



OREGON

SECTION 502

RURAL HOUSING LOANS

To apply for a Rural Development loan, complete, sign and return the attached Pre-Qualification form and the Authorization to Release Information (one for each adult household member) to Rural Development located at:

direct.prequals@or.usda.gov

OR

USDA, Rural Development
1220 SW 3rd Ave, Ste 1801
Portland, OR 97204-2825
Phone: 866-923-5626, ext 2

OR

Fax to Attn: SFH Housing @ (855) 824-6182



Section 502 Single Family Housing Direct Loan Program

This program provides 100-percent, subsidized financing to help income-eligible individuals and families bridge the affordability gap for homeownership.

What does this program do?

Through this program, USDA Rural Development works directly with individuals and families who are interested in constructing a single family home or purchasing an existing home in an eligible rural area. Our staff helps to help homebuyers identify solutions to meet the financial responsibilities of homeownership. Successful applicants must accept the terms of the loan, and they must personally occupy the home.

Who may apply?

To qualify for the direct loan, applicants must have very low or low incomes. Very low-income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI. Families must be without adequate housing, but be able to afford the mortgage payments, taxes and insurance (typically 24 percent of an applicant's income). Payment subsidy may be available to enhance repayment ability. Applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories.

What is an eligible area?

Eligible rural areas are mapped on the USDA Rural Development website and include:

- Open country not part of or associated with an urban area; or,
- A town, village or city with a population of 35,000 or less that is not part of or associated with an urban area.*

What are the terms?

The standard loan term is 33 years; however, a 38-year term may be available to applicants with incomes below 60 percent of the area median income if needed for repayment. For new manufactured homes, the standard term is 30 years. The lower rate at either the time of loan approval or loan closing will be used. Contact us for details and current interest rates applicable for your project.

How may funds be used?

Funds can be used to buy, build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. The

housing must be modest in size, design and cost and meet the voluntary national model building code adopted by the state,

along with thermal and site standards. New manufactured housing must be permanently installed and meet HUD Manufactured Housing Construction and Safety Standards, along with thermal and site standards. Existing manufactured housing will not qualify unless it is already financed with a USDA direct or guaranteed housing loan or it is Real Estate Owned (REO) and formerly secured by a USDA direct or guaranteed loan.



How do we get started?

Visit the Section 502 Direct Loan website for Oregon for step-by-step instructions and forms:

http://www.rurdev.usda.gov/OR_20sfhD.html

Who can answer questions?

Questions about direct home loans in Oregon can be emailed to **direct.questions@or.usda.gov**. Or, call 866-923-5626 extension 2.

What governs this program?

7 CFR Part 3550 and HB-1-3550. *NOTE: Because citations and other information may be subject to change please always consult the program instructions on the USDA Rural Development website. You may also contact a local office for assistance.*

* *Changes to housing eligible areas based on 2010 Census data scheduled to take effect 10/01/14 due to "rural in character" criteria, have been postponed to 10/1/15 by request of the Secretary. Complete applications received before October 1, 2014, will continue to use rural area definitions based on 2010 Census data.*

What Qualifies as a “Rural Area”?

Rural areas include open country and communities with populations of not more than 35,000, which are rural in character and not closely associated with urban areas.*

To determine eligibility visit <http://eligibility.sc.egov.usda.gov>.

Maps delineating eligible rural area boundaries are available in the administrative office in Portland or the branch office serving the county in which the property is located. Refer to the Oregon Directory of USDA Rural Development offices at www.rurdev.usda.gov/ORoffices.html.

* Changes to housing eligible areas based on 2010 Census data scheduled to take effect 10/01/14 due to “rural in character” criteria, have been postponed to 10/1/15 by request of the Secretary. Complete applications received before October 1, 2014, will continue to use rural area definitions based on 2010 Census data.

Ineligible Cities/Areas in Oregon *(listed by county)*

<u>County:</u>	<u>Ineligible City/Area</u>	<u>County:</u>	<u>Ineligible City/Area</u>
Benton:	Corvallis	Linn:	Albany
Clackamas:	Clackamas	Marion:	Salem/Keizer
	Gladstone	Multnomah:	Fairview
	Happy Valley		Gresham
	Johnson City		Maywood Park
	Lake Grove		Portland (metro)
	Lake Oswego		Troutdale
	Milwaukie		Wood Village
	Oregon City	Washington:	Aloha
	Rivergrove		Beaverton
	West Linn		Durham
Deschutes:	Bend Central		Hillsboro
Jackson:	Point		King City
	Medford		Reedville
Lane:	Eugene (Metro)		Tigard
	Springfield		Tualatin



United States Department of Agriculture
Rural Development, Oregon

Oregon State Office
USDA, Rural Development
1201 NE Lloyd Blvd., Suite 801
Portland, OR 97232-1274
(866)923-5626 Ext. #2
Website: www.rurdev.usda.gov/or

SECTION 502 DIRECT LOAN - MAXIMUM MORTGAGE AND INCOME LIMITS BY COUNTY

County	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person	Area Loan Limit
Baker	30,050	34,350	38,650	42,950	46,400	49,800	53,250	56,700	216,840
Benton	43,950	50,250	56,500	62,800	67,800	72,850	77,850	82,900	239,200
Clackamas	41,150	47,050	52,900	58,800	63,500	68,200	72,900	77,600	289,800
Clatsop	31,750	36,300	40,800	45,350	49,000	52,600	56,250	59,850	225,400
Columbia	41,150	47,050	52,900	58,800	63,500	68,200	72,900	77,600	289,800
Coos	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Crook	31,550	36,050	40,550	45,050	48,650	52,250	55,850	59,450	216,840
Curry	31,750	36,300	40,800	45,350	49,000	52,600	56,250	59,850	262,200
Deschutes	37,150	42,500	47,800	53,100	57,350	61,600	65,850	70,100	244,720
Douglas	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Gilliam	34,000	38,850	43,700	48,550	52,450	56,300	60,200	64,100	216,840
Grant	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Harney	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Hood River	37,700	43,100	48,450	53,850	58,150	62,450	66,750	71,100	297,160
Jackson	32,750	37,450	42,100	46,800	50,550	54,300	58,050	61,800	223,560
Jefferson	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Josephine	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Klamath	30,450	34,800	39,150	43,500	47,000	50,450	53,950	57,400	216,840
Lake	30,150	34,500	38,800	43,100	46,550	50,000	53,450	56,900	216,840
Lane	33,150	37,900	42,600	47,350	51,150	54,950	58,700	62,500	216,840
Lincoln	32,400	37,000	41,650	46,250	49,950	53,650	57,350	61,050	220,800
Linn	32,850	37,550	42,250	46,950	50,700	54,450	58,200	61,950	216,840
Malheur	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Marion	33,600	38,400	43,200	48,000	51,850	55,700	59,500	63,350	216,840
Morrow	31,100	35,500	39,950	44,400	47,950	51,500	55,050	58,600	216,840
Multnomah	41,150	47,050	52,900	58,800	63,500	68,200	72,900	77,600	289,800
Polk	33,600	38,400	43,200	48,000	51,850	55,700	59,500	63,350	216,840
Sherman	32,700	37,350	42,050	46,700	50,450	54,150	57,900	61,650	216,840
Tillamook	31,000	35,400	39,850	44,250	47,800	51,350	54,850	58,400	230,000
Umatilla	33,450	38,200	43,000	47,750	51,550	55,400	59,200	63,050	216,840
Union	32,000	36,550	41,150	45,700	49,350	53,000	56,650	60,300	216,840
Wallowa	30,350	34,700	39,000	43,350	46,800	50,300	53,750	57,200	216,840
Wasco	31,300	35,750	40,250	44,700	48,300	51,850	55,450	59,000	216,840
Washington	41,150	47,050	52,900	58,800	63,500	68,200	72,900	77,600	289,800
Wheeler	29,900	34,150	38,450	42,700	46,100	49,550	52,950	56,350	216,840
Yamhill	41,150	47,050	52,900	58,800	63,500	68,200	72,900	77,600	289,800

"This institution is an equal opportunity provider and employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Indicators of Unacceptable Credit

For a USDA Rural Development Loan

- **Little or no positive credit history:** The lack of a positive credit history on the credit report may be mitigated if the applicant can document a willingness to pay recurring debts through other acceptable means such as third party verifications or canceled checks. Due to impartiality issues, third party verifications from relatives of household members are not permissible.
- **Payments on any installment account where the amount of the delinquency exceeded one installment for more than 30 days within the last 12 months**
- **Payments on any revolving account, which was delinquent for more than 30 days on one or more occasions within the last 12 months**
- **A foreclosure that has been completed within the last 36 months**
- **An outstanding Internal Revenue Service (IRS) tax lien or any other outstanding tax liens with no satisfactory arrangement for payment**
- **Two or more rent payments paid 30 or more days late within the last two years:** If the applicant has experienced no other credit problems in the past two years, only one year of rent history will be evaluated. This requirement may be waived if the program loan will reduce shelter costs significantly and contribute to improved repayment ability.
- **Outstanding collection accounts with no satisfactory arrangements for repayment,** or collection accounts that were paid in full within the last six months, unless the applicant had been making regular payments for at least six months
- **Non-agency debts written off within the last 36 months,** unless the debt was paid in full at least 12 months ago
- **Agency debts that were debt settled within the past 36 months,** or are being considered for debt settlement
- **Delinquency on a federal debt**
- **A court-created or court-affirmed obligation or judgment caused by nonpayment that is currently outstanding or has been outstanding within the last 12 months, except:**
 - A bankruptcy in which debts were discharged less than 36 months prior to the date of application; or where an applicant successfully completed a bankruptcy debt restructuring plan and has demonstrated a willingness to meet obligations when due for the 12 months prior to the date of application
- **A judgment satisfied more than 12 months before the date of application**

An applicant with an outstanding judgment obtained by the United States in a federal court, other than the United States Tax Court, is not eligible for a Section 504 loan and/or grant. This requirement is statutory and cannot be waived.

Oregon Rural Development

502 Pre-Qualification

Attached you will find the Rural Housing Pre-Qualification Worksheet and Questionnaire. **Please complete the form as thoroughly as possible making sure it is legible.** There are also two copies of Form 3550-1, "Authorization to Release Information". One for each applicant. Please sign and date Form 3550-1 at the bottom of the page only.

Please return only the attached items for review. You will be notified of the preliminary findings by mail. A pre-qualification review provides a preliminary review of your situation based on information as reported but not verified. As such, the results of this pre-qualification are not binding and should not be considered as an approval or rejection.

Adverse Credit.... In the event of adverse credit, Rural Development regulations may consider matters of adverse credit if the applicant's overall credit record demonstrates an ability and willingness to repay obligations. A thorough investigation into adverse credit will be necessary to determine accuracy and justification.

Please email, mail or fax your application to:

direct.prequals@or.usda.gov

or

USDA Rural Development
1220 SW 3rd Ave., Ste 1801
Portland, Oregon 97232-1274

Attn: SFH Dept.

Phone#: 866-923-5626, ext 2

or

Fax#(855) 824-6182

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means of communication of program information (braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD)



502 Pre-Qualification

County you wish to purchase in (one county only please): _____

Applicant #1: _____ Married Unmarried Separated

Date of Birth: _____ Social Security #: _____

Address: _____

Mailing: _____

Phone#(s): cell# _____ day# _____

Applicant #2: _____ Married Unmarried Separated

Date of Birth: _____ Social Security #: _____

Address: _____

Phone#(s): cell# _____ day# _____

Mailing: _____

Phone#(s): cell# _____ day# _____

Please list all household members....

****Sources of Income: Job, SSI/SSD, Child Support, Alimony, SNAP(food stamps), etc.**

Name	Relationship	Age	Source of Income	Gross Monthly Income
(sample) Jane Doe	Self	41	child support	\$500/mo
(sample) John Doe	Spouse	41	Job	\$10/hr x 40 hr/wk or \$1600/mo
(sample) Jack Doe	Child	10	Student / none	na

Is either applicant considered disabled: YES NO If yes, please circle one: App#1

App#2 Do you pay a daycare provider? \$_____ per

_____ (hour, day, week, month)

Do you pay rent? YES NO How much _____ If not, why? _____

Do you have ownership interest in any real estate? YES NO If Yes, please explain: _____

Do you have any liquid assets in excess of \$5,000.00? YES NO If Yes, please explain: _____

*** A liquid asset is an asset that can be converted into cash quickly. Cash on hand is a liquid asset.**

Monthly Debt Payments...

****Deferred Student Loan payments are calculated as 1% of total loan balance(s) - paid monthly regardless of deferment or student status**

Debt	Creditor	Minimum Payment	Balance
Car Payment			
Car Payment			
Student Loans **			
Child Support (Paid)			
Credit Card			
Credit Card			
Credit Card			
Other			
Other			
Other			

This pre-qualification worksheet is for the purpose of information only and does not constitute an application for assistance. Nor does this pre-qualification worksheet approve an applicant for home purchase.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability and where applicable, sex (including gender identity and expression), marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means of communication of program information (braille, large print, audio tape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD)



**United States Department of Agriculture
Rural Development
Rural Housing Service**

AUTHORIZATION TO RELEASE INFORMATION

TO: _____

RE: _____
Account or Other Identifying Number

Name of Customer

I, and/or adults in my household, have applied for or obtained a loan or grant from the Rural Housing Service (RHS), part of the Rural Development mission area of the United States Department of Agriculture. As part of this process or in considering my household for interest credit, payment assistance, or other servicing assistance on such loan, RHS may verify information contained in my request for assistance and in other documents required in connection with the request.

I, or another adult in my household, authorize you to provide to RHS for verification purposes the following applicable information:

- Past and present employment or income records.
- Bank account, stock holdings, and any other asset balances.
- Past and present landlord references
- Other consumer credit references.

If the request is for a new loan or grant, I further authorize RHS to order a consumer credit report and verify other credit information.

I understand that under the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401, et seq., RHS is authorized to access my financial records held by financial institutions in connection with the consideration or administration of assistance to me. I also understand that financial records involving my loan and loan application will be available to RHS without further notice or authorization, but will not be disclosed or released by RHS to another Government agency or department or used for another purpose without my consent except as required or permitted by law.

This authorization is valid for the life of the loan.

The recipient of this form may rely on the Government's representation that the loan is still in existence.

The information RHS obtains is only to be used to process my request for a loan or grant, interest credit, payment assistance, or other servicing assistance. I acknowledge that I have received a copy of the Notice to Applicant Regarding Privacy Act Information. I understand that if I have requested interest credit or payment assistance, this authorization to release information will cover any future requests for such assistance and that I will not be renotified of the Privacy Act information unless the Privacy Act information has changed concerning use of such information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Signature (Applicant or Adult Household Member)

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless as displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

RHS Is An Equal Opportunity Lender

SEE ATTACHED PRIVACY ACT NOTICE

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION

The information requested on this form is authorized to be collected by the Rural Housing Service (RHS), Rural Business-Cooperative Services (RBS), Rural Utilities Service (RUS) or the Farm Service Agency (FSA) ("the agency") by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.) or by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or by other laws administered by RHS, RBS, RUS or FSA.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, may result in a delay in the processing of an application or its rejection. Information provided may be used outside of the agency for the following purposes:

1. When a record on its face, or in conjunction with other records, indicates a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued pursuant thereto, disclosure may be made to the appropriate agency, whether Federal, foreign, State, local, or tribal, or other public authority responsible for enforcing, investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation, or order issued pursuant thereto, if the information disclosed is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility of the receiving entity.
2. A record from this system of records may be disclosed to a Member of Congress or to a Congressional staff member in response to an inquiry of the Congressional office made at the written request of the constituent about whom the record is maintained.
3. Rural Development will provide information from this system to the U.S. Department of the Treasury and to other Federal agencies maintaining debt servicing centers, in connection with overdue debts, in order to participate in the Treasury Offset Program as required by the Debt Collection Improvement Act, Pub. L. 104-134, Section 31001.
4. Disclosure of the name, home address, and information concerning default on loan repayment when the default involves a security interest in tribal allotted or trust land. Pursuant to the Cranston-Gonzales National Affordable Housing Act of 1990 (42 U.S.C. 12701 et seq.), liquidation may be pursued only after offering to transfer the account to an eligible tribal member, the tribe, or the Indian Housing Authority serving the tribe(s).
5. Referral of names, home addresses, social security numbers, and financial information to a collection or servicing contractor, financial institution, or a local, State, or Federal agency, when Rural Development determines such referral is appropriate for servicing or collecting the borrower's account or as provided for in contracts with servicing or collection agencies.
6. It shall be a routine use of the records in this system of records to disclose them in a proceeding before a court or adjudicative body, when: (a) the agency or any component thereof; or (b) any employee of the agency in his or her official capacity; or (c) any employee of the agency in his or her individual capacity where the agency has agreed to represent the employee, or (d) the United States is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation, provided; however, that in each case, the agency determines that disclosure of the records is a use of the information contained in the records that is compatible with the purpose for which the agency collected the records.
7. Referral of names, home addresses, and financial information for selected borrowers to financial consultants, advisors, lending institutions, packagers, agents and private or commercial credit sources, when Rural Development determines such referral is appropriate to encourage the borrower to refinance the Rural Development indebtedness as required by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471), or to assist the borrower in the sale of the property .
8. Referral of legally enforceable debts to the Department of the Treasury, Internal Revenue Service (IRS), to be offset against any tax refund that may become due the debtor for the tax year in which the referral is made, in accordance with the IRS regulations at 26 C.F.R. 301.6402-6T, Offset of Past Due Legally Enforceable Debt Against Overpayment, and under the authority contained in 31 U.S.C. 3720A.
9. Referral of information regarding indebtedness to the Defense Manpower Data Center, Department of Defense, and the United States Postal Service for the purpose of conducting computer matching programs to identify and locate individuals receiving Federal salary or benefit payments and who are delinquent in their repayment of debts owed to the U.S. Government under certain programs administered by Rural Development in order to collect debts under the provisions of the Debt Collection Act of 1982 (5 U.S.C. 5514) by voluntary repayment, administrative or salary offset procedures, or by collection agencies.
10. Referral of names, home addresses, and financial information to lending institutions when Rural Development determines the individual may be financially capable of qualifying for credit with or without a guarantee.
11. Disclosure of names, home addresses, social security numbers, and financial information to lending institutions that have a lien against the same property as Rural Development for the purpose of the collection of the debt. These loans can be under the direct and guaranteed loan programs.
12. Referral to private attorneys under contract with either Rural Development or with the Department of Justice for the purpose of foreclosure and possession actions and collection of past due accounts in connection with Rural Development.
13. It shall be a routine use of the records in this system of records to disclose them to the Department of Justice when: (a) The agency or any component thereof; or (b) any employee of the agency in his or her official capacity where the Department of Justice has agreed to represent the employee; or (c) the United States Government, is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation and the use of such records by the Department of Justice is therefore deemed by the agency to be for a purpose that is compatible with the purpose for which the agency collected the records.

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION- CONTINUED

14. Referral of names, home addresses, social security numbers, and financial information to the Department of Housing and Urban Development (HUD) as a record of location utilized by Federal agencies for an automatic credit prescreening system.

15. Referral of names, home addresses, social security numbers, and financial information to the Department of Labor, State Wage Information Collection Agencies, and other Federal, State, and local agencies, as well as those responsible for verifying information furnished to qualify for Federal benefits, to conduct wage and benefit matching through manual and/or automated means, for the purpose of determining compliance with Federal regulations and appropriate servicing actions against those not entitled to program benefits, including possible recovery of improper benefits.

16. Referral of names, home addresses, and financial information to financial consultants, advisors, or underwriters, when Rural Development determines such referral is appropriate for developing packaging and marketing strategies involving the sale of Rural Development loan assets.

17. Rural Development, in accordance with 31 U.S.C. 3711(e)(5), will provide to consumer reporting agencies or commercial reporting agencies information from this system indicating that an individual is responsible for a claim that is current.

18. Referral of names, home addresses, home telephone numbers, social security numbers, and financial information to escrow agents (which also could include attorneys and title companies) selected by the applicant or borrower for the purpose of closing the loan.

19. Disclosures pursuant to 5 U.S.C. 552a(b)(12): Disclosures may be made from this system to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 168a(f) or the Federal Claims Collection Act (31U.S.C. 3701(a)(3)).

**United States Department of Agriculture
Rural Development
Rural Housing Service**

AUTHORIZATION TO RELEASE INFORMATION

TO: _____

RE: _____
Account or Other Identifying Number

Name of Customer

I, and/or adults in my household, have applied for or obtained a loan or grant from the Rural Housing Service (RHS), part of the Rural Development mission area of the United States Department of Agriculture. As part of this process or in considering my household for interest credit, payment assistance, or other servicing assistance on such loan, RHS may verify information contained in my request for assistance and in other documents required in connection with the request.

I, or another adult in my household, authorize you to provide to RHS for verification purposes the following applicable information:

- Past and present employment or income records.
- Bank account, stock holdings, and any other asset balances.
- Past and present landlord references
- Other consumer credit references.

If the request is for a new loan or grant, I further authorize RHS to order a consumer credit report and verify other credit information.

I understand that under the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401, et seq., RHS is authorized to access my financial records held by financial institutions in connection with the consideration or administration of assistance to me. I also understand that financial records involving my loan and loan application will be available to RHS without further notice or authorization, but will not be disclosed or released by RHS to another Government agency or department or used for another purpose without my consent except as required or permitted by law.

This authorization is valid for the life of the loan.

The recipient of this form may rely on the Government's representation that the loan is still in existence.

The information RHS obtains is only to be used to process my request for a loan or grant, interest credit, payment assistance, or other servicing assistance. I acknowledge that I have received a copy of the Notice to Applicant Regarding Privacy Act Information. I understand that if I have requested interest credit or payment assistance, this authorization to release information will cover any future requests for such assistance and that I will not be renotified of the Privacy Act information unless the Privacy Act information has changed concerning use of such information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Signature (Applicant or Adult Household Member)

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless as displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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The information requested on this form is authorized to be collected by the Rural Housing Service (RHS), Rural Business-Cooperative Services (RBS), Rural Utilities Service (RUS) or the Farm Service Agency (FSA) ("the agency") by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.) or by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or by other laws administered by RHS, RBS, RUS or FSA.

Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, may result in a delay in the processing of an application or its rejection. Information provided may be used outside of the agency for the following purposes:

1. When a record on its face, or in conjunction with other records, indicates a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued pursuant thereto, disclosure may be made to the appropriate agency, whether Federal, foreign, State, local, or tribal, or other public authority responsible for enforcing, investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation, or order issued pursuant thereto, if the information disclosed is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility of the receiving entity.
2. A record from this system of records may be disclosed to a Member of Congress or to a Congressional staff member in response to an inquiry of the Congressional office made at the written request of the constituent about whom the record is maintained.
3. Rural Development will provide information from this system to the U.S. Department of the Treasury and to other Federal agencies maintaining debt servicing centers, in connection with overdue debts, in order to participate in the Treasury Offset Program as required by the Debt Collection Improvement Act, Pub. L. 104-134, Section 31001.
4. Disclosure of the name, home address, and information concerning default on loan repayment when the default involves a security interest in tribal allotted or trust land. Pursuant to the Cranston-Gonzales National Affordable Housing Act of 1990 (42 U.S.C. 12701 et seq.), liquidation may be pursued only after offering to transfer the account to an eligible tribal member, the tribe, or the Indian Housing Authority serving the tribe(s).
5. Referral of names, home addresses, social security numbers, and financial information to a collection or servicing contractor, financial institution, or a local, State, or Federal agency, when Rural Development determines such referral is appropriate for servicing or collecting the borrower's account or as provided for in contracts with servicing or collection agencies.
6. It shall be a routine use of the records in this system of records to disclose them in a proceeding before a court or adjudicative body, when: (a) the agency or any component thereof; or (b) any employee of the agency in his or her official capacity; or (c) any employee of the agency in his or her individual capacity where the agency has agreed to represent the employee, or (d) the United States is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation, provided; however, that in each case, the agency determines that disclosure of the records is a use of the information contained in the records that is compatible with the purpose for which the agency collected the records.
7. Referral of names, home addresses, and financial information for selected borrowers to financial consultants, advisors, lending institutions, packagers, agents and private or commercial credit sources, when Rural Development determines such referral is appropriate to encourage the borrower to refinance the Rural Development indebtedness as required by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471), or to assist the borrower in the sale of the property .
8. Referral of legally enforceable debts to the Department of the Treasury, Internal Revenue Service (IRS), to be offset against any tax refund that may become due the debtor for the tax year in which the referral is made, in accordance with the IRS regulations at 26 C.F.R. 301.6402-6T, Offset of Past Due Legally Enforceable Debt Against Overpayment, and under the authority contained in 31 U.S.C. 3720A.
9. Referral of information regarding indebtedness to the Defense Manpower Data Center, Department of Defense, and the United States Postal Service for the purpose of conducting computer matching programs to identify and locate individuals receiving Federal salary or benefit payments and who are delinquent in their repayment of debts owed to the U.S. Government under certain programs administered by Rural Development in order to collect debts under the provisions of the Debt Collection Act of 1982 (5 U.S.C. 5514) by voluntary repayment, administrative or salary offset procedures, or by collection agencies.
10. Referral of names, home addresses, and financial information to lending institutions when Rural Development determines the individual may be financially capable of qualifying for credit with or without a guarantee.
11. Disclosure of names, home addresses, social security numbers, and financial information to lending institutions that have a lien against the same property as Rural Development for the purpose of the collection of the debt. These loans can be under the direct and guaranteed loan programs.
12. Referral to private attorneys under contract with either Rural Development or with the Department of Justice for the purpose of foreclosure and possession actions and collection of past due accounts in connection with Rural Development.
13. It shall be a routine use of the records in this system of records to disclose them to the Department of Justice when: (a) The agency or any component thereof; or (b) any employee of the agency in his or her official capacity where the Department of Justice has agreed to represent the employee; or (c) the United States Government, is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation and the use of such records by the Department of Justice is therefore deemed by the agency to be for a purpose that is compatible with the purpose for which the agency collected the records.

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION- CONTINUED

14. Referral of names, home addresses, social security numbers, and financial information to the Department of Housing and Urban Development (HUD) as a record of location utilized by Federal agencies for an automatic credit prescreening system.

15. Referral of names, home addresses, social security numbers, and financial information to the Department of Labor, State Wage Information Collection Agencies, and other Federal, State, and local agencies, as well as those responsible for verifying information furnished to qualify for Federal benefits, to conduct wage and benefit matching through manual and/or automated means, for the purpose of determining compliance with Federal regulations and appropriate servicing actions against those not entitled to program benefits, including possible recovery of improper benefits.

16. Referral of names, home addresses, and financial information to financial consultants, advisors, or underwriters, when Rural Development determines such referral is appropriate for developing packaging and marketing strategies involving the sale of Rural Development loan assets.

17. Rural Development, in accordance with 31 U.S.C. 3711(e)(5), will provide to consumer reporting agencies or commercial reporting agencies information from this system indicating that an individual is responsible for a claim that is current.

18. Referral of names, home addresses, home telephone numbers, social security numbers, and financial information to escrow agents (which also could include attorneys and title companies) selected by the applicant or borrower for the purpose of closing the loan.

19. Disclosures pursuant to 5 U.S.C. 552a(b)(12): Disclosures may be made from this system to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 168a(f) or the Federal Claims Collection Act (31U.S.C. 3701(a)(3)).

CREDIT SCORE DISCLOSURE

In accordance with the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) and in connection with your application for a Rural Development Single Family Housing (hereafter referred to as “the Agency”) home loan, the Agency, upon request, must disclose to you the score that a credit bureau distributes to users and will be used by the Agency in connection with your home loan as well as the key factors affecting your credit scores.

While the Agency does not consider credit scores in determining adverse credit decisions, we may use them to presume acceptable credit in lieu of other credit underwriting practices. Credit scores assist lenders in evaluating your credit history in a more expedient and objective manner. Your credit scores are found on your residential mortgage credit report, a copy of which will be provided to you upon request. The range of possible scores is from 0 to 850. The Agency may also obtain and consider other credit scores in making its decision on your application from the credit bureaus listed below.

In addition to the credit scores, your credit report lists the key factors related to why your scores were less than the maximum possible score. Please keep in mind that the factors are only indicators of why you received less than the maximum score possible. The listing of these factors does not by itself indicate that you would not be approved for the loan you have requested. Rural Development considers many factors in addition to your credit scores in making a decision on your application. If your application is not approved, you will receive a separate notice stating the specific reason(s) for that action which may or may not relate to your credit scores.

The Agency did not calculate your credit scores or develop the scoring models. If you have any questions about your credit scores or the information in the residential mortgage credit report from which the scores were computed, you can contact the credit bureau at the address listed below.

**CBCInnovis, Inc.
8 Parkway Center
Pittsburgh, Pennsylvania 15220
(877) 237-8317**

NOTICE TO HOME LOAN APPLICANT

Pursuant to FACT Act, Section 212.

In connection with your application for a home loan, Rural Development must disclose to you the score that a credit bureau distributed to the Agency and was used in connection with your home loan, as well as key factors affecting your residential mortgage credit score.

The credit score is a computer-generated summary calculated at the time of the request and based on the information a credit bureau has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the Agency in determining whether you will obtain a loan. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

Because the score is based on information in your residential mortgage credit history, it is very important that you review the credit-related information to make sure it is accurate. Credit records may vary from one company to another.

If you have any questions, about your score or the credit information that is furnished to you, contact the credit bureau at the address and telephone number provided with this notice. The credit bureaus play no part in the decision to take any action on the loan application and are unable to provide you with specific reasons for the decision on the loan application.

If you have any questions concerning the terms of the loan, contact Rural Development.

THIS DISCLOSURE HAS BEEN PROVIDED TO THE ELIGIBLE APPLICANT(S) PURSUANT TO SECTION 212 OF THE FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003. I UNDERSTAND THAT I MAY RECEIVE A COPY OF MY RESIDENTIAL MORTGAGE CREDIT REPORT BY MAKING A WRITTEN REQUEST TO THE RURAL DEVELOPMENT OFFICE HANDLING MY LOAN APPLICATION.
