

Loan Packaging Express

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Celebrating Homeownership



In June, Rural Development (RD) celebrated National Homeownership Month with events across the nation to raise awareness of - and increase applications to - our **Single Family Housing (SFH) Programs**, which help people buy, build, or repair housing in rural areas.

Since 1949, Rural Development's (RD) Single Family Housing (SFH) Programs, which help people buy, build or repair housing in rural areas have helped 4.8 million people achieve the dream of homeownership in rural America.

Well-built, energy efficient, affordable housing is crucial to the strength of communities in rural America. Lower-income families can purchase a home with no money down, enabling them to build wealth and equity over time.

Partnering with loan application packagers meaningfully increases the reach of our SFH Direct Home Loan programs. In the past 24 months, nearly 4,000 Single Family Housing Direct applications have been submitted with help from application packagers.

While we always commemorate National Homeownership month in June - a time of renewal and growth - it's my hope we remember there is much to celebrate year-round. Your steadfast work as application packagers, intermediaries and self-help grantees mean thousands of rural Americans will gather in their own homes this holiday season. Thank you for playing such a vital role in assuring access to the dream of homeownership.

Shannon Chase

Branch Chief

Direct Loan Origination Branch



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.

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Affordable Accessibility



Elisa Chavez' spouse, Martin Hernandez, has been physically disabled since an accidental fall five years ago. Together, Martin and Elisa are the proud parents of seven wonderful children: five daughters and two sons.

At the time of Martin's accident, the family was living in a small walkout basement apartment. Elisa took on full-time custodial work to provide for her family, while also tending to her husband's care. It didn't take long for her to realize they needed a more accessible home.

Upon hearing about the mutual self-help program, Elisa filled out a pre-application with Self-Help Homes and was on a waiting list for a home in Salem, Utah.

Soon, she was approved to build a home in a group with nine other families. The Single Family Housing Direct loan closed in April 2020, and the families began construction in June.

This February, all 10 homes in the group were finished, and Martin, Elisa, and their children moved into their bright, new home.

The home was built with some excellent accessibility features:

- The main floor framing system was lowered to allow for an entryway without steps
- The bathroom has a roll-in shower with an adjustable-height shower head, modified cabinets, a roll-under sink, and a toilet that sits higher than a standard commode
- Pocket and sliding closet doors make moving between rooms easier
- Hallways are wider to accommodate Martin's wheelchair
- Some electrical switches are placed lower than is typical of a non-accessible home
- Ramps provide wheelchair access to the patio and garage, allowing Martin easy access to all areas of his new home

These modifications will ensure long-term accessibility for Martin, enabling him to maintain his independence.



Left to right - Ray Tuckett, Martin Hernandez, Elisa Chavez, and Betsy Hernandez

Elisa says many people helped her accomplish the daunting task of building the family's new home. In addition to volunteering on the construction site and helping care for Martin while Elisa was at the job site, the family's volunteer hours allowed Elisa to contribute her portion of the sweat equity hours required to participate in the Self-Help program. Elisa, her son Isai, and her daughter Betsy (a US Marine) became adept in framing walls as well as capable and proficient stonemasons. Elisa had a number of friends and family volunteer their time to make her work a little bit lighter. One essential volunteer, Ray Tuckett, was her designated volunteer and worked at least 30 hours per week during the entire build (for a total of 1,330 hours). Not only did these volunteer hours help Elisa with her required hours but benefited the whole group to finish in only eight months.

Elisa and Martin now have a home that is affordable and accessible. They say that "Teamwork makes the Dreamwork." For this family, that couldn't be more true.

Brad Bishop
Executive Director
Self-Help Homes

The American Rescue Plan Act of 2021



The American Rescue Plan Act (ARPA) of 2021 appropriated additional funds for Single Family Housing Direct and Single Family Housing Repair program borrowers, to remain available until September 30, 2023. The initial focus is on refinancing existing direct borrowers who have received a payment moratorium related to COVID-19, and the agency began accepting applications on May 17, 2021. Information is provided in a May 12, 2021, Unnumbered Letter available under Housing Programs at <https://www.rd.usda.gov/resources/directives/unnumbered-letters>.

To be eligible for an ARPA refinance, borrowers must be (or have been) on a COVID-19 moratorium and meet the applicable income limit (Single Family Housing Direct loans must not exceed the applicable moderate-income limit, and Single Family Housing Repair loans must not exceed the applicable very-low income limit). Any borrower that meets these criteria can apply at any time.

As a packager, how am I impacted?

You can package an application for a borrower who is eligible for ARPA funding. ARPA applications are not subject to credit evaluation (with the exception of delinquent federal debt), repayment ratio requirements, or evaluation of assets for down payments or repayment income. Income documentation is obtained to calculate annual and adjusted annual income. All information is submitted with the initial application package and there is no Phase 2 submission.

ARPA loans receive third priority processing.

Where can I find additional information and materials to package an ARPA application?

Please visit the [RD Home Loans](#) website for the following:

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

Additional resources located on the [Direct Loan Application Packagers](#) website are:

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

Ashley Nelson

Finance and Loan Analyst
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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 Tammy.Repine@usda.gov.



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.

Appraisal Matters

We would like to share a few updates:

1. RD provided a temporary authorization for much of fiscal year 2021, under which 3rd party initiated appraisals could be accepted by RD. In general, appraisals for the direct programs are ordered under the nationwide contract with Appraisal Management Companies (AMCs). However, the temporary authorization was necessary, given the record-high market demand for purchase appraisals and the timeliness issue this demand can cause. RD staff appraisers closely reviewed the appraisals provided under this temporary authority and were pleased with the quality of the appraisals which were received. Thank you for exercising this temporary authority, and for reaching out to local appraisers and explaining the program(s) as needed.

While the fiscal year 2021 temporary authority to accept 3rd party appraisals expired September 30, 2021, case-by-case exceptions currently can be requested through RD.

2. Handbook (HB)-1-3550, Chapter 5 and Handbook Letters 17 and 18, were updated on April 15, 2021 to address several appraisal issues, namely appraisal disputes. The revisions clarify requirements for when a

value comes in below the requested loan amount and the applicant chooses to dispute it. Only factual information that could make a material impact on the opinion of value will be considered, such as inaccurate number of bedrooms, bathrooms, garage bays, significant square footage errors, etc. The HB changes also make clear that submission of additional comparables are not part of RD staff appraiser's technical review of an appraisal.

3. A guidance document has been created for appraisers who may not be familiar with Mutual Self-Help appraisal assignments. This guidance document will be shared with our AMCs and partners who are ordering appraisals under the temporary authorization mentioned above. The short document gives readers a brief overview of the program and makes them aware that the land costs plus construction costs does not include all of the labor (sweat equity) that participants provide under the technical construction supervision of the grantees.

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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](#).