

# USDA Rural Development

## Single Family Housing Guaranteed Loan Program

Joaquin Tremols  
Deputy Director



Committed to the future of rural communities.

## USDA Rural Development

- **90% guarantee**
- **102% LTV when fee is finance**
- **One-time 2% fee**
- **No MIP**
- **Low to moderate income borrowers**
- **Rural areas**
- **New programs**
- **Automation initiatives**

## Rural Energy Plus Pilot

- **Newer homes that are energy efficient**
- **Any home built or retrofitted to meet the 2000 International Energy Conservation Code (IECC)**
- **Higher debt ratios: 31/43**

## Single Close Construction Pilot

- **Loan closes and guarantee is issued before construction begins**
- **Single close - loan modification after construction is completed**
- **Increase new construction opportunities in rural areas**
- **Reduced risk to lenders and builders**
- **Entice builders to construct multiple affordable homes**
- **Clients may build a NEW home rather than settle for aged housing stock**

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## Subsidized Guaranteed Loan

- Interest rate buy-down
- Principal buy-down
- Recapture



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## Guaranteed Underwriting System



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## Guaranteed Underwriting System



### Loan Application

- [Home](#)
- [New Application](#)
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- [Help](#)

### Loan List

**Loan Search** Lender / Broker  
ALLIED HOME MORTGAGE

- All Submissions
- Preliminary Submissions
- Final Submissions
- Not Submitted

REFRESH DATA

Beginning Date

11/29/2004

Search Fields

All

Keyword

FIND LOAN

**Search Results and Criteria: You have 5 Loans Displayed. Last Modified Date Range 11/30/2004 to 12/03/2004**

Borrower/ Lender Loan Number/ USDA Assigned Branch Nbr	Last Modified	Credit Status/ Underwriting Status	Underwriting Recommendation
<a href="#">Koolaid, Willard</a> Linda's new loan 001	12/03/2004	<a href="#">Complete</a> Complete	<a href="#">Submission=Preliminary</a> Underwriting=INELIGIBLE Property=Eligible Income=Eligible
<a href="#">Young, Hal</a> Linda 001	12/03/2004	<a href="#">Complete</a> Complete	<a href="#">Submission=Final</a> Underwriting=REFER Property=Eligible Income=Eligible
<a href="#">Holder, Linda</a> Linda 001	12/02/2004	<a href="#">Unknown</a> Unknown	<a href="#">Submission=Unknown</a> Underwriting=Not Submitted Property=Eligible Income=Eligible
<a href="#">Mcneil, Nelli</a> Linda's timeout 001	12/01/2004	<a href="#">Unknown</a> Unknown	<a href="#">Submission=Unknown</a> Underwriting=Not Submitted Property=Eligible Income=Eligible



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Borrower Name	Lender Loan Number	Agency ID Number
New Application	--	--

[Property](#) | [Household](#) | [Income](#)

Eligibility

\* = Required to Save Page, P = Required for Preliminary Submission, F = Required for Final Submission

Loan Terms

## Eligibility

Borrower

### Property Information

Employment

Street Address \*

Income and Expenses

Assets and Liabilities

City \*

Transaction Details

State/Zip \*

Additional Data

County \*

Credit

Metropolitan Area (MSA) \*

Submit Application

View Findings

### Household Member Information

Request Forms

Number of People in 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. Foster children and live-in aides shall not be counted as members of the household)

Loan List

Is Loan Applicant or Co-Applicant age 62 or older?

Help

Annual Medical Expenses

(If over 62, enter amount of medical expenses, that when combined with eligible disability expenses, exceed 3% of the Gross Annual Income of the Borrower and Co-Borrower)

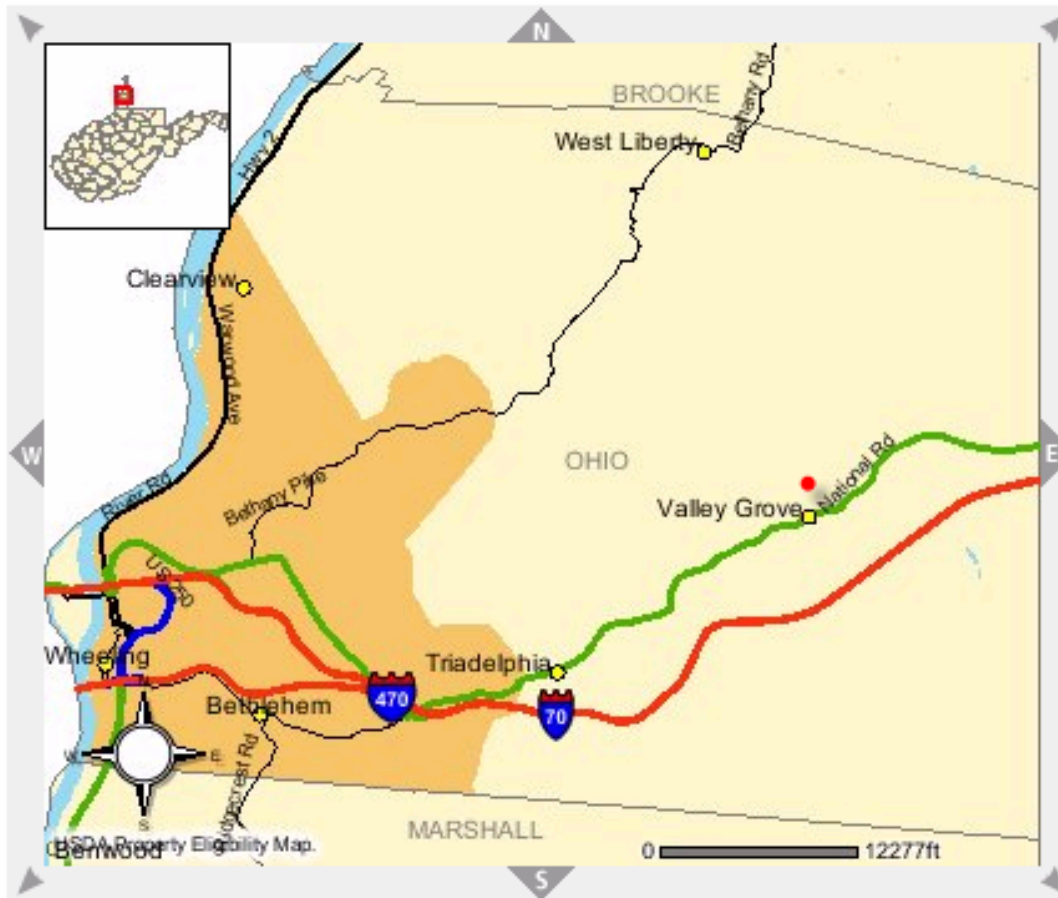
Number of residents under 18 years old, Disabled or Full Time Student

(Do not include applicant, spouse or co-applicant in this number)



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### West Virginia Property Eligibility



- #### Legend
- Cities
  - Major Interstates
  - Interstates and Highways
  - Other Major Roads
  - Secondary Roads
  - Arterial Roads
  - Counties
  - Lakes and Rivers
  - SFH Ineligible Areas
  - States

eligibilityResult - Microsoft Internet Explorer

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

Applicant is **ELIGIBLE** for the Section 502 Guaranteed Rural Housing Loan Program and **ELIGIBLE** for the Section 502 Direct Rural Housing Loan Program based on income entered and Program Income Guidelines in effect as of 12/06/2004. (Applicant must show repayment ability, have a reasonable credit history for the loan requested, and must meet other program requirements.)

**Summary of Adjusted Annual Household Income**

Annual Household Income :	<b>48,000.00</b>
Total Deductions :	<b>3,360.00</b>
Household Adjusted Annual Income :	<b>44,640.00</b>

**Section 502 Guaranteed Rural Housing Loan Program**

Maximum Adjusted Household Income for Selected State and County : **82,650.00**

**Section 502 Direct Rural Housing Loan Program**

Maximum Adjusted Household Income for Selected State and County : **57,500.00**

Close

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Borrower Name Benimble, Jack	Lender Loan Number 123456	Agency ID Number 000000085
---------------------------------	------------------------------	-------------------------------



[Assets](#) | [Liabilities](#) | [Expenses](#)

- Eligibility
- Loan Terms
- Borrower
- Employment
- Income and Expenses
- Assets and Liabilities**
- Transaction Details
- Additional Data
- Credit
- Submit Application
- View Findings
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- Loan List
- Help

Data successfully saved.

\* = Required to Save Page, P = Required for Preliminary Submission, F = Required for Final Submission

### Assets and Liabilities

#### Assets

Asset Owner	Benimble, Jack	Description	
Institution	ABC Bank	Asset Type	Checking Account
Address	12345 Maple Ave	Cash Value	\$5,000.00
		No of Shares	0
City	La Plata	Account Number	1960456
State/Zip	Maryland 20646		<input type="button" value="Delete"/>

Asset Owner	Benimble, Jack	Description	
Institution		Asset Type	Earnest Money Cash Deposit
Address		Cash Value	\$1,000.00
		No of Shares	0
City		Account Number	
State/Zip	Select One		<input type="button" value="Delete"/>

#### Assets-Automobile

Owner	Make/Model	Year	Cash Value
Benimble, Jack	Chevy Truck	2002	\$18,000.00



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Borrower Name Benimble, Jack	Lender Loan Number 123456	Agency ID Number 000000085
---------------------------------	------------------------------	-------------------------------



[Assets](#) | [Liabilities](#) | [Expenses](#)

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### Assets-Life Insurance

Owner	Cash Value	Face Amount
<input type="button" value="Del"/> Select One	\$0.00	\$0.00

### Liabilities

Account Owner	Select One	Include in Liabilities	Yes
Creditor Name	<input type="text"/>	Account Type	Select One
Address	<input type="text"/>	Account Number	<input type="text"/>
City	<input type="text"/>	Balance	\$0.00
State/Zip	Select One <input type="text"/> <input type="text"/>	Monthly Payment	\$0.00
If mortgage or HELOC, select property	Select One	<input type="button" value="Delete"/>	

(Properties must be entered using REO Property Information button above in order to be available in list box.)

### Additional Expenses

Omit Account Owner	Expense Type	Monthly Payments	Months Left to Pay	Payment Owed To Explain		
<input type="button" value="Del"/> <input type="checkbox"/>	Select One	Select One	\$0.00	0	<input type="text"/>	<input type="text"/>

Can Auto-Populate Liabilities when the Credit Report is obtained.




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 EUS Guaranteed Underwriting System	<table border="1"><tr><td>Borrower Name</td><td>Lender Loan Number</td><td>Agency ID Number</td></tr><tr><td>Benimble, Jack</td><td>123456</td><td>00000085</td></tr></table>	Borrower Name	Lender Loan Number	Agency ID Number	Benimble, Jack	123456	00000085
Borrower Name	Lender Loan Number	Agency ID Number					
Benimble, Jack	123456	00000085					

### Submit Application

Credit Report and Underwriting

Credit Agency \*

Account Number \*

Password \*

Internal Account ID \*

Submitting Party Name \*

Do you want to auto populate the liabilities from the new credit report?

Select the borrowers for whom you want to order new credit reports and enter Reference Number for credit reports you want reissued.  
Only one joint credit report may be ordered at a time.  
If two joint credit reports are required, please order with two separate requests indicating related borrower / co-borrowers with checkboxes in Joint column.

New Joint Borrower	Reference Number
<input checked="" type="checkbox"/> <input type="checkbox"/> Benimble, Jack	<input type="text"/>

Application Validation

Underwriting Only

Final Submission - requires credit report having been issued previously. Must have reserved funds prior to final submission.



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Borrower Name Heather	Lender Loan Number 2071668	Agency ID Number 231514770
--------------------------	-------------------------------	-------------------------------



[Agency](#) | [Financials](#) | [Loan Purpose](#) | [Checklist](#)

- Eligibility
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- Request Forms
- USDA Administration
- GUS Reports
- Loan List
- GUS User Guide

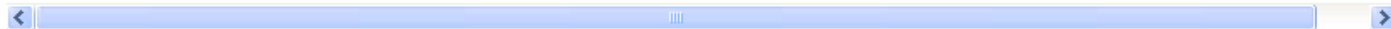
## USDA Administration

### Underwriting Summary

**Underwriting Recommendation: ACCEPT**

Property Eligibility	Eligible		Primary Borrower	, Heather
Income Eligibility	Eligible			
Loan Eligibility	ELIGIBLE		Submission Type	Final
Borrower Eligibility for:			Submission Date	03/19/2007
, Heather	ELIGIBLE		Submitted By	, janice
, Ricky	ELIGIBLE		Loan Status	Pending
Loan Risk Evaluation	ACCEPT			
Borrower Risk Evaluation for:				
, Heather	ACCEPT			
, Ricky	ACCEPT			

Lender Name VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
 Lender Tax ID  
 USDA Assigned Branch Number 001  
 Lender Loan Number 2071668  
 Agency ID Number 231514770





Borrower Name , Heather	Lender Loan Number 2071668	Agency ID Number 231514770
----------------------------	-------------------------------	-------------------------------



[Underwriting Findings](#) | [Underwriting Analysis](#) | [Credit Report](#)

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### LENDER'S REQUIRED CONDITIONS

#### Prior To Final Submission

#1 624 - Lender must obtain documentation to support income for eligibility and repayment purposes. All sources of income must be validated by the underwriter. Refer to 1980.353 (e) and applicable Administrative Notices for further guidance. Make certain that the eligibility income for the household is updated in the Eligibility section of GUS to reflect verified family household income. Eligibility income may be different than repayment income entered in the application.

#### Prior To Conditional Commitment

#1 622 - If the lender is aware of any debts, late payments or derogatory information that has not been made available to the Guaranteed Underwriting System, a risk analysis decision of Accept must be manually downgraded to Refer.

#2 608 - Certify that no adverse claims against the borrower or property exist and that no lawsuits are pending or anticipated that would affect the borrower or the subject property (RD Instruction 1980 -D, Section 1980.331 (b)).

#3 2001 - Accept decision is contingent on submission of an appraisal of the subject property and the required environmental documents to the Agency.

#4 605 - Obtain an appraisal of subject property; Appraisal must be greater than or equal to the proposed loan amount less any guarantee fee being financed and must be completed within 6 months of the date the request for a conditional commitment is submitted to Rural Development.

#5 604 - Certify that no adverse claims or liens against the property exist and certify that no lawsuit or lien is pending or anticipated that would adversely affect the property.

#6 601 - Obtain FEMA 81 -93, Standard Flood Hazard Determination. If dwelling is in a 100 -yr. floodplain, certify: (a) there are no practical alternatives; (b) community has an approved floodplain area management plan; (c) dwelling location/bldg. plans comply with the approved floodplain management plan; (d) environmental impacts and alternatives were considered per RD Instruction 1940 -G; (e) 1 st floor elev. above 100 -yr floodplain elevation. Life of loan Flood Insurance must be in effect at loan closing.

#### Prior To Closing

#1 514 - Verify borrower has sufficient funds available to complete closing transaction.

#2 607 - Certify that the loan's interest rate does not exceed the maximum limits as defined in RD Instruction 1980 -D, Section 1980.320.

#3 602 - Certify loan is in a first lien position unless the loan is for a subsequent loan to an existing borrower or there is a transfer and assumption of an existing loan.

#4 606 - Certify water and water/waste disposal systems if applicable, have been approved by a State or local agency.

#5 506 - Certify that inspection requirements of 1980.341 (b)(1) are met.

#### Prior To Guarantee

#1 610 - Certify that all the requirements of RD Instruction 1980 -D have been met and that all the requirements listed on the Conditional Commitment (Form RD 1980 -18 and the Attachment to Form 1980 -18) have been satisfied.

### RURAL DEVELOPMENT'S REQUIRED CONDITIONS

#### Prior To Final Submission

PREVIOUS
NEXT
PRINT
CLOSE

## USDA Rural Development

- **Why Use GUS?**
  - » **Accept = streamlined documentation for conditional commitments**
    - Appraisal
    - Flood Cert
    - Form 1980-21
  - » **Lender file documented**
  - » **Accept = automatic credit history waivers**
  - » **Accept = automatic debt ratio waivers**
    - 42.98%
    - 54.65%
  - » **50 to 55% Acceptance rate**
  - » **Underwriting responses in less than 30 seconds**
  - » **Charge per application submitted = Zero**

## USDA Rural Development

- **Pilot Phases**
- **Controlled Rollout**
- **E-Learning Modules**
- **Feedback from Pilot Lenders**
  - » **Import/export enhancement**
  - » **Broker access enhancement**
  - » **Quick prequalification enhancement**
  - » **Credit report lender ID entries**
  - » **CAIVRS**
  - » **Screen enhancements (refresh rate, less required fields, etc.)**

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## USDA Rural Development



We want **YOU** to use GUS !!!



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