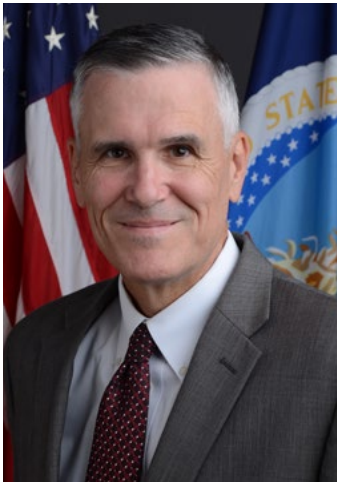


# Loan Packaging Express

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## Greetings to the Packaging Community!



We wrapped up another eventful Homeownership Month in June 2019. During that month, I was able to visit New Mexico, New Hampshire, Wyoming and South Dakota where the affordable housing community was singing the praises of loan application packagers and the benefits the process brings to getting families through the

loan application process speedily and into their new homes quicker than ever before. USDA Rural Development appreciates the contributions of the loan application packaging community to serving rural homebuyers and plans to coordinate with you to increase the volume of

packaged loan applications as we continue to evolve and improve the supporting application processes. Our vision is that we incrementally move towards a fully electronic process for 502 and 504 loan application processing over the next 36 month, including application intake, ordering credit reports, and underwriting. The packager community’s input will play an important role in how we design the technology improvements.

Thank you for all you do towards supporting affordable housing in rural America. We could not do it with out you, and welcome your feedback on our partnership. You may contact me anytime by phone at 202-692-0145 or by e-mail at [roger.glendenning@usda.gov](mailto:roger.glendenning@usda.gov).

**Roger Glendenning,**  
Deputy Administrator  
USDA, Single Family Housing



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 trainings, USDA program trainings, intermediary coverage map, resources, and more. Make sure to bookmark and visit the site often to check for updates!

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# Family of Eleven Enjoys Much Needed Space and Affordability Through Homeownership

With eleven family members, Jason and Kabrina Haar's family is quite big compared to most. The couple, along with their nine children ranging in ages from 18 years old to 10 months, had been living in a single-wide three-bedroom manufactured home just outside of Herreid, South Dakota. The realization quickly set in that the family had outgrown the space this home offered.

Local community member, Dick Werner, who also happens to be the President of the Herreid Area Housing Development and a credit officer for Dakota Resources, knew of the family's situation. Working together with the Haars, Dick brought together many partners to provide the family the opportunity to move into a home that provided the much-needed space and affordability that was in sync with the family's size and income.

The various partners helped lead the family to homeownership. The family qualified for a USDA Rural Development Direct loan packaged through Homes Are Possible, Inc. (HAPI). Herreid Area Housing Development Corporation provided the spec home, a Governor's Home through South Housing Development Authority (SDHDA). The house has three bedrooms, two bathrooms, and an entryway on the main floor and three bedrooms and one bathroom in the basement.

The federal loan was leveraged with a Grow SD Dakota Dream grant; HAPI silent mortgage funds; Grow SD silent mortgage funds; Herreid Development Corporation forgivable mortgage grant; and a HAPI forgivable mortgage grant for total participation funds of \$42,500.

The Haar family rented the home from October 26, 2017 through June 25, 2019 when they became official



*The Haar family's new home with plenty of room for everyone!*

homeowners of this property. New homeowner Kabrina Haar shared that the family now has plenty of room for everyone. "Without Rural Development, we would not be able to own a home that fits our family comfortably," said new homeowner Kabrina Haar. "The entire process was a nail biter, but with perseverance and determination, we made it through. We thank everyone who had a part in this, as this home is everything to us!"

**Tammi Schone**

Public Affairs Specialist, USDA, South Dakota

# The journey from renting to homeownership with the assistance of the Self-Help Housing Program

A Tennessee family lived in public housing for years with their two daughters. They both worked hard to provide for their twin daughters. With rental prices rising it was a struggle to make ends meet. When they came to Eastern Eight, the self help program offered them something they never thought possible: homeownership.



The daughters were so excited to get the opportunity to paint their own rooms and choose the color. They agonized over their color choices all throughout the building process. They were going to have their own bedrooms now so they each got to choose. After agonizing over colors, it was finally settled: one bubblegum pink room and the other royal blue. When their rooms were done, they couldn't believe it, they had their

own rooms painted in their favorite color and they had a yard to run and play in. The parents are ecstatic to have stability for their daughters as they grow up in Elizabethton, TN in the Patriot Place neighborhood built from the ground up and inhabited by them and their neighbors.

**By: Don Harris**, Program Director, USDA  
**Craig Knutson**, USDA

**Note from Myron Wooden (USDA):** Many thanks to the great folks in TN that are involved with the Self-Help housing program for sharing this story! It truly takes the families, grantees, T&MA contractors, and RD working together to that common goal of homeownership to make this work. Continue to foster those relationships and spread the word that RD is here to help in any way we can to build rural communities.

## Collaboration Reaps Rewards



**Jamie Puckett, Fahe at a recent partner training session**

Collaboration is at the core of Fahe. We strongly believe if we want to make the biggest impact in our communities, we should do it together.

Jamie Puckett, one of our Mortgage Production Specialists, is incredibly knowledgeable of USDA 502 Direct loans and has recently found herself in high demand in regards to trainings around the mortgage product and Fahe's USDA 502 Packaging Program. By collaborating with local USDA offices and packagers in Appalachian and across the country, Jamie is helping local non-profits increase their capacity and more importantly, allowing them to serve more families.

The following blog was submitted by Jamie and recounts her most recent trainings:

My position as Mortgage Production Specialist at Fahe allows me to travel to different states, helping more people get access to USDA 502 Direct loans. These affordable, low-interest loans help low- and very low-income households reach the dream of homeownership. This spring has proven the perfect time to be on the road, putting a face with current packagers I talk with on a regular basis and networking with potential packagers (the local nonprofit organizations that help USDA and Fahe connect with new clients).

The South Carolina USDA Single Family Housing Program Director invited me to visit Columbia to meet with USDA staff and nonprofit organizations. On March 22, I gave three presentations for packagers and USDA staff: 1) explaining what an intermediary is and how USDA and Fahe (as intermediary) work together; 2) Tips and Best Practices to reiterate requirements from state level to packager level and; 3) Marketing Tips. There were 25 people in attendance, representing 10 nonprofit organizations. This opportunity provided valuable networking time among folks who regularly talk on the phone but hadn't the chance to put a face with a name.

In fact, I had dinner with potential packagers, and already two of those nonprofit organizations have signed up! This is the rewarding part of my job: more organizations on board means more people will have access to this affordable loan product.

Funding from the Wells Fargo Housing Foundation allows Fahe to deepen our collaboration and advocacy for 502 Direct at a national level.

**By: Laura Meadows**, Senior Vice President of Lending, Fahe  
**Jamie Puckett**, Mortgage Loan Production Specialist, JustChoice Lending – A division of Fahe



Did you know that you can use the [Single Family Housing Eligibility 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 and re-visited/amended at a later date.

## A Celebration of Partnership



**Terri Weyer, RD SFH Southern Indiana Team Lead, explains the Section 504 home repair program to Bill Osgatharp of Petersburg, Indiana. Tri-Cap determined if there was lead based paint in Mr. Osgatharp's home prior to window replacement with RD funding.**

For Homeownership Month in June 2019, the Rural Development (RD) staff in Jasper, Indiana celebrated their long-term partnership with Tri-Cap, a nonprofit that provides health, housing, and educational services to southwestern Indiana. For almost two decades, Tri-Cap has partnered with RD to ensure that very low-income homeowners in southwestern Indiana have safe and energy efficient homes. In conjunction with RD's Section 504 home repair program, Tri-Cap has provided lead based paint testing and has leveraged their weatherization and energy assistance programs.

Expanding their partnership with RD, Tri-Cap began packaging Section 502 Direct loan applications a few years ago. While they initially only packaged loan applications in their standard service area, they now package loan applications across all of Indiana. Thanks to Neil Elkins, Tri-Cap's Housing Services Director who makes their packaging program run like a well-oiled machine, RD obligated several direct loans in Fiscal Year 2019 that were packaged by Tri-Cap.

RD is looking forward to continuing this productive partnership with Tri-Cap to help rural Indiana families with home purchases and home repairs.

**Terri Weyer**, USDA, Indiana





## The Journey Home

My recent flight home from Washington, D.C. started with a tarmac delay due to a severe storm. It seemed bleak, watching the stranded parade of planes, making no forward progress due to the deluge.

Eventually, we took flight and once off the ground the powerful storm was far enough in the distance that its menace had turned to beauty and eventually the sun broke through, shining down on the earth below.

Evening flights west typically result in a never-ending sunset view. However, during this journey, we encountered several areas of thick clouds which obscured, though never fully diminished, the waning glow of the day. Amidst these times, the pilot warned of turbulence and the need for seatbelts, and we heeded the warnings as we jostled about, trying to keep beverages from spilling. At least twice, he reported altering the course to avoid a storm—but all the while he piloted on - until one final burst through the cloud layer blessed us with a view of the setting sun on the horizon's edge, extending the beauty of the day for the last 2 hours of our flight. We basked in the brilliant colors, until at long last the warm glow of the day's end could be seen blanketing the mountains, islands, and waterways of home.

So it is with the process of homeownership. Potential applicants often start their journey with a tempest of credit and repayment issues which delay their progress. They may feel hopelessly stuck on the tarmac, unable to reach their destination.

Amelia Earhart is credited with saying, "The most effective way to do it, is to do it." Packagers and Rural Development (RD) staff are the aviators who get passengers and their

applications cleared for takeoff and piloted home. There may be turbulence as that application is processed. Delays and challenges may cloud the ability to see the goal. Course adjustments may be needed to modify aspects of the application and avoid unforeseen storms. But with perseverance and a dedicated pilot, eventually the clouds clear and the destination of homeownership comes into full view.

That said, even the best pilot has a flight which doesn't conclude as scheduled. Captain Sully Sullenberger knows that all too well. When US Airways flight 1549 didn't go as planned, he famously saved all 155 of his passengers by landing the plane in the Hudson river. While he failed to reach his destination, he learned something along the way. He has said, "Not every situation can be foreseen or anticipated. There isn't a checklist for everything." and "... we owe it to our passengers to keep learning how to do it better." Every applicant may not qualify for a loan. But each deserves a skilled aviator who guides their plane and lands them safely.

The journey isn't always smooth, but the lessons learned often lead us to the greatest rewards. As you pilot your passengers to their destination, crosscheck your processes. Pursue training, seek ways to improve your methods, network to learn from others' experiences, and submit suggestions for ways RD can improve its procedures.

You have been cleared for take off....enjoy the journey home!

**By: Tammy Repine**

SFH Finance and Loan Analyst, USDA

## Contact Us

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[www.rd.usda.gov](http://www.rd.usda.gov)

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[Direct Home Loan Program](#)

[RD Regulations and Guidance](#)



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