

# Loan Packaging Express

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## TEAMS Realize Dreams

Football season is upon us, and if you have ever watched a game, you know that a football team is comprised of 11 people on the field with specific roles to play. Backing them up are 42 additional players who can be called in to give a team member a rest, or replace an injured player. Additionally, teams have coaching personnel and a significant support staff who manage the field, equipment, wash the uniforms, keep the stadium lights on, and make sure that the “12th man” (the fans), have plenty of concessions and entertainment during breaks in the game.

To be a winning team, each person knows their role and each performs to the best of their ability. Regardless of how skilled the players may be, if the person tasked with keeping the lights on in the stadium decides not to replace the light bulbs... the team won't perform well in the dark; and if the wide receiver decides to run a play that wasn't called in the huddle, the quarterback will throw the ball but no one will be there to catch it and score the winning touchdown.

The most successful teams have defined the roles, trained their team members to perform their roles, and then most importantly: they COMMUNICATE with each other. If a play does not work on the field, the team watches the tapes and talks about how to improve the play in the future. If the uniforms are not washed, the equipment manager will call the laundry service and have a conversation to iron out the details so it does not happen again. Without

communication, regardless of how talented the individual players are, the team will not realize their dream of a championship.

When packaging applications, there are often many moving parts: the packager is working with an applicant who may be working with a Realtor and a seller; the intermediary is working with the certified packager, the qualified employer, and Rural Development; Self-Help grantees are coordinating supplies and construction schedules with vendors and sub-contractors; Rural Development is working with local code officials and appraisers and obtaining funds for the loan. Each person has a distinct role to play and we all strive to do our best in that role. [HB-1-3550, Chapter 3, Attachment 3-A](#) is the document which defines our packaging roles, training can be found on the [Direct Loan Application Packagers page](#), and we all have the responsibility to communicate. If something is not working well – define the issue, make recommendations for improvement, and revise the “play”. If the issue is local in nature, talk with your local field or state office. If you are an intermediary or a Technical and Management Assistance (T&MA) contractor, include the national office in discussions, as we may need to share the information with other parties. If you are a Rural Development employee with a question about an application, make sure to include all of the applicable players: applicant, packager, and/or intermediary.

By communicating with each other, we resolve issues, improve program delivery, streamline processing and most importantly: assist customers to achieve their dream of homeownership. We may not walk away with a championship ring, but working as a team, we will leave a legacy of affordable housing in our communities.

Thank you for your efforts to provide affordable housing opportunities in rural areas. If you have questions or suggestions, please contact me at (360) 999-0251 or by email at [Tammy.Repine@wdc.usda.gov](mailto:Tammy.Repine@wdc.usda.gov).

**Tammy Repine**  
SFH Finance and Loan Analyst, USDA



*“I just love my little home!” — Katherine Courtney*

The 502 program is a lifeline for low-income families in eastern Kentucky. Katherine Courtney is just one example of how 502 program assistance is making life better for families there.

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# USDA Spotlights

## Wilson Community Improvement Association

Wilson Community Improvement Association (WCIA) is a nonprofit in Wilson, North Carolina dedicated to helping local disadvantaged and low-income people. WCIA partners with USDA Rural Development to assist applicants with the home-buying process.

One of the partnership's satisfied customers wrote a letter expressing her gratitude:

For years I have worked and saved to make a down payment on a home. Due to many struggles in my life I wasn't able to. In October, 2016, I decided to try to accomplish this dream. First I called WCIA in Wilson and asked for an application. Ms. Blackston answered the phone. I introduced myself and told her what I needed. She asked me a few questions and said she would place a package in the mail for me.

In a few days the package came. It consisted of an application and a list of materials I needed to copy and bring to the office. I immediately filled out the application and made a copy of my credit report, last three paychecks, and recent bank statements. An appointment was made in a few days.

As I walked into the hallway of the WCIA office in Wilson, I was greeted by Ms. Blackston and staff. They made me feel welcomed. Then she viewed my application and went over it with me. She thanked me for coming. Many visits were made and I always received the same warm welcome.

After several months of updating my personal information I was approved for the loan. I was delighted. Inspectors, termite and house, came to visit the house I live in. I used the loan to buy the house I have rented for 8 years. Several things needed to be repaired. The owner of this house agreed to fix them.

Now closing was near. However, before we could close, a new homeowner had to attend a 3-day class to help us understand the steps in purchasing a home. Example: loans, taxes, insurances, mortgages, and closing costs. We could ask questions, as well as express our ideas. I enjoyed this class. We all learned how to become a successful homeowner.

Last closing date, September 2017. This was the happiest day of my life. I thank Ms. Blackston and staff. Also WCIA for helping me become a homeowner. May God bless each of you.

**Delores**

**“This was the happiest day of my life”**

## Building Partnerships in Oregon

About two years ago, as a new Single Family Housing Program Director facing staffing shortages, I realized that we needed to change our processes in order to build the single family housing direct program in Oregon. The first step was making sure that our staff was fully trained, so we asked Headquarters to provide Loan Originator/Loan Approval Official training. During that session, we realized there were several areas where we had not fully embraced new processing methods and we began to look for additional ways to modernize and streamline processing. As a result, we brainstormed ideas to increase packaging partnerships and we began moving toward the use of Electronic Case Files (ECF) in order to share workload more evenly across the state.

We also began having discussions with Rural Community Assistance Corporation (RCAC), the intermediary for OR to determine how to increase packager activity. We started by talking with existing partners who were already packaging loans for either us, or their own products: entities like Habitat for Humanity, our existing Self-Help packagers, and agencies who provide homeownership counseling or credit counseling services.



While we are still in a growth mode and building partnerships, we have generated significant interest with Habitat for Humanity, multiple housing authorities and our Self-Help grantees; with the bulk of packages submitted formally through RCAC and some submitted informally directly to RD. In FY17, we did not have any loans submitted via the intermediary but that changed in FY18. We closed a minimum of four loans, have 13 additional eligibility determinations and 26 applications on hand for review. Activity is definitely on the increase because of the combination of training, a change in processing practices, and outreach.

**Drew Davis**  
SFH Program Director, USDA

## Homeownership Education Works

Every so often, NeighborWorks Southern New Hampshire (NWSNH) has participants to whom we like to refer as “Platinum Level.” These are people who took full advantage of all of our educational opportunities, thoroughly and enthusiastically partaking in one-on-one counseling sessions and whole-heartedly following their counselor derived action plan and recommendations.



Jackie and Mike Thompson are such clients! Jackie works full-time as the Housing Coordinator at a local college and accompanies services at church once a month. Mike is a full-time college student studying wildlife and conservation biology. During the semester, he also works a part-time work-study job on campus. I first met them in October 2017 at one of our Financial Capabilities workshops just after their three-year anniversary. At that time, they

told me they were thinking about homeownership and I asked why they had not taken our Homebuyer Seminar yet. They responded with, “We aren’t sure if we are quite ready yet. Maybe in a year or two,” they thought!

They decided to attend our eight-hour homebuyer seminar the same month. After attending, Jackie and Mike participated very actively in their homeownership counseling sessions to review their credit, budget and determine overall affordability tolerance. They researched and met with different lenders to find the best loan product for their needs. As it turned out, the best product for them was the USDA-RD 502 Direct Loan! In our role as loan packagers, we were able to guide them through the entire process, which led them to a much more affordable mortgage payment! This will be very helpful as they plan to start paying off student loan debt.

Fast forward to May 2018, only seven months later, and these New Hampshire renters are now proud new homeowners of a three-bedroom single family home on a half-acre lot. Their new home abuts a large conservation area, which Mike is very excited about, as it will complement his studies! They are looking forward to celebrating their fourth wedding anniversary in their new home!

Jackie and Mike are great examples of people who did not think homeownership was an attainable goal until they participated in pre-purchase education and counseling. With their USDA RD 502 Direct loan, I am confident that Jackie and Mike are now fully prepared to maintain and sustain their home for the long term.

**Paul McLaughlin**

HomeOwnership Program Director, NWSNH

## Pathfinder HomeOwnership Center in Indiana

The [previous issue](#) of the Loan Packaging Express told the story of the Kennedys, a family in Indiana renting an apartment too small for them. Pathfinder Services’ HomeOwnership Center helped them find a three-bedroom house they could afford to buy.

“Many families have similar stories to the Kennedys,” says Justin Barker, Director of the HomeOwnership Center. “They are working families who struggle with down payments or young families with loads

of student debt. Many are single-parent, single-income households.”

Barker explains: “Our team offers a comprehensive approach for families. When they sign up for our program, we quickly assess where they are. We then create a customized plan with specific steps to get them to the point where they are ready to purchase. Whether they are ready when they start with us or they have a lengthy road of credit work and savings to do, we stay with

them. As long as they are willing to put in the hard work, we will be right beside them—coaching, counseling, educating and otherwise doing what it takes to get them financed.”

**Justin Barker**

Director, Pathfinder HomeOwnership Center

# Low- and Very-Low-Income Oregon Residents Obtain Housing With Help From RCAC

Low- and very low-income rural residents often cannot qualify for a loan from traditional mortgage lenders. U.S. Department of Agriculture (USDA) Rural Development provides an alternative through its Single Family Housing Direct Loan Program (Sec. 502 Direct loans), which provides subsidized mortgage loans for modest homes in rural areas. The applicants are generally first-time homebuyers.

With a high volume of loan applications, and decreased administrative resources, the USDA application and review process results in long waits for the applicants. To expedite the process, Rural Community Assistance Corporation (RCAC) and other organizations participated in a pilot program, acting as “intermediaries” to support and train nonprofit housing organizations to become 502 loan packagers and to provide quality control of the locally generated loan application packages. The 2015 pilot program was so successful that USDA Rural Development issued a Final Rule to make it permanent.

RCAC provides training to qualified employers and certified packagers to ensure they are qualified to process loan applications. RCAC also reviews completed loan applications for accuracy

and completeness before sending them to USDA RD for approval.

By providing RD with complete and decision-ready applications, the program has greatly reduced the processing and loan closing timeline. Since the program’s inception, RCAC has reviewed 33 Oregon loans, and five, totaling \$983,026, have closed.

The following organizations are qualified to process 502 loan packages: Community Action Team Inc. located in St Helens, OR; NeighborWorks Umpqua, located in Roseburg, OR; and Northwest Affordable Housing Resources, dba Housing People, located in McMinnville, OR.

By increasing efficiency through strategic partnerships and improved access to affordable mortgages for rural organizations and residents, RCAC is promoting homeownership, a key component of vibrant, healthy and enduring rural communities throughout the West.

**Dawn Van Dyke**  
Manager, RCAC

# Self-Help Never Felt So Good



It has been a great building season and there are still many builds underway. We want to say thank you to all of our partners that are doing great work making the Self-Help housing program successful. There have been many great stories and pictures shared from all over showing the program at work.

Please continue to work together to strengthen our relationships because truly **T**ogether **E**veryone **A**chieves **M**ore. Your local RD staff and the regional Technical and Management Assistance (T&MA) providers are ready and willing to assist with any questions or training needs regarding Self-Help housing.

Again, we appreciate all that you do to bring these rural families the joy of homeownership. Looking forward to more great things happening through the Self-Help housing program.

**Myron Wooden**  
Special Programs/New Initiatives Chief, USDA

## Contact Us

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USDA Rural Development



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[www.rd.usda.gov](http://www.rd.usda.gov)

Single Family Housing Direct Home Loan Program  
RD Regulations and Guidance

## RD 502 Intermediaries

- Federation of Appalachian Housing Enterprises (FAHE)
- Homes are Possible, Inc.
- Little Dixie Community Action Agency
- Native Community Finance
- N.E. Community Action Corporation
- NeighborWorks Montana
- NeighborWorks Southern New Hampshire
- Northwest Regional Housing Development Corporation
- Rural Community Assistance Corporation (RCAC)
- Tierra del Sol Housing Corporation
- Wilson Community Improvement Association (WCIA) on behalf of the North Carolina Community Economic Development Network (NCCED)
- Windham and Windsor Housing Trust
- The Housing Fund, Inc.

For coverage and contact information, please visit the [Single Family Housing Intermediate Map](#).