditional commitment will expire on _____¹ unless the time is extended in writing by the Agency, or upon the Lender's earlier notification to the Agency that it does not desire to obtain an Agency guarantee.

UNITED STATES OF AMERICA

By: _____

Date: _____

(Title)

¹ Insert fixed interest rate.

² Insert any additional conditions or requirements in this space or on an attachment referred to in this space; otherwise, insert "NONE".

³ The Agency will determine the expiration date of this contract. This date will not exceed 90 days from the date of issuance. The Agency may grant one (1) 90-day extension. Consideration will be given to the date indicated by the Lender in the acceptance of conditions. If consideration is involved the expiration date will correspond with the projected completion of the project.

Form RD
1980-18

Page 2 of 2

LENDER CERTIFICATION
FOR SFH GUARANTEED LOAN

In connection with the request for loan note guarantee by _____, the following certifications are made by _____ (Lender). We hereby certify that:

- 1) No major changes have occurred since the issuance of the Conditional Commitment for Guarantee that effect the subject loan request, except any that have been approved by the Agency in writing.
- 2) All planned property acquisition has been completed and all development has been completed.
- 3) The required insurance coverage is in effect.
- 4) All Truth-in-Lending requirements have been met.
- 5) All equal employment opportunity and nondiscrimination requirements have been met at the appropriate time.
- 6) The loan has been properly closed and the required security instruments, including any required escrow instruments, have been obtained.
- 7) The borrower(s) have marketable title to the collateral now owned by the borrower subject to the instrument securing the loan to be guaranteed and any other exceptions approved in writing by the Agency.
- 8) Lien priorities are consistent with the requirements of the Conditional Commitment for Guarantee.
- 9) The loan proceeds have been disbursed for purposes and in amounts consistent with the Conditional Commitment for Guarantee.
- 10) There has been no adverse change in the borrower's financial condition or any other adverse change in the borrower's situation since the Conditional Commitment for Guarantee was issued by the Agency.
- 11) All other requirements listed in the Conditional Commitment for Guarantee have been met.

12) At this time, the loan will be retained, or sold to _____

an approved FNMA FHLMC GNMA lender.

The new Lender's address is _____

Their contact person will be _____

who can be contacted at _____

TITLE _____

DATE _____

LENDER'S AUTHORIZED
REPRESENTATIVE SIGNATURE

**Attachment to Form RD
1980-18:
"Conditional Commitment for
Single Family Housing Loan
Guarantee"**

Attachment to Form
RD 1980-18

Page 1 of 2

ATTACHMENT TO FORM RD 1980-18, "CONDITIONAL COMMITMENT FOR
SINGLE FAMILY HOUSING LOAN GUARANTEE," FOR:

Date

Applicant's Name

CONDITIONS

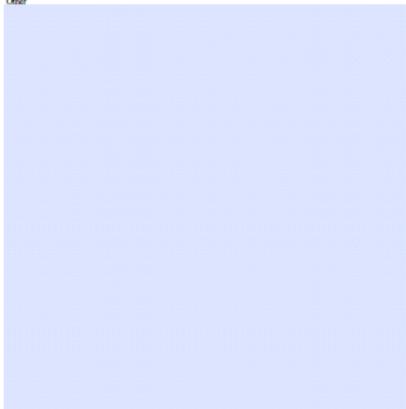
(Only those conditions checked marked apply for this application)

- Loan to be secured by a first lien on the subject property.
- Provide certification that the dwelling meets RD thermal standards and HUD minimum property standards (per HUD Handbook 4150.2 and 4905.1).
- Certification that inspections, in accordance with RD Instruction(1980-1), Section 1980.34) have been completed.
- Certification that the dwelling is structurally sound and functionally adequate.
- Certification that the dwelling has an adequate electrical system in a good state of repair and meets applicable electrical code.
- Certification that the dwelling's heating/cooling system(s) are working properly, are adequate, and in a good state of repair.
- Certification that all defects noted on the appraisal and/or inspection report have been corrected.
- Provide certification that the individual wastewater system has been inspected by the public Department of Health or regulating authority or qualified private inspector and has been determined acceptable.
- Provide certification that the private or individual water supply is adequate and meets the Department of Health's or other regulatory authority's requirements.
- Dwelling must be certified as being free of termites.
- Lender to provide a completed FEMA Form 83-03, "Standard Flood Hazard Determination," evidencing that property is not located in a flood hazard area.
- Flood insurance must be obtained when the structure is in a 100 year flood plain.
- Household income will be re-verified if the loan is not closed within 120 days from the date of the original verification, (180 days for new construction).
- Certify that a one year builders warranty or a 10 year insured warranty was obtained.
- Lender to provide completed RD Form 1980-19, "Unaccounted Loan Closing Report," together with the guarantee fee of \$ _____ to Rural Development with the closing package.

Attachment to Form
RD 1980-18

Page 2 of 2

- Provide copies of the executed Promissory Note and Deed of Trust.
- Provide copy of the signed settlement Statement.
- Provide Rural Development with a completed, executed Form RD 1980-11, (GFI) Lender Record Change* if the loan is being sold or if serving is different than the lender closing the loan.
- Other



Name of Lender

Signature of Lender

Date

Telephone Number

Closing Package

- **Promissary Note**
- **Guarantee fee check payable to RD**
- **HUD 1 Settlement Statement, or similar closing document**
- **Form RD 1980-18, executed by lender**
- **Attachment to Form RD 1980-18 (if applicable), executed by lender**
- **Form RD 1980-19 Loan Closing Report, completed and executed by lender**
- **Form RD 1980-11 Lender Record Change, completed and executed by lender IF the loan is going to a new holding or servicing lender**
- **Any additional documents conditioned for on Form RD 1980-18**

Form RD 1980-17 “Loan Note Guarantee”

Form RD
1980-17

Page 1 of 2

LOAN NOTE GUARANTEE

	Name
	County
	Date of Note
Borrower Name	RHS Case No.
Lender	Lender RHS ID No.
Lender's Address	Principal Amount of Loan
	\$

This Loan Note Guarantee is issued under Lender Agreement for Guaranteed Single Family Housing Loans dated _____

_____ in connection with the above identified loan. In consideration of the making of the subject loan by the Lender, the United States of America, acting through the Rural Housing Service of the Rural Development mission area (herein called "RHS"), pursuant to Title V of the Housing Act of 1949 (42 U.S.C. 1471 et. seq.), agrees that, subject to the terms and conditions herein, it will pay to the Lender the lesser of:

1. Any loss of an amount equal to 90 percent of the principal amount actually advanced to the borrower, or
2. Any loss sustained by the lender of an amount up to 35 percent of the principal amount actually advanced to the borrower, plus 85 percent of any additional loss sustained by the Lender of an amount up to the remaining 65 percent of the principal amount actually advanced to the borrower.

Loss includes only (a) principal and interest evidenced by the Note; (b) any loan subsidy due and owing; and (c) any principal and interest indebtedness on RHS approved protective advances for protection and preservation of collateral. Interest (including any subsidy) shall be covered by the Loan Note Guarantee to the date of the final loan settlement when the Lender conducts liquidation of collateral in an expeditious manner. Net proceeds received from liquidation of the collateral will be used in calculating the amount of loss sustained by the Lender. If the Lender acquires the collateral, the net proceeds from collateral for calculating loss shall be determined by RHS as follows: (i) the collateral will be appraised at its current market value as of the date of acquisition by the Lender then (ii) deduct from such appraised value an estimate of liquidation costs which will include an allowance for the estimated time the property will be held by the Lender.

If RHS conducts the liquidation of the loan, loss occasioned to a Lender by securing interest after the date RHS accepts responsibility for the liquidation will not be covered by the Loan Note Guarantee.

Lender may sell the guaranteed loan only to a Lender which meets the qualifications and in the manner as provided in Subpart D, 7 CFR, 1980. Such loan must not be in default at the time of the sale.

Lender may obtain participation in its loan under its procedures. Participation means a sale of an interest in the loan wherein the Lender retains the note, collateral securing the note, and all responsibility for all loan servicing and liquidation. A participant has no rights under this instrument.

CONDITIONS OF THE GUARANTEE

1. Loan Servicing
Lender will be responsible for servicing the entire loan and Lender will remain mortgagee and/or secured party of record. The Lender may sell the loan servicing rights to an RHS eligible Lender when the purchasing Lender agrees to be bound by all of the same terms as the selling Lender and this agreement and the RHS Lender Agreement for Guaranteed Single Family Housing Loans.

2. Full Faith and Credit
The Loan Note Guarantee constitutes an obligation supported by full faith and credit of the United States and is incontestable except for fraud or misrepresentation of which the lender has actual knowledge at the time it becomes such lender or which the lender participates in or condones. A note which provides for the payment of interest on interest shall not be guaranteed. If the note to which this instrument is attached or relates provides for the payment of interest on interest, then this Loan Note Guarantee is void. In addition, the Loan Note Guarantee will be unenforceable by the lender to the extent any loss is occasioned by violation of usury laws, negligent servicing, or failure to obtain the required security regardless of the time at which RHS acquires knowledge of the forgery. Any losses

Form RD
1980-17

Page 2 of 2

occasioned will be unenforceable by the lender to the extent that loan funds are used for purposes other than those approved by RHS in its Form RD 1980-18, "Conditional Commitment for Single Family Housing Loan Guarantee." Negligent servicing is defined as the failure to perform those services which a reasonably prudent lender would perform in servicing its own loan portfolio of loans that are not guaranteed. The term includes not only the concept of a failure to act but also not acting in a timely manner or acting contrary to the manner in which a reasonably prudent lender would act up to the time of loan maturity or until a final loss is paid.

3. Lender will receive all payments of principal and interest and any loan subsidy on the account of the entire loan.

4. Protective Advances made by the Lender pursuant to RHS regulations will be guaranteed against a percentage of the loss to the same extent as provided in this Loan Note Guarantee.

5. The Loan Note Guarantee will terminate automatically (a) upon full payment of the guaranteed loan; or (b) upon full payment of any loan obligation hereunder; or (c) upon written notice from the Lender to RHS that the guarantee will terminate provided this Loan Note Guarantee is returned to be cancelled by RHS.

6. Any amount due under this instrument will be determined and paid, as provided in 7 CFR, Part 1980, Subpart D in effect on the date of this instrument.

7. All notices and actions will be initiated through RHS _____ for _____ (State) at the following mailing address: _____

UNITED STATES OF AMERICA
RURAL DEVELOPMENT
RURAL HOUSING SERVICE

By: _____

Title: _____

Date: _____

Assumption Agreement by: _____ Date: _____
(Transferor)

Assumption Approved by RHS: _____ Date: _____
(new note, if taken, is attached)

Assumption Agreement by: _____ Date: _____
(Transferor)

Assumption Approved by RHS: _____ Date: _____
(new note, if taken, is attached)

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RD Instruction 1980-D

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PART 1927 - TITLE CLEARANCE AND LOAN CLOSING	PART 1940 - GENERAL	PART 1942 - ASSOCIATIONS
PART 1944 - HOUSING	PART 1948 - RURAL DEVELOPMENT	PART 1950 - GENERAL
PART 1951 - SERVICING AND COLLECTIONS	PART 1955 - PROPERTY MANAGEMENT	PART 1956 - DEBT SETTLEMENT
PART 1962 - PERSONAL PROPERTY	PART 1980 - GENERAL	PART 1992 - COUNTY AND DISTRICT OFFICES
PART 2000 - GENERAL	PART 2003 - ORGANIZATION	PART 2006 - MANAGEMENT

PART 1980 - GENERAL

1980-D Rural Housing Loans; Exhibit C - Guaranteed Loan Income Limits ; see also AN 4385 ; AN 4386 ; AN 4389 ; AN 4394 ; AN 4402 ; AN 4404 ; AN 4407 ; AN 4411 ; AN 4412 ; AN 4413 ; AN 4414 ; AN 4422 ; AN 4423 ; AN 4428 ; AN 4429 ; AN 4432 ; AN 4433 ; AN 4434 ; AN 4435 ; AN 4436 ; AN 4438 ; AN 4439 ; AN 4441 ; AN 4442 ; AN 4451 ; AN 4454 ; AN 4465 ; AN 4469 ; AN 4470 ; AN 4474 ; AN 4476	PDF	DOC	TXT
1980-E Business and Industrial Loan Program; Exhibits (PDF only) ; see also AN 4396 ; AN 4425 ; AN 4430 ;	PDF	DOC	TXT

PART 1992 - COUNTY AND DISTRICT OFFICES

1992-E Reporting Property Transactions to the Internal Revenue Service (IRS); Exhibits (PDF only)	PDF	DOC	TXT
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PART 2000 - GENERAL

2000-A Memorandum of Understanding Between the Rural Development Administration and the Extension Service - U.S. Department of Agriculture	PDF	DOC	TXT
2000-B Memorandum of Understanding Between the Extension Service and Rural Development; Exhibits (PDF only)	PDF	DOC	TXT
2000-D Memorandum of Understanding with the Natural Resources Conservation Service; Exhibits (PDF only)	PDF	DOC	TXT
2000-E Rural Development Policy on Meetings	PDF	DOC	TXT
2000-G Notaries Public Expense Act of 1955	PDF	DOC	TXT
2000-M Memorandum of Understanding Between and Among Agriculture Stabilization and Conservation Service; Rural Development; Soil Conservation Service; and FYolanda.Reeves@fsis.usda.govederal Crop Insurance Corporation	PDF	DOC	TXT
2000-O Memorandum of Understanding Between the Small Business Administration and the U.S. Department of Agriculture Rural Development	PDF	DOC	TXT

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[AN Check List](#) (revised 04-30-09); see also [Expired AN List](#); see also [ANR 430](#); [ANR 431](#); [ANR 432](#); [ANR 433](#)

[AN 4476 \(1980-D\)](#) Single Family Housing Guaranteed Loan Program Documentation of Adverse Credit Waiver, Ratio Waiver Request and Confirmation of Underwriting, September 17, 2009

[AN 4475 \(1940-G\)](#) Role of the State Environmental Coordinator, September 18, 2009

[AN 4474 \(1980-D\)](#) Single Family Housing Guaranteed Loan Program Stable and Dependable Income, September 17, 2009

[AN 4473 \(1940-G\)](#) Environmental Compliance When Construction Has Been Initiated, September 9, 2009

[AN 4472 \(1901-E\)](#) Telecommunications Device for the Deaf (TDD) Teletypewriter (TTY) Numbers, September 3, 2009

[AN 4471 \(4279-B\)](#) Business and Industry Guaranteed Loan Program The American Recovery and Reinvestment Act of 2009, August 20, 2009

[AN 4470 \(1980-D\)](#) Single Family Housing Guaranteed Loan Program Underwriting and Closing Loans - Documentation Matrix, August 18, 2009

[AN 4469 \(1980-D\)](#) Single Family Housing Guaranteed Loan Program Documentation of Adverse Credit Waiver, Ratio Waiver Request and Confirmation of Underwriting, July 31, 2009



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All forms in this section are fillable.

[Form 033-01 Notice of Miscellaneous Obligations](#) **No FMI**

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[Form 1902-07 Financial Institution Summary for CBS](#) [FMI](#)

[Form 1910-05 Request for Verification of Employment](#) [FMI](#)

[Form 1910-11 Applicant Certification Federal Collection Policies for Consumer or Commercial Debts](#) [FMI](#)

[Form 1922-07 Appraisal Report for Multi-Unit Housing](#) [FMI](#)

[Form 1922-12 NonFarm Tract Comparable Sales Data](#) [FMI](#)

[Form 1922-13 Reviewer's Appraisal Analysis](#) [FMI](#)

[Form 1922-14 Residential Appraisal Review for Single Family Housing](#) [FMI](#)

[Form 1922-15 Administrative Appraisal Review for Single Family Housing](#) [FMI](#)

[Form 1924-01 Development Plan](#) [FMI](#)

[Form 1924-02 Description of Materials](#) [FMI](#)

[Form 1924-03 Service Building Specifications](#) [FMI](#)

[Form 1924-04 Documentation for Construction Complaint/Request for Compensation for Construction Defects](#) [FMI](#)



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Rural Development Housing Programs
SFH Guaranteed Loan Program

SFH Origination News
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By subscribing to this e-mail list, you will receive information concerning originating loans under the Rural Development Single Family Housing Loan Program, including information on program funding levels, income limits, origination policy issues, and other origination issues, including our new Guaranteed Underwriting System, GUS, an automated underwriting system for Rural Development guaranteed loans. To subscribe, please enter your e-mail address above, click the box at left to select the list, and then click the "Subscribe" button at the bottom of this page.

Single Family Housing Guaranteed Underwriting System (GUS) List
SFH Guaranteed Loan Program

By subscribing to this e-mail list, you will receive information concerning the USDA Guaranteed Underwriting System (GUS). This list is intended for those lenders that are currently utilizing GUS or are in the process of becoming approved to utilize GUS for Rural Development Single Family Housing guaranteed loans. As a member of this list, you will receive updates that are specific to GUS and GUS users. To subscribe, please enter your e-mail address above, click the box at left to select the list, and then click the "Subscribe" button at the bottom of this page.

SFH Servicing News
SFH Guaranteed Loan Program

By subscribing to this e-mail list, you will receive information concerning servicing of Rural Development Single Family Housing Loan Program loans, including information on monthly default and quarterly status reporting (EDI and Web based reporting), loss mitigation, loss claim and future recovery administration, REO property disposition, and other servicing policy issues. To subscribe, please enter your e-mail address above, click the box at left to select the list, and then click the "Subscribe" button at the bottom of this page.

Contact RD

<http://eligibility.sc.egov.usda.gov>

Eligibility

You must use [Internet Explorer 5.0](#) and higher or [Netscape 4.78](#) and higher in order to view this site. Best viewed using screen resolution of 1024 X 768.

Welcome to the USDA Income and Property Eligibility Site

This site is used to determine eligibility for certain USDA home loan programs. In order to be eligible for many USDA loans, household income must meet certain guidelines. Also, the home to be purchased must be located in an eligible rural area as defined by USDA.

To learn more about a USDA home loan program, click on the **Loan Program Basics** link on the left side of this screen and select one of USDA's home loan programs.

To determine if a property is located in an eligible rural area, click on the **Property Eligibility** link on the left side of the screen and select a Rural Development program. When you select a Rural Development program, you will be directed to the appropriate property eligibility screen for the Rural Development loan program you selected.

To determine income eligibility of an applicant/household, click on the **Income Eligibility** link on the left side of the screen and select a Rural Development program. When you select a Rural Development program, you will be directed to the appropriate income eligibility screen for the Rural Development loan program you selected.

To find out how to apply for a Rural Development Loan, click on the **Contact Us** link on the left side of the screen and then select a Rural Development Loan program.

USDA Rural Housing Single Family Housing Guaranteed Loan Contacts

If you are an individual interested in learning how to apply for a USDA Rural Housing Single Family Housing Guaranteed Loan, please contact an Agency representative in your State from the table below. Our representative can provide you with information on the USDA, Single Family Housing Guaranteed Loan Program and inform you of local lenders participating in the Single Family Housing Guaranteed Loan Program.

If you are a lender interested in participating in the Single Family Housing Guaranteed Loan Program, you may also contact an Agency representative in your State from the table below. Our representative will provide you with information on how to participate in the USDA, Single Family Housing Guaranteed Loan Program.

STATE	CONTACT	PHONE #	EXT.	FAX #	E-MAIL ADDRESS
AK	Karen LaMouria	(907)761-7732		(907)761-7794	klamouri@ak.usda.gov
AL	Al Butler	(256)532-1677		(256)532-1931	al.butler@al.usda.gov
AR	Linda McCaslin	(501)301-3235		(501)301-3290	linda.mccaslin@ar.usda.gov
AS	Stephanie Taketa	(808)933-8308		(808)933-8327	stephanie.taketa@hi.usda.gov
AZ	Earl Tatlow	(602)280-8709		(602)280-8879	earl.tatlow@az.usda.gov
CA	Annette Joyer	(916)714-1104	107	(916)714-1118	annette.joyer@ca.usda.gov
CA	Ed Amen	(530)226-2589		(530)226-2567	ed.amen@ca.usda.gov
CA	Nellie Nunez	(559)734-8732	110	(559)732-3481	nellie.nunez@ca.usda.gov
CA	Violet Gomes	(831)757-5294	106	(831)424-7289	violet.gomes@ca.usda.gov
CO	Jamie A Spakow	(720)544-2918		(720)544-2970	jamie.spakow@co.usda.gov
CT	Arlene Nunes	(413)253-4300	4333	(413)253-4347	arlene.nunes@ma.usda.gov
DE	Stacey Slacum	(302)857-3603		(302)857-3611	stacey.slacum@de.usda.gov
FL	Bob Coordsen	(352)338-3435		(352)338-3437	bob.coordsen@fl.usda.gov
FL	Roger Taylor	(352)338-3435		(352)338-3437	roger.taylor@fl.usda.gov



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Thank you for completing Guaranteed Loan Training!

- Report your completion to your supervisor.
- Your supervisor should add your name to the master attendance sheet they are maintaining if mandatory training completion has been requested prior to becoming an approved lender.
- The executor of Form RD 1980-16 should sign the master attendance sheet and return to either the National Office or State Office for lender approval. The pre-approval letter received will have a contact and address of where to return the attendance sheet.
- Be sure to print and retain course materials for future reference.
- If you have completed training for your own knowledge no further actions are necessary.

USDA is an equal opportunity provider, employer, and lender. To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C., 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



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THANK YOU FOR SUPPORTING THE GUARANTEED LOAN PROGRAM!



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