United States Department
Of Agriculture
Committed to the Future of Rural Communities

502 Direct Loan Housing Program
www.rd.usda.gov/nh ; www.rd.usda.gov/vt

Please Use This Form to Calculate
Your Adjusted Family Income.

NEW HAMPSHIRE - INCOME LIMITS WORKSHEET TO FIGURE YOUR ADJUSTED FAMILY INCOME

FOR YOUR RECORDS

Applicant's gross income per year (Current gross weekly income x 52) include overtime _____
Co-applicant's gross income per year (Current gross weekly income x 52) include overtime _____
Other income in the home (Annual Amounts) (i.e. Child Support, Public Assistance, Social Security, Bonuses, etc.) _____
Total Gross Income for Year _____
Subtract Child Care Expenses (Expenses for child care while at work) _____
Subtract $480.00 for each child _____
Adjusted Family Income _____

If you are elderly or disabled ask the Rural Development staff for additional deductions to which you may be entitled. If your adjusted income is over the direct income limits, you may want to inquire about the Rural Development Guaranteed loan program, which has higher income limits and also does not have a down payment requirement.

All applicants must have projected (next 12 months) household income below the "Direct" income threshold to be eligible for Direct Rural Development loans.

NEW HAMPSHIRE - MAXIMUM INCOME LIMITS (REVISED 6-16-2016)

COUNTY	1 PERSON	2 PEOPLE	3 PEOPLE	4 PEOPLE	5 PEOPLE	6 PEOPLE
Belknap, Carroll, Coos, and Sullivan Counties	$40,100	$45,850	$51,550	$57,300	$61,900	$66,450
Cheshire County	$40,450	$46,200	$52,000	$57,750	$62,350	$67,000
Grafton County	$41,700	$47,700	$53,650	$59,600	$64,350	$69,150
Boston, Cambridge, Quincy: includes Seabrook and South Hampton	$51,150	$58,450	$65,750	$73,050	$78,900	$84,750
Lawrence Metro: includes Atkinson, Chester, Danville, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Sandown and Windham	$46,050	$52,650	$59,200	$65,800	$71,050	$76,350
Manchester Metro: includes Bedford, Weare, and Goffstown (Part)	$44,450	$50,800	$57,150	$63,500	$68,600	$73,650
Hillsborough County (part) includes: Antrim, Bennington, Deering, Francestown, Greenfield, Hancock, Hillsborough, Lyndeborough, New Boston, Peterborough, Sharon, Temple and Windsor.	$46,050	$52,650	$59,200	65,800	$71,050	$76,350
Merrimack County	$46,050	$52,650	$59,200	$65,800	$71,050	$76,350
Nashua Metro includes: Amherst, Brookline, Greenville, Hollis, Litchfield, Mason, Milford, Mont Vernon, New Ipswich, Pelham and Wilton.	$46,050	$52,650	$59,200	$65,800	$71,050	$76,350
Portsmouth-Rochester includes: Rockingham County: Brentwood, East Kingston, Epping, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Rye and Stratham. Strafford County: Barrington, Durham, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rollinsford, Somersworth and Strafford.	$46,050	$52,650	$59,200	$65,800	$71,050	$76,350
Western Rockingham County: includes Auburn, Candia, Deerfield, Northwood and Nottingham.	$46,050	$52,650	$59,200	$65,800	$71,050	$76,350

- Loans cannot be made in Concord, Derry, Dover, Hudson, Keene, Londonderry, Manchester, Merrimack, Nashua, Portsmouth, Rochester, Salem and parts of Goffstown and Hooksett, due to Population Density.

USDA, is an equal opportunity provider, employer and lender.

To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave., S. W. , Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service). Persons with disabilities who require alternative means of communication should contact the USDA's TARGET Center at (202) 720-2600 or the USDA through the Federal Relay Services at (800) 877-8339.

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VERMONT - INCOME LIMITS WORKSHEET TO FIGURE YOUR ADJUSTED FAMILY INCOME

Applicant's gross income per year (Current gross weekly income x 52) include overtime _____
Co-applicant's gross income per year (Current gross weekly income x 52) include overtime _____
Other income into the home (Annual Amounts) (i.e. child Support, Public Assistance, Social Security, Bonuses, etc.) _____
Total Gross Income for Year _____
Subtract Child Care Expenses (Expenses for child care while at work) _____
Subtract $480.00 for each child _____
Adjusted Family Income _____

If you are elderly or disabled ask the Rural Development staff for additional deductions to which you may be entitled. If your adjusted income is over the direct income limits, you may want to inquire about the Rural Development Guaranteed loan program, which has higher income limits and also does not have a down payment requirement.

All applicants must have projected (next 12 months) household income below the "Direct" income threshold to be eligible for Direct Rural Development loans.

VERMONT – MAXIMUM INCOME LIMITS (REVISED 06-16-2016)

COUNTY	1-4 PEOPLE	5-8 PEOPLE
Addison County	$58,650	$77,400
Chittenden, Franklin and Grand Isle Counties	$65,700	$86,700
Bennington County	$51,750	$68,300
Caledonia, Essex and Orleans Counties	$51,750	$68,300
Lamoille County	$54,900	$72,450
Orange County	$53,450	$70,550
Rutland County	$52,550	$69,350
Washington County	$59,100	$78,000
Windham County	$52,400	$69,150
Windsor County	$58,550	$77,300

- Loans cannot be made in Burlington, South Burlington, Essex Junction and Winooski, and the Southeastern Part of Colchester due to the Population Density.

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MAXIMUM INCOME LIMITS AND ELIGIBLE AREAS

See the attached Income Limits Worksheet for maximum income thresholds and eligible areas in Vermont and New Hampshire.

If your income exceeds these limits, ask Rural Development about adjustments to incomes for dependent children, childcare expenses, disabled, handicapped and elderly applicants.
You may also ask Rural Development about our Guaranteed Housing Program administered through conventional lenders which has higher income thresholds.

PROCESS OVERVIEW

1. The application package is mailed to applicant
2. The applicant attends a Homebuyer Seminar
3. The loan officer receives the application and contacts the applicant for a meeting to discuss options, process, and the program
4. The loan officer sends out verifications for credit, employment, etc.
5. Usually within 30 days of receipt of application, the loan officer has verified all information and will issue a Certificate of Eligibility
6. The applicant obtains a Purchase & Sales Agreement for a property he or she wishes to purchase
7. The loan officer schedules an appointment to view the property for program eligibility
8. The applicant schedules a home inspection
9. The loan officer orders an appraisal
10. The loan officer reviews the appraisal and schedules a mortgage commitment meeting
11. The applicant and loan officer meet to discuss conditions of the mortgage commitment and escrow accounts
    - Before coming to this meeting, research and decide what attorney you want to handle your closing
    - Before coming to this meeting, also research and decide what insurance company you will want for the homeowners' insurance
12. The loan officer prepares a title request for the attorney
13. The loan officer receives all title documentation
    - If the loan is not a participation loan, a loan closing date is scheduled
    - If the loan is a participation loan with another lender, the participation package is prepared and mailed.
    - When the participating agency has approved its portion of the loan, the closing date is scheduled

The entire process should take between eight (8) and 10 weeks.
Occasional delays may result if funds are temporarily unavailable.

Updated 6-17-2016

CHOOSING A HOME

Once you receive a "Certificate of Eligibility" form and you have met with the loan officer, you may begin looking for a home within your designated loan amount.

When a Purchase and Sales Agreement has been signed by all parties, please forward the following information to Rural Development:

Existing properties:

- ✓ Copy of the Purchase and Sales Contract
- ✓ A directional map to the property and property address
- ✓ A copy of the tax map of the property or plot plan
- ✓ A copy of the legal description (e.g. Warranty Deed)
- ✓ Copy of the most recent tax bill (include sewer and water bills if applicable)
- ✓ List of improvements and cost estimates from a contractor if repairs are to be included with the Rural Development loan.
- ✓ Provide any seller concessions for closing costs or property repairs

New Construction: If you plan to build or purchase a new Manufactured Home or Modular home, please contact our Local office for a construction packet. For Manufactured Homes, Housing Dealers must be pre-approved by Rural Development and must agree to provide a contract to perform all site development work and complete the entire installation, and utility hookups. A list of pre-approved dealers is available at any Local office.

Property visit by Rural Development and next steps……

Rural Development personnel will schedule an inspection of the real estate for eligibility purposes only. If the property meets our program standards you will then obtain a Home Inspection Report, prepared by a Home Inspection Service. If any major or health or safety related repairs are indicated in the report, you will be directed to obtain estimates for those repairs. Repair costs are eligible to be included in your loan, however, you may first want to negotiate with the seller before committing to a final sales price. A copy of the Home Inspection Report and estimates must be forwarded to Rural Development for our review. Rural Development will then order an appraisal of the property, using a fee appraiser contracted by our Agency.

DWELLING REQUIREMENTS

MAXIMUM LOAN AMOUNTS - AREA LOAN LIMITS 5-04-2016

VERMONT		NEW HAMPSHIRE	
ADDISON	$228,000	BELKNAP	$232,000
BENNINGTON	$192,600	CARROLL	$194,300
CALEDONIA	$217,500	CHESHIRE	$203,700
CHITTENDEN	$299,000	COOS	$177,900
ESSEX	$197,200	GRAFTON	$218,300
FRANKLIN	$264,000	HILLSBOROUGH	$246,200
GRAND ISLE	$224,000	MERRIMACK	$255,400
LAMOILLE	$204,000	ROCKINGHAM	$259,200
ORANGE	$192,600	STRAFFORD	$245,000
ORLEANS	$217,500	SULLIVAN	$227,300
RUTLAND	$202,600		
WASHINGTON	$239,000		
WINDHAM	$212,600		
WINDSOR	$208,600		

Homes to be financed should be decent, safe, and sanitary, functionally adequate and structurally sound. All homes must be located on a permanent perimeter foundation which extends to the permanent frost line.

Existing Dwellings: Defined as a home existing for more than one year, ex. as evidenced by an occupancy permit. A home inspection report must be provided for ALL loan applications for the purchase of an existing dwelling. The following items must be specifically addressed in sufficient detail to determine the acceptability of the dwelling:

A. Electrical Systems: GFIs required in all wet areas. Smoke detectors must be present and working. Service must be adequate for the size of the home. All must be functioning adequately, with no health or safety concerns.

B. Plumbing System: All must be functioning adequately with no health or safety concerns including any on-site septic system.

C. Heating System: The heating system should have at least five years of remaining life. Chimneys, flues, boilers, etc., must be in good repair. System must meet fire code.

D. Structure System: No significant cracks in the foundation. No concerns about structural integrity should be noted.

E. Roof System: The roof should have a remaining life of at least five years. There should be no signs of leaks. The attic area should be properly vented.

F. Health and Safety Issues: Any other major health- or safety-related concerns about the property should be noted including lead based paint hazards.

G. Water Systems: Water tests are required for wells and springs. Wells and springs must serve only the property being financed. Community water systems must be monitored by the State Department of Health or the Public Utilities Commission.

SITE REQUIREMENTS

(For Construction Only)

1. The site should be contiguous to and have direct access from a street, road or driveway. Streets and roads must be hard-surfaced or all-weather surfaced

   The site must be a “minimum adequate site,” which is defined as the smallest area sufficient for the dwelling, water and waste disposable systems, other related facilities, and a yard. A typical site is generally one acre or less. Sites in excess of one acre may be approved on a case by case basis.

2. Sites located in special flood hazard areas, as designated by the Federal Emergency Management Agency (FEMA), may be financed only if:

   A. The community has an approved flood plain area management plan.
   B. The project and construction plans and specs comply with the approved flood plain area management plan.
   C. Potential environmental impacts and feasible alternatives have been fully considered. (See RD Instruction 1940-G for more information).
   D. The homeowner must purchase flood insurance prior to closing, and maintain it thereafter.

3. If the property does not have access to water and sewer that are provided by a state-monitored system, then the property’s water and septic systems can serve only the property being financed. Water tests on wells and springs are required to show that they are safe sources of drinking water for human consumption.

4. In-ground pools are not allowed on any Rural Development-approved site

5. Subdivisions must be approved by local, regional, state or federal government agencies before issuance of a Conditional Commitment. All streets, water systems and waste disposal systems must be complete. Provisions for continuous maintenance of streets, water systems and waste disposal systems must be in place. Dwellings served by homeowner associations (including condominium and Planned Unit Developments) are acceptable if they are approved or accepted by HUD, VA, Fannie Mae, Freddie Mac, or the State Housing Finance Agency in Vermont or New Hampshire.

MONTHLY PAYMENT AND ESCROW RESPONSIBILITIES

As a homeowner you need to understand the additional responsibilities that accompany the initial purchase of a home. Protecting your investment is an ongoing process that requires constant attention and financial discipline.

1. **Monthly Mortgage Payments**: Rural Development mortgage payments must be paid by the due date, as there is NO grace period. Late or skipped mortgage payments have detrimental effects on your credit rating, increase the amount of interest paid on your mortgage loan, encourage late fees to be charged to your account and potentially lead to foreclosure of your property. These problems can be avoided by making your mortgage payment a priority. Making every effort to live within your financial means and avoiding any overspending that may interfere with your ability to repay your mortgage will help you to become a successful homeowner.

2. **Escrow Payment of Real Estate Taxes and Property Insurance Premiums**: You will pay 1/12 (one-twelfth) of your real estate taxes and one-twelfth of your property insurance premiums each month when making your mortgage payments. These monies are then held (escrowed) at our Centralized Servicing Center and paid directly to the taxing authority and insurance companies two weeks before each installment is due.

HOME BUYER EDUCATION

Homebuyer education is a valuable and necessary tool in purchasing a home, and ***is a requirement for obtaining a loan through Rural Development.*** Please find attached: the Home-Buyer Education seminars and courses.

Owning your home is probably the largest and most important investment you will ever make for you and your family. We want you to be prepared for the financial and new budgeting aspects of home ownership. Keeping your mortgage loan and other home costs current MUST be your top priority. Owning a home is a very rewarding and worthwhile experience.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has, in good faith, exercised any right under the Consumer Credit Protection Act. The Federal Agency that administers compliance with the law concerning this credit is:
The Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

United States
Department of
Agriculture

SINGLE FAMILY HOUSING LOAN PROGRAM
INFORMATION AND FREQUENTLY ASKED QUESTIONS

Rural Development provides loans in rural areas to eligible low- and very low-income applicants. The loan may be to purchase existing housing, purchase and repair existing housing, purchase a building site and construct a dwelling, or purchase new housing. Rural areas include open country and places with population of 10,000 or fewer and, under certain conditions, towns and cities between 10,000 and 25,000 residents.

The property must be in good repair or placed in good repair with loan funds. Third-party inspections are required for electrical, heating, plumbing, water and wastewater disposal systems, if applicable, and termite inspections. These third-party inspections must be performed by a qualified inspector. The payments for costs associated with the inspections will be agreed upon between the buyer and the seller and should be discussed prior to signing a purchase agreement.

All who apply get equal consideration without regard to race, color, religion, sex, marital status, age, disability or national origin.

Does it matter how many other bills I have to pay?

Rural Development will look at how much you currently owe to others. We'll want to know if paying back the proposed loan on top of your other payments will be difficult for you.

What if I think my income is too low?

Having enough income to repay your loan is an important part of getting a loan; however, the Rural Development loan may be subsidized. A subsidized loan is based on the applicant repaying a percentage of their income toward the housing payment, taxes, and insurance. The percentage is generally 22, 24, or 26 percent of the applicant's household income.

What can I do if my income is too low?

The easiest thing you can do is consider a co-applicant to apply with you. Rural Development will then look at the combined credit histories and income. That can do a lot to improve your chances for approval. If you want a co-borrower, be sure to have the person complete the Co-Applicant section of the application form and sign his or her name next to yours.

How can I determine if my income is adequate to repay a loan?

The amount of your proposed monthly house payment, real estate taxes, insurance, and other credit debts cannot exceed 41 percent of your gross monthly income. If you have questions regarding how this determination is made, you may contact your local Rural Development office.

Can I get a loan if I'm unemployed?

A steady source of income is very important to getting a loan. An applicant must show sufficient resources to repay the housing loan. Not having a job may have an impact on the Agency's decision. Experience has shown that applicants with stable jobs are more likely to repay the loan.

Will you find out about other credit I've had?

Yes. Your credit bureau report provides information on your payment history including any difficulty you have had repaying other loans or credit cards. That information will be used to see if you can easily repay the loan.

How can I find out if I'm eligible for a loan?

A Rural Development employee is available to discuss eligibility requirements with you on an individual basis by phone or in person during regular office hours. Any interested person may make written application at the local Rural Development office.

Will I know right away if I qualify for a loan?

A Rural Development employee is available to discuss eligibility requirements with you on an individual basis by phone or in person during regular office hours. Any interested person may make written application at the local Rural Development office. Rural Development staff can pre-qualify the applicant with unverified information provided by the applicant by phone or in person. However, a final eligibility determination will not be made until a written application is filed, household income is verified, and a mortgage credit report is obtained.

How long will it be before I can move into my new home?

Typically, applicant eligibility, loan approval and loan closing may be accomplished within approximately 90 days of filing the written application. However, depending on the availability of Government funding, this time frame may be extended. The applicant is periodically advised regarding the status of his or her application when there is lack of funding.

How much money will I need for a down payment?

A down payment is not required. Loans may be made for up to 100 percent of the market (appraised) value. Simply put, if the sales price of the property is equal to or less than the appraised value, no down payment is needed.

Does this mean I won't need any cash to get a loan?

Generally, the applicant will need some cash available. There are costs associated with the credit report, appraisal report, escrow and other related closing costs. The credit report fee is always paid for by the applicant. Costs pertaining to the appraisal, escrow, and loan closing may be included in the loan amount. You may also negotiate with the seller to contribute a percentage toward closing costs. Any agreement with the seller should be entered into prior to signing and documented in the purchase agreement or sales contract.

Does the applicant have other responsibilities?

Yes. Rural Development's staff is available to assist the applicant from the application to loan closing. The applicant is responsible for providing requested information. The information may be requested by Rural Development staff, a real estate agent, or a closing agent. Failure to provide information timely results in delayed decisions and other actions.

Are there other eligibility requirements?

Yes. The applicant must:

1. Be without decent, safe and sanitary housing
2. Be unable to obtain a loan from other resources on terms and conditions that they can reasonably be expected to meet
3. Possess the legal capacity to incur the loan obligation

What are the terms of the loan?

The maximum repayment period is 33 years and, under certain conditions, 38 years. The maximum repayment period for manufactured homes is 30 years.

Does Rural Development have Fixed or Variable interest rates?

Rural Development closes all of its loans at a fixed interest rate. The interest rate on your Promissory Note is fixed for the term of your loan.

How does Rural Development determine what rate to charge at loan approval?

Just like a bank, the Government periodically adjusts the rate it charges. Rural Development uses Government funds for this loan program and charges a rate to the customer that covers the cost of borrowing the funds from the U.S. Treasury.

How is the fixed rate affordable to me?

Rural Development charges you a fixed rate but makes it affordable by giving you monthly assistance toward the interest cost. To make the payment affordable for low income homeowners, Rural Development credits (pays) a portion of your monthly payment. This is called Payment Assistance. This is not a grant; it is deferred interest that you must repay at a later time.

How is the amount of Payment Assistance determined?

The amount of payment assistance and the amount you pay are based on several factors. The amount of your household compares to the median family income of the area. The rate of interest that you will pay can vary from 1% to the full fixed note rate.

When will we know the amount of our payments?

At your initial interview, the loan officer will give you an estimated payment. The actual payment will be determined at loan closing.

Can our payment change?

Annually, the amount paid by you and Rural Development is reviewed. Your payments can change based on changes in your total household income. Usually, if your income increases, your mortgage payments will increase. Your Payment Assistance Agreement is reviewed annually and expires automatically if not renewed by you.

Can our payment change more than once per year?

Should your total household income significantly increase to the point where you no longer qualify for payment assistance, your mortgage payment would then increase to the full fixed payment amount. This will stop the accumulation of payment assistance and is actually to your advantage. Termination of payment assistance helps you move to quickly build equity in your property. Conversely, if you have a significant reduction in your household income, your payment could be reduced at any time prior to our annual review.

Can we terminate the Payment Assistance Agreement at any time?

Yes. You can cancel the Payment Assistance Agreement at any time and pay your fixed rate of interest payment. This is usually done only when you know you can afford the full payment.

When is the interest subsidy repaid?

Payment Assistance accumulated since the time your loan closed will be repaid when the principal and interest balances of your loan are paid, you sell or transfer title to the property or no longer live in the dwelling. The amount to be paid back is called subsidy recapture. It is based on the value of the property at the time your loan is paid off/title transferred/you no longer reside in the home, the average interest rate paid by you, length of time the loan has been outstanding and the equity in the property. The recapture amount always comes from the equity in the property. Rural Development and you share the equity amount. Should you sell your home, and after deducting the selling expenses there is no remaining equity, you will pay NO recapture. Conversely, should your home significantly increase in value, you will never pay back more than the amount of payment assistance Rural Development paid on your behalf.

What happens when I refinance my loan with another lender?

Borrowers are always encouraged and sometimes required to refinance. You may either pay off the unpaid principal, interest and recapture in one lump sum, or pay of the unpaid principal and interest only, and defer the recapture amount. With the second option you can only borrow principal, interest and closing costs from another lender. The amount of recapture would then be calculated, and the new lender would assume first lien position on your property. Rural Development would then secure the recapture amount by maintaining a second mortgage on your property. This deferral is available only if you continue to own and occupy the property.

What is a participation loan or a leveraged loan?

A leveraged loan is when Rural Development provides mortgage financing simultaneously with another funding source, such as a Community Land Trust or State Housing Authority, to an applicant(s) to purchase a home. Leveraged loans offer advantages to both Rural Development and the applicants. By combining its resources with those of other lenders, Rural Development can assist more applicants. For this reason, loan leveraged with other sources of funding receive a processing priority.

Purchasing a home through a leveraged loan will, in some cases, be the first opportunity for applicants to establish a relationship with a private lender. For others, combining the Agency loan with a grant or low interest loan from another subsidy program may be the only way to make home ownership possible.

Do I have to apply to both Rural Development and the participating lender for a leveraged loan?

No. Rural Development works very closely with the participating lenders and you only have to apply to one lender. In most cases, Rural Development will process your application and coordinate the process to avoid any burden on the applicant.

Where may houses be located?

Houses must be located on desirable sites with an adequate supply of safe drinking water and suitable arrangements for sewage disposal. Streets must have an all-weather surface and be maintained by a public body. There are a few cities with large populations that Rural Development cannot finance homes in. Please consult your local Rural Development office if there are areas that they cannot offer loan assistance.

What about the size and design of the home?

Costs and design vary in different areas of the country.

Where may I apply?

Applications can be obtained from the local Rural Development office serving the area in which the house will be located.

YOU AND YOUR CREDIT RECORD

The history of your past payment performance is usually the best indicator of how well you may be able to repay a new loan. All lenders are concerned about your credit record, but in the report there may be mistakes and incomplete reports that could hurt your chances of getting approved for a loan.

Review Your Credit Report:

Residents are allowed one free consumer credit report every twelve months for the purpose of making sure that information reported about you is accurate. If you find errors on your credit report, you should get it corrected immediately by writing to the credit agency.

Understanding Your Credit Report:

When you get a report, it should contain an explanation of the categories and codes used. Your first time reviewing your report, however, may be difficult. We recommend that you discuss your credit report with your Rural Development loan originator.

How To Get a Copy of Your Report:

Call 1-877-322-8228 or www.annualcreditreport.com for a free copy of your credit report.

You will need to provide your full name (maiden name, too), current address, previous address, social security number, date of birth, and your signature to the credit agencies. For phone calls or on-line requests there will be other verifications requested to protect your privacy.

SOCIAL SECURITY STATEMENT

Social Security Statements are now available at www.socialsecurity.gov. The new Online Statements provide eligible workers with access to a history of their Social Security earnings and projected benefits. You can get estimates for retirement, disability and survivors' benefits, so these statements can be an important financial planning tool.

At the Social Security website, you'll be asked to provide information about yourself that matches Information already on file with Social Security. Experian, a major credit bureau, provides additional verification. After your identity has been verified, you can create a "My Social Security" Account with a user name and password for access to your online Statement.

These statements not only help with financial planning, they also provide a convenient way to check that your earnings are accurately posted to your Social Security Records. Social Security benefits are based on average earnings over your lifetime; if the earnings information is not accurate, you may not receive all the benefits to which you are entitled. Therefore, viewing your statement gives you the opportunity to correct any errors that are on file.

FUNDING COMMITMENT AND LOAN APPROVAL

Once the loan officer has reviewed the Home Inspection Report and Appraisal, the loan officer will set up a commitment appointment with the borrower. This appointment will be the final loan approval process.

Please bring the following information:

1. Name, address and telephone number of your Attorney
2. Name and telephone number of Homeowner's Insurance Company

LOAN CLOSING

Rural Development does not require a down payment. However, applicants are normally responsible for their own closing costs which generally range from $3,500 to $6,500.

After your mortgage loan has been approved and all of the processing conditions have been satisfied, a loan closing will be scheduled. You will need to choose an attorney who meets our closing criteria so that we can forward the necessary loan papers to him or her.

If you have any questions about our program or the status of your application, please feel free to contact our office.

www.rd.usda.gov/nh ; www.rd.usda.gov/vt

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FOR YOUR RECORDS

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 tri-merge 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.

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 tri-merge credit report from which the scores were computed, you can contact the credit bureau at the address listed below.

Equifax Mortgage Solutions
815 East Gate, Suite 102
Mount Laurel, NJ 08054
(800) 333-0037

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 tri-merge 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 tri-merge 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 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 TRI-MERGE CREDIT REPORT BY MAKING A WRITTEN REQUEST TO THE RURAL DEVELOPMENT OFFICE HANDLING MY LOAN APPLICATION.

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