



Single Family Housing Guaranteed Loan Program

May 9, 2014

Staffing and Program Updates

Guaranteed Rural Housing Staffing Changes

Tina Menke has joined USDA Rural Development's Guaranteed Rural Housing team in Iowa. Tina most recently worked with the agency's Business and Community Programs.

Also, **Abbey Lukehart** and **Desirae Willms** have moved from the Guaranteed Rural Housing team to the newly created statewide team supporting USDA Rural Development's Direct Home Loan Program.

Here is the current USDA Rural Development Guaranteed Rural Housing team in Iowa.

<u>Shannon Chase</u>	Housing Program Director	515-284-4493
<u>LindaKay Rhoades</u>	State Housing Specialist (Guaranteed Coordinator)	515-284-4723
<u>Mary Beth Juergens</u>	State Housing Specialist (Direct Coordinator)	515-284-4487
<u>Rachael Christensen</u>	Housing Specialist	712-243-2107 Ext. 119
<u>Judy Geiken</u>	Housing Specialist	641-648-5181 Ext. 405
<u>Kim Hinkel</u>	Housing Specialist	712-243-2107 Ext. 121
<u>Heather Harms</u>	Housing Technician	641-648-5181 Ext. 400
<u>Tina Menke</u>	Housing Technician	319-986-5800 Ext. 119
<u>Glenda Schroeder</u>	Housing Technician	563-886-6006 Ext. 129

\$12 Million in Funding Available Through USDA Rural Development's Direct Loan Program

USDA Rural Development's Direct Loan Program is available for applicants who do not qualify for conventional financing. A lower interest rate, payment assistance, and a longer loan term are a few of the benefits of a USDA Rural Development direct loan.

Currently, \$12 million in direct funding is available in Iowa.

Please visit www.rurdev.usda.gov/ia, or contact Mary Beth Juergens at 515-284-4487, for more information.

Loan Processing and Closing

Inaccurate Data and Incomplete Applications Delay Conditional Commitments

An increasing number of applications are being submitted with inaccurate data and incomplete application pages. Please ensure all loan level data is valid prior to final submission to USDA Rural Development when requesting a conditional commitment for a loan note guarantee (LNG).

Transition to Automated Loan Closing Continues

USDA Rural Development has launched a new automated lender loan closing system that enables lenders to more easily and efficiently submit loan closing transactions/packages for Single Family Housing Guaranteed Loans. **All loan closing transactions should be submitted electronically by October 1, 2014.**

To ensure timely issuance of the loan note guarantee (LNG) to lenders, USDA Rural Development is transitioning to a fully electronic loan closing submission process. With this new automation lenders can now:

- Save money through paperless processing – no more overnight delivery fees to submit checks and closing documents.
- Electronically submit the information previously collected on Form RD 1980-19, "Loan Closing Report"
- Electronically submit the upfront guarantee fee via a Pay.Gov interface (no more paper checks)
- Electronically upload loan closing documentation via a secure environment (e.g. promissory note, HUD-1, etc.) which eliminates the need to send via secured email, encrypting documents, etc.
- View, download, print, and/or save the LNG immediately upon issuance by USDA Rural Development

The reengineered process will allow the issuance of the LNG faster and eliminate the backlog, allowing lenders to deliver the loans to investors without delay.

Complete Lender Loan Closing User Agreement

To get set up and begin submitting electronic loan closings, lenders must complete a lender loan closing user agreement to request access to the loan closing transaction system.

A fillable version of the agreement can be found at the USDA LINC training and resource library located in the lender loan closing/administration section at

<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>

Countdown to 7 CFR 3555 Continues

USDA Rural Development continues to focus on preparation and training for the launch of 7 CFR Part 3555 on September 1, 2014 to replace the present rule, 7 CFR Part 1980 Subpart D.

Information about 7 CFR Part 3555 can be found at

<http://www.gpo.gov/fdsys/pkg/FR-2013-12-09/pdf/2013-29084.pdf>

7 CFR Part 3555 is comprised of eight subparts. The technical handbook to be published has 20 chapters accompanied by appendices to clarify subjects such as obtaining CAIVRS, contacts, loan reporting, etc. It will include greater detail of rule requirements.

Information about training opportunities will be listed on the USDA LINC Single Family Housing training and resource library <https://usdalinc.sc.egov.usda.gov/RHShome.do>.

When to Consider Net Family Assets in Annual Income Calculation

Net family assets with a cumulative total of \$5,000 or greater must be considered in the annual income calculation in accordance with 1980.347(d)(3)(iii).

The greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate must be considered when calculating annual income.

Verification documents must coincide with the type of asset identified for income purposes. Section 1980.302(a) defines net family assets as the value of equity in real property, savings, IRA's, demand deposits, the market value of stocks, bonds, other forms of capital investments and business or household assets disposed of for less than fair market value for two years preceding the date of loan application (disposition of a trust considered but not inclusion in a foreclosure or bankruptcy). 401ks are not considered in net family assets.

Sign Up for ListServ

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