



Committed to the future of rural communities.

## *Pennsylvania*

### **Home Loan Guarantee Quick Reference Guide**

#### **Benefits...for borrowers:**

- Term - 30 years.
- Closing costs may be included in loan (no discount points).
- Appraised values can be exceeded by amount of guarantee fee - up to 103.5% LTV.

#### **For Lenders**

- Streamlined credit documentation
- FICO score of 640 or higher in most cases.
- Greater liquid assets

#### **Loan Purposes**

- Buy existing home
- Buy a new manufactured home.
- Pay closing costs.
- Pay pre-paid insurance.
- Pay necessary repairs.
- Refinance existing Rural Development guaranteed or direct loan.

#### **Existing Home - Requirements**

- Satisfactory appraisal.
- Well test.
- Must be certified to meet HUD handbook sections 4905.1 and 4150.2.

#### **New Home - Requirements**

- Satisfactory appraisal.
- Certification of occupancy.
- One year warranty on footings, framing and final inspection
- Well test.
- Septic system certification.
- First time homebuyer not a requirement.

#### **Income**

- Income must be within limits.
- Income must be dependable.
- Adequate ability to repay the loan.
- Acceptable credit history.
- Cannot obtain conventional financing.
- Citizen or permanent legal resident.
- Owner must occupy.
- Legal capacity to incur debt.
- Bankruptcy OK if discharged for 36 months.
- All household income counted.
- Overtime, bonuses and commissions count, if supported by history.
- Child support counts with 12 month history.
- Self-employment (use IRS net income) 2 year history plus current info needed.
- Same job or line of work for past 24 months.
- Degree or certification can substitute for job time.
- Verifiable wages, social security, public assistance, etc..
- Debts with 6 months or more owed will be counted.

### **Income Deductions**

- \$480 annually for each child under 18.
- Over 18 may count if full time student living at home.
- Actual child care expenses for children under 12 if parents work or are in school.
- \$400 annually for applicant or co-applicant if handicapped or elderly.
- Medical deductions may be considered for handicapped or elderly applicants.

### **Location**

- Property must be located in eligible rural areas.
- Land value cannot exceed 30% of total value.

- Term - 30 years.
- 29% PITI, 41% TD ratios
- Desktop underwriting system for loan approval.  
Free to lenders and bankers.  
Reduces documentation requirements.
- Call for details.

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### **Home Loan Guarantee:**

Links to all information and forms needed to request an RD loan guarantee in Pennsylvania.

[www.rurdev.usda.gov/pa/guaranteedhousing.htm](http://www.rurdev.usda.gov/pa/guaranteedhousing.htm)

### **Property & Income Eligibility:**

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

### **FHA Appraisers Roster:**

Using these appraisers may reduce the number of inspections required for guarantee approval.

<https://entp.hud.gov/idapp/html/apprlook.cfm>

### **ASC Appraisal Roster:**

Appraisers used must be on this list.

[www.asc.gov/content/category1/standardSearches.aspx?queryType=6](http://www.asc.gov/content/category1/standardSearches.aspx?queryType=6)

### **Federal Excluded Parties Listing:**

A list of people who have been debarred from doing business with the Federal Government.

[www.epls.gov](http://www.epls.gov)

### **Fannie Mae:**

Current interest rates.

[www.efanniemae.com/sf/refmaterials/hrny/index.jsp](http://www.efanniemae.com/sf/refmaterials/hrny/index.jsp)

### **Additional Training:**

<https://usdalinc.sc.egov.usda.gov/USDA Linc>

[TraningResourceLib.do](http://TraningResourceLib.do)

Program Guidance: See AN4543 at

<http://www.rurdev.usda.gov/SupportDocuments/an4543.pdf>