



Single Family Housing Guaranteed Loan Program

June 6, 2013

General News and Information

Fax Number Change

USDA Rural Development's fax number in Iowa has changed to **855-251-2243**.

The preferred method of submission continues to be via email to rd-grhia@ia.usda.gov.

June is National Homeownership Month

This year's National Homeownership Month theme is "*Bringing Rural America Home*" and underscores housing's importance to millions of rural residents.

USDA Rural Development is committed to creating the opportunity for Americans to live in rural areas and enjoy quality services. And we are investing in the linchpin of what makes a strong community: safe, affordable housing where families can raise the next generation of rural Americans.

Incomplete Application Packages

A recent review of our portfolio shows an **increasing trend in the number of INCOMPLETE APPLICATIONS being received from lenders**. More than **1/3** of our applications have been suspended due to incomplete packages, which delays the delivery of a timely Conditional Commitment and the loan closing.

The increase in the number of suspended loan files is of concern to us. The demand for the program continues to grow, and when staff time is increasingly spent on files that are not ready for processing upon submittal, it simply slows down the process for everyone – including lenders and borrowers - unnecessarily.

Following are some key reminders:

- Lenders should stack documents in the order noted on Attachment C when submitting the file. [Attachment C](#) is available on the "USDA LINC Training and Resource Library."
- Include only the required documents and submit the complete file in one email. Multiple emails, and files with extra documents that are not required, can delay the processing time.
- If a file is suspended because it is incomplete, the 24-48 hour turn-time starts over and is measured from the time we receive the final required document(s). There is no advantage to submitting an incomplete file, in an effort to get the application "in line" for processing.

We will be contacting lenders with an exceptionally high volume of suspended files for further discussion, and training if needed.

Funding Update

Guaranteed Loan Funds Available for Purchase and Refinance Transactions

An abundant amount of USDA Rural Development guaranteed loan funds remain for both purchase and refinance transactions. Through the first seven months of the current fiscal year, USDA Rural Development has issued more than \$144 million in loan note guarantees to assist 1,385 homeowners in rural Iowa. This is a 28 percent increase in dollars utilized compared to the same time last year.

Processing Information

Income Calculation Worksheet

The lender's detailed income calculation worksheet **is required** to be submitted to RD. [Attachment A](#) to AN 4714, "Worksheet for Documenting Eligible Household and Repayment Income" may be utilized to record the lender's calculation of a household's adjusted annual income (used to determine program eligibility) and the applicant's monthly repayment income (used to calculate debt ratios).

Attachment A is available in a fillable format from the [USDA LINC Training and Resource Library](#). Both income types are entered into the Guaranteed Underwriting System (GUS) at the following page locations:

- Adjusted Annual Income (all adult household members) = **Eligibility Page**
- Monthly Repayment Income (all parties to the note) = **Income and Expenses Page**

IMPORTANT: Quality control reviews indicate recurring discrepancies between the income amounts entered into GUS and the income amounts documented on Attachment A.

Lenders are responsible for the integrity of data entered into GUS. Data entered into GUS must be supported by both the lender's retained permanent case file and the Attachment A submitted to USDA.

Automated submissions with discrepancies in income between the GUS application and Attachment A will be returned to the lender for correction further delaying the issuance of a loan guarantee. Minimal discrepancies due to rounding in GUS (e.g. Adjusted Household Income to the nearest \$10) are acceptable to the Agency.

Please confirm the income you enter into GUS matches the income calculation worksheet prior to submitting the complete package to Rural Development.

Verification of Rent

Written verification by independent management companies will be accepted in lieu of canceled checks. If rent is paid to an individual and not a management company the lender must collect canceled checks or money order receipts to verify rent payments for twelve months.

Avoid Delays to Conditional Commitments

Detail and accuracy to data entered into GUS and documentation provided to Rural Development will avoid a delay in receiving the Conditional Commitment in a timely manner.

Lenders Not Required to Mail Paper Loan Note Guarantee

Save the postage – lenders are **not** required to mail the paper Loan Note Guarantee marked "Paid in Full" to USDA Rural Development. Lenders may simply report the loan is paid when completing their monthly Electronic Status Reporting (ESR) on USDA Lender Interactive Network Connection (LINC).

Lenders may access USDA LINC online.

Sign Up for ListServ

ListServ is a **FREE** email service that delivers instant program updates for Guaranteed Loan Origination, Guaranteed Underwriting System (GUS) and Guaranteed Loan Servicing.

[Sign up](#) by checking the updates you wish to receive.

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[Contact us](#) to request a change to your information or to be removed from our list.



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