

Loan Packaging Express

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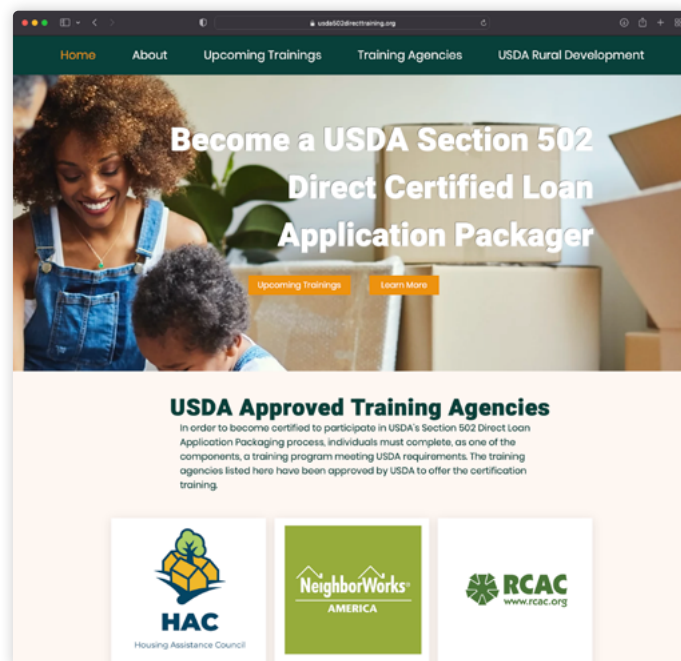
Certified Packaging Process Updates

In conjunction with our partners at the Housing Assistance Council (HAC), NeighborWorks America (NWA), and Rural Community Assistance Corporation (RCAC), we are pleased to announce the debut of our new training website and online training platform to support Single Family Housing Direct (Section 502) loan program application packaging.

In addition to in-person classes, online training will be offered on a regular basis. The new website offers information about training opportunities and provides a calendar view. At least eight trainings will be offered annually, allowing ample opportunity for packagers to get certified.

Here's how to find USDA's new training website and online training platform:

- USDA Rural Development's Direct Loan Application Packagers' webpage is available at this link:
<https://go.usa.gov/xSSyM>
- The online training platform is available at
<https://tinyurl.com/az9ur65r>



The USDA Rural Development Direct Loan Application Packagers website: <https://www.rd.usda.gov/direct-loan-application-packagers> provides information related to upcoming certified loan application packager training, USDA program training, an intermediary coverage map, and other resources. Be sure to bookmark and visit the site often to check for updates.

Inside this issue:

Persevering Through Hard Times.....	2
Homeownership is a Team Effort.....	3

Partner Spotlight: Lifting Individuals for the Next 50 Years	3
American Rescue Plan Act (ARPA) of 2021	4

Persevering Through Hard Times

Jamie and Amanda Hudon are an example of overcoming obstacles in a challenging housing market.

The Hudon family – which includes four children – were renting a single family home in Laconia. Their monthly rent covered the landlord's mortgage, and they were handling upkeep on the house, as well. When the landlord increased the rent, they knew they would be paying more in rent than a monthly mortgage. It was time to own a home of their own.

Fortunately, the Hudons were strong savers and careful spenders. Knowing their desire and readiness to purchase a home of their own, it was apparent to their local bank loan officer that the Hudons' best option was the USDA Rural Development Single Family Housing (Section 502) Direct Loan Program.

As one of NeighborWorks Southern New Hampshire's (NWSNH) knowledgeable and dedicated volunteer partners, the loan officer knew that – in addition to providing quality homebuyer and financial wellness education and counseling programs – NWSNH's team of U.S. Housing and Urban Development (HUD)-certified housing counselors also serve as certified loan application packagers for the Section 502 Direct Loan Program. We help determine if the program is a good fit for a prospective homebuyer, assemble and submit a complete application package, and help a buyer navigate the home purchase process.

The first step for the Hudons was to complete one of NWSNH's first-time homebuyer seminars. Upon completion, they were assigned to work with one of our counselors to review their current financial situation to develop a personal action plan to reach their goal of homeownership. Their Housing Counselor determined they were eligible for the Section 502 Direct Loan Program. He helped them submit their application, and after a short wait, they received a certificate of eligibility from USDA. Amanda and Jamie were then able to work with a real estate professional to search for a new home.

But then the unexpected happened: Jamie was furloughed from his job detailing cars at a local auto company, and Amanda's hours in the food industry were



reduced. "I never thought that the used car inventory would be so depleted due to demand," said Jamie. The Hudons stayed positive, and their jobs resumed after a few months. USDA restored their eligibility, and they resumed house hunting.

Their determination led to a successful bid on a home in Laconia that required various repairs in order to meet USDA Rural Development financing standards. Initially, the seller was reluctant to do the necessary repairs. However, with input from NWSNH's team of experts, an arrangement acceptable to the Hudons, the seller, and USDA RD was reached.

The Hudon's experience ended on a positive and happy note, moving their family of six into their very own home.

Paul McLaughlin,
NeighborWorks Southern New Hampshire



Did you know you can use the [Single Family Housing Self-Assessment tool](#) as a way to conduct a pre-eligibility assessment? Simply select an assessment type (build, purchase an existing home, or refinance) then complete the information as prompted. Once an assessment is completed, it can be saved or amended at a later date.



Homeownership is a Team Effort

We are very grateful to each of you for your part in helping rural Americans get – and keep – homeownership. As of July 2022, the efforts of our partners like you have resulted in more than 1,100 new direct loans totaling more than \$254 million dollars. Your efforts to help educate existing Section 502 Direct and Section 504 Repair borrowers about the American Rescue Plan (ARP) Act of 2021 (information available at this link: <https://go.usa.gov/xSSpe> - PDF), which focuses on refinancing existing borrowers to improve affordability following the COVID-19 payment moratorium, are appreciated as well. Thank you for your outstanding work and dedication to homeownership!

While there is so much to celebrate, there are also more opportunities to ensure every American has a safe place to call home. On May 17, 2022, President Biden released a [Housing Supply Action Plan](https://tinyurl.com/de459hcj) (information is available at this link: <https://tinyurl.com/de459hcj> - PDF) to ease the burden of housing costs over time by boosting the supply of quality housing in every community. This plan

includes legislative and administrative actions that will help close America's housing supply shortfall in five years, beginning with the creation and preservation of hundreds of thousands of affordable housing units over the next three years. We're excited about the future of our single family housing programs and the important role they'll play in the President's action plan. More importantly, we look forward to the expanded role we'll play with you – our packaging partners – particularly in the areas of new construction and rehabilitation.

Thank you for all you do to support affordable housing. We could not do it without you! We welcome your feedback on how our partnership can ease the burden of housing costs and boost the supply of quality housing in rural America.

Brooke Baumann

Director

USDA RD Single Family Housing
Direct Loan Division

Partner Spotlight: Lifting Individuals for the Next 50 Years



In 1964, three separate Community Action Agencies existed in Choctaw, Pushmataha, and McCurtain Counties of Southeast Oklahoma. These three agencies operated the following Office of Economic Opportunity (OEO) programs: Administration, Emergency Food and Medical, Neighborhood Centers, and Summer and Full Year Head Start programs. By 1968, the agencies merged to better meet the needs of the residents of Southeast Oklahoma. The newly founded "Little Dixie Community Action Agency Inc." (LDCAA) included all three counties and encompassed more than 4,000 square miles.

LDCAA was incorporated as a nonprofit organization in April 1968. The agency's stated mission was "To assist in developing, executing, and coordinating plans and programs authorized under the Economic Opportunity Act of 1964 and subsequent amendments ... and other federal, state, and local laws and programs which will tend to

alleviate and eradicate poverty within the area of operation of this agency, exclusively for charitable purposes."

Throughout its history, LDCAA has grown, adding new programs and services to meet the needs of the area and its most vulnerable populations. In 1971, LDCAA's annual budget was \$607,583. Today, it's close to \$22 million. Our agency is an approved intermediary for the USDA Rural Development Single Family Housing (Section 502) Direct certified loan application packaging process in nine states, and actively works with states and packagers to submit applications for the Section 502 program.

In 2021, we renamed and rebranded our agency as "LIFT Community Action Agency Inc." LIFT stands for "Lifting Individuals For Tomorrow." This name change represents our true identity as a Community Action Agency. For more than 50 years, we have strived to meet the needs of residents in Southeast Oklahoma and beyond, providing services to equip individuals and families with the tools and resources necessary to achieve self-sufficiency. LIFT's beliefs, core values and mission will stay the same, and we remain dedicated to the National Community Action Mission of "Helping People. Changing Lives."

We look forward to the next 50 years.

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LIFT Community Action Agency Inc., Oklahoma

American Rescue Plan Act (ARPA) of 2021



As we shared in our last newsletter, the American Rescue Plan Act (ARPA) of 2021 made additional funds available for USDA RD Single Family Housing Direct (Section 502) and Single Family Housing Repair (Section 504) program borrowers.

This funding is available until September 30, 2023. The initial focus has been on refinancing existing Direct loan program borrowers who received payment moratoriums because of COVID-19. Since RD began accepting applications in May 2021, we have obligated over 1,000 refinance loans totaling more than \$130 million.

As a packager, you can help borrowers eligible for ARPA funding. With the exception of delinquent federal debt, ARPA applications are not subject to credit evaluation, repayment ratio requirements, or evaluation of assets for down payments or repayment income. Income documentation is needed to calculate annual and adjusted annual income. All information is submitted with the initial application package; there is no Phase 2 submission. Permissible packaging fees – including those for ARPA – were updated in a December 2021 Rural Development Unnumbered Letter (available at this link: go.usa.gov/xSSwh - PDF).

To be eligible for an ARPA refinance, borrowers must be (or have been) on a COVID-19 moratorium and meet applicable income limits (Direct loans must not exceed the applicable moderate-income limit, and Repair loans must not exceed the applicable very-low income limit).

Please visit rd.usda.gov/arpa or the USDA Rural Development Home Loans webpage (available at this link: pubmai.sc.egov.usda.gov/) for the following:

- Standardized ARPA application package (packagers must use this package, which contains a required capital improvement form)
- The ARPA Fact Sheet



Additional resources located on the Direct Loan Application Packagers webpage (available at this link: go.usa.gov/xSSf9) include:

- ARPA-specific Checklist of Items to Accompany URLA (in lieu of Attachment 3-J or 12-E)
- ARPA Worksheet (used instead of the Worksheet for Computing Income and Max Loan Calculator or the Section 504 Worksheet)
- ARPA Packaging Required Disclosure Letter
- ARPA Packaging Phase 1: Application Submittal Cover Letter for ARPA
- ARPA Stacking Order Checklist

Sonya Evans

Finance and Loan Analyst



We appreciate hearing from you! If you have a success story that highlights the benefits of packaging for the Single Family Direct Housing Loan or Home Repair Loan and Grant programs, please contact Sonya.Evans@usda.gov.

Contact Us

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- www.rd.usda.gov
- [Single Family Housing Direct Home Loan Program](#)
- [RD Regulations and Guidance](#)



For coverage and contact information, please visit the [Single Family Housing Intermediary Map](#).