



Committed to the future of rural communities.



"Rural" Opportunity!

USDA Rural Development Guaranteed Loan Program 100% financing increases affordable homeownership opportunities!

Guaranteed Rural Housing Loans offer 100% financing designed to bridge the gap between government and private mortgage lending which exists in many rural areas. Guaranteed loans fill a tremendous need for thousands of rural individuals and families who have the income, but lack the down payment ability, or face other homeownership challenges.

When participating banks, savings and loans, credit unions, mortgage companies, mortgage brokers, and other participating institutions choose 100% financing through the Guaranteed program for their clients—*everyone wins!*

Guaranteed loans offer lenders exceptional flexibility and creative financing solutions to say "YES" to more homebuyers. 100% financing with Guaranteed loans provide superior affordable mortgage terms to homebuyers **and** reduced risk to the lender.

Do you serve:

- First time homebuyers
- Move-up homebuyers
- Low and moderate income buyers
- High cost area homebuyers

- Elderly, fixed income homebuyers
- Emerging market demographic homebuyers with no or nontraditional credit histories
- Other special need homebuyers

100% financing: Guaranteed loan benefits:

- No down payment
- No monthly mortgage insurance = lower payment
- No maximum loan amount
- Flexible credit guidelines
- Expanded qualifying ratios

- Buydowns, MCC's, gift, and grant funds, seller concessions allowed
- Existing homes
- New construction, modular and manufactured homes allowed including purchase of site
- Loans may include closing costs, guarantee fee, legal fees, cost to establish an escrow account, and other eligible pre-paid items

Please see reverse side for more details .

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Working with USDA Rural Development Becoming an approved lender and loan file flow

Lender Approval Process:

Please contact the National Office for national or multiple state approval: USDA Rural Development Guaranteed Loan Division, Room 2250-S, 1400 Independence Ave., S.W., Washington, DC 20250-0784.

Lenders please submit:

- RD 1980-16, "Agreement for Participation in SFH Guaranteed Loan Program"
- Tax Identification number
- Verification of approval by Fannie Mae, Freddie Mac, FHA, VA, or HUD
- Names, titles, and responsibilities of principal loan officers.
- Contact person for SFHGLP guarantees; name, phone, email, and fax
- Outline of internal underwriting criteria for credit and repayment histories
- Quality control plan for monitoring loan production and servicing
- Agreement to use HUD approved forms such as those created by Fannie Mae, Freddie Mac, FHA, etc.

Guarantee Application Process:

- Lender submits an underwritten, and approved loan package to Rural Development, including a complete 1980-21 "Request for SFH Loan Note Guarantee"
- Rural Development will reserve funding and review the request for program eligibility only. If the applicant(s) meet the loan and eligibility criteria then a 1980-18 "Conditional Commitment for a Rural Development Loan Guarantee will be issued to the field. ***The lender determines that applicants, loan, and property meet Rural Development eligibility requirements, and underwrites the loan.***
- Lender will close the loan and certify that any conditions listed on the 1980-18 have been met which include sending in post closing documents such as promissory note and 2% guarantee fee
- Rural Development will issue a 1980-17 "Loan Note Guarantee" to the lender.
- Lender will submit a 1980-11 "Guaranteed Rural Housing Lender Record Change" **if** the loan is sold or transferred post closing.

FREE TRAINING AND SUPPORT AVAILABLE!

For more information please visit our website: www.rurdev.usda.gov/rhs

Property & income eligibility: <http://eligibility.sc.egov.usda.gov/eligibility.welcomeAction.do>



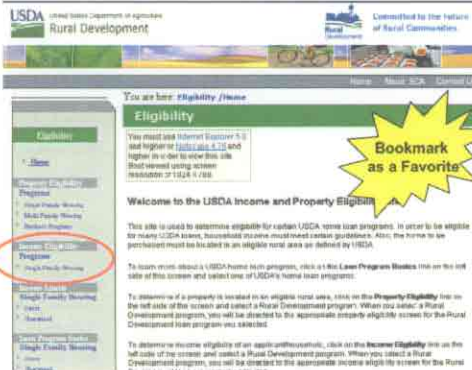
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Determining Income Eligibility ONLINE!

New tools make it easier for you!

<http://eligibility.sc.gov.usda.gov/eligibility/welcomeAction.do>



- Log onto the eligibility website.
- Bookmark this site as a favorite for future reference.
- Under "Income Eligibility" click on "Single Family Housing"

- The site will prompt you for the state and county you wish to check.
- For this example we see Indiana and Boone county.
- The site will prompt you for household size, dependents, elderly and disabled residents.
- Click "Next"

Single Family Housing Income Eligibility

Property Location
 State : Indiana
 County : Boone
 Metropolitan Area : Indianapolis

Household Members Information
 Number of People in Household : 4
 Number of Residents Under 18 Years Old, Disabled or Full Time Students : 2
 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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Expenses and Deductions
 Annual Child Care Expenses : \$200

Gross Monthly Income

	Applicant	Other Household Members
Base Employment Income	\$180	\$200
Operative Income	\$0	\$0
Rental Income	\$0	\$0
Commodity Income	\$0	\$0
Self-Employment Income	\$0	\$0
Dividend Interest Income	\$0	\$0
Net Rental Income	\$0	\$0
Other Income	\$0	\$0

All Other Income Received by Adult Members of the Household : \$0

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- Enter childcare or daycare expenses. This includes expenses paid to care for a minor child age 12 or younger in order for the applicants to be employed full time or complete their education. Written verification of these expenses should be documented in the lenders file.
- NOTE: The expenses entered **do not** count as a debt against the clients.
- Enter gross monthly income.
- Click "Finish"

- The clients are **ELIGIBLE** for 100% financing with a Guaranteed loan.
- To contact your state Rural Development representative click on "Contact Us".
- The annual gross income = \$80,712
- Total deductions for dependants and childcare = \$6,160
- "Adjusted income" for program qualification = \$74,552
- The "adjusted income limit" for Boone county = \$74,900

**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 08-03-2007. (Applicant must show repayment ability, have a reasonable credit history for the loan and 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 :	\$80,712.00
Total Deductions :	\$6,160.00
Household Adjusted Annual Income :	\$74,552.00

Section 502 Guaranteed Rural Housing Loan Program

Maximum Adjusted Household Income for Selected State and County : \$74,900.00