



RURAL DEVELOPMENT

a USDA lending agency

GUARANTEED HOUSING LOAN PROGRAM



*Northwoods Edition
For Use in Wisconsin Only*

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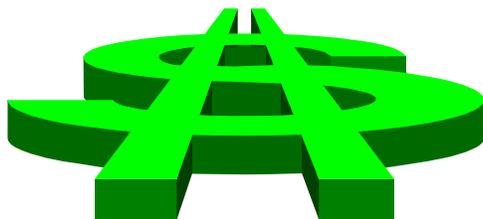
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GRH Forms and Resources Page - Click [here](#) for GRH forms, worksheets, and checklists.
Registered ALLRegs users have access to RD Instruction 1980-D and Administrative Notices (ANs) through the
Rural Housing Service module at: www.allregs.com

WHY LENDERS USE GRH



- No down payment.
- No monthly mortgage insurance.
- No cash reserves are required.
- No minimum credit score is required.
- Cash assets up to 20% of the purchase price are allowed.
- Borrowers have choice of this loan, WHEDA, FHA, or VA. Not required to first test for other credit availability.
- No maximum loan amount or purchase price limits. Loan amounts are limited only by the applicant's repayment ability and the property's appraised value.
- Loan up to 100% of appraised value (100.5% on refinance of Rural Development loans). See section on refinancing rules.
- No limitation on source of closing costs. 100% gifted closing cost or down payment assistance is permitted. Funds from CCAP, Down Payment Plus or similar housing assistance from community based organizations can be used. Soft second mortgages are allowed for closing costs even if the total debt exceeds the appraised value of the property.
- Repairs, closing costs, and the one time Rural Development guarantee fee of 1.75% can be financed up to the property's appraised value.
- Seller concessions are allowed to pay loan closing costs and repairs. (Consult with your investor for the maximum allowed.)
- Affordable fixed interest rate with 30-year term.



- **Premium pricing and service release premium may be available.**
- **No Rural Development prior approval of appraisers or builders.**
- **Any lender may participate with formal Rural Development approval.**
- **Prompt review by Rural Development (1 to 2 business days).**
- **Lenders may charge normal and customary fees for their services.**
- **Expand your mortgage customer base. You also have a chance to cross sell your other lending services to this customer.**
- **Obtain Community Reinvestment Act (CRA) credit and generate fee income with little or no risk.**
- **GRH loans are accepted in any Ginnie Mae I or II pool. They can be sold as a single loan or as part of a pool to Fannie Mae and Freddie Mac. Nationally, approximately 300 approved lenders are eligible to purchase GRH loans.**
- **Use of standard secondary market approved documents. (Only 2 or 3 Rural Development forms are needed in a typical file.)**
- **Local Rural Development offices are available for training and outreach assistance.**
- **RD's guarantee provides better loss protection than private mortgage insurance, with less cost to the customer.**





MARKETING STRATEGIES

- The ADJUSTED household income limits for most Wisconsin counties range from \$46,300 for a 1-person household to \$87,300 for an 8-person household and is higher in many other counties. Market to the higher end of the income range for larger loans and easier qualification. The maximum loan is limited only by the appraised value and reasonable repayment ability.
- Last year the average GRH loan amount in Wisconsin was approximately \$99,700. This indicates that the majority of GRH financing is used to purchase existing homes. Market this program to real estate brokers who have listings in eligible areas that are in the starter home range (\$90 – \$180k).
- Use web sites such as www.realtor.com or www.wihomes.com to identify properties that could be financed with the GRH program. Market your services directly to the listing real estate brokers.
- Click [FY04 Activity Map](#) to see the number of GRH loans made in each county during the past year. Click [Total Activity Map](#) to see the number of GRH loans made since the program started in WI. High numbers indicate that lenders and real estate brokers are actively using the GRH program. Low numbers indicate an untapped market with potential for growth. Real estate brokers in those areas may need to be trained by a lender before any growth occurs.
- Encourage real estate brokers to use the Rural Development Inspection Report for Existing Homes (click [here](#) to view inspection report) as a tool to pre-qualify their listings. Once any repair issues are identified, the property can be marketed accordingly. This approach will avoid last minute property repair or suitability issues that could delay your closing.
- Use the pre-approval program available through Rural Development (and most GRH lenders) to resolve any credit, income, or ratio concerns that your customer may have prior to getting a property under contract. This will let the real estate brokers know that they have a serious qualified buyer.



United States Department of Agriculture
Rural Development

**QUICK REFERENCE GUIDE FOR
MORTGAGE FINANCING IN RURAL AREAS**

	RURAL DEVELOPMENT GRH	FHA	WHEDA (HOME Program)	CONVENTIONAL
HOUSING RATIO (PITI)	29%	29%	33%	28%
TOTAL DEBT RATIO (TDR)	41%	41%/43% energy eff.	38%	36%
MAXIMUM LTV	100%	97.75% >\$50,000 98.75% <\$50,000	97%	97%
MAX LOAN	Limited only by the applicant's repayment ability	\$154,896 Unless high cost area	\$189,500 to \$231,800 depending on county	\$333,700 One unit
LOAN TERMS	30	15-30	30	15-30
INTEREST RATE	Market - Fixed	Market – Fixed or variable	Fixed – Below market rate based on state issued bonds	Market – Fixed or variable
MONTHLY MORTGAGE INS.	None	.5%	.59% - Can vary based on LTV	.78% - Can vary based on product
GUARANTEE FEE	1.75% of loan amount	1.5% MIP	N/A	N/A
CASH RESERVES	None required, but will allow up to 20% of loan amount.	1 Month PITI	1 Month PITI (if LTV exceeds 95%)	1 Month PITI
SOURCE OF DOWN PAYMENT	N/A	Not Restricted	3% from applicant's own funds. Fully gifted or borrowed DP requires min. credit score	Applicants must pay closing costs and escrows
SOURCE OF CLOSING COSTS	No Limitation	Seller can pay up to 6% of buyers costs	Applicant can finance up to \$10,000 for 15 yrs. on a LOC approved up to 105% LTV.	Applicant (gifting is limited depending on the product)
PREMIUM PRICING	Yes	Yes	No	Yes
AUTOMATED UNDERWRITING	No (very limited)	Yes	Yes	Yes

RURAL DEVELOPMENT & WHEDA HAVE HOUSEHOLD INCOME LIMITATIONS BASED ON FAMILY SIZE AND COUNTY. SEE THE WISCONSIN RD HOME PAGE FOR FURTHER INFORMATION ON INCOME LIMITS: www.rurdev.usda.gov/wi.



United States Department of Agriculture
Rural Development

RURAL DEVELOPMENT GUARANTEED RURAL HOUSING ADVANTAGES:

- No down payment
- No monthly private mortgage insurance
- Closing costs may be financed
(Appraised value must be equal to or greater than the loan amount plus closing costs.)
- Higher qualifying repayment ratios (Allows PITI & TD ratios up to 29% & 41% with flexibility given for compensating factors.)
- 30 Year Fixed Rate

Let's Compare Financing Options...

	RD	WHEDA	Conventional	FHA
Est. Monthly PITI	\$1,065	\$1,080	\$1,133	\$1,123
Est. Down Payment	\$0	\$3,713	\$3,713	\$3,713
Est. Closing Costs	\$2,740	\$586	\$625	\$2,186
Est. Reserves	\$0	\$1,080	\$1,133	\$1,123
Est. Funds Needed to Close	\$2,740	\$5,379	\$5,471	\$7,022

(Assuming sales price of \$123,750, annual taxes of \$3,000, annual homeowners insurance of \$300 and minimum down payment for each program, Rural Development 6.9%/7.118% APR, WHEDA 6.25%/6.759% APR and PMI premium of .67%, Conventional 6.7%/7.357% APR and PMI premium of .84%, FHA 7.0%/7.584% APR and MIP premium of .50%.)

* Minimum 3% downpayment for WHEDA, Conventional, and FHA financing.

** May vary depending on lender and other rates or terms (excludes pre-pays)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call

202-720-5964 (voice and TDD). USDA is an equal opportunity lender.

Comparison – PMI vs. GRH Fee

<u>GRH Fee =</u> 1.75% of Mtg Amt	<u>PMI for Conventional</u> 3% Downpayment @ 78 basis pts	<u>MIP for FHA</u> 3% Downpayment @ 50 basis pts Can Finance 1.5% up front MIP	<u>PMI for WHEDA</u> 3% Downpayment @ 59 basis pts
\$100,000	\$100,000	\$100,000	\$100,000
X 1.75%	- \$ 3,000	-\$ 3,000	- \$ 3,000
\$ 1,750	\$ 97,000	+\$ 1,500	\$ 97,000
	X .0078	\$ 98,500	X .0059
	\$ 756.60 / Annual	X .0005	\$ 572.30 / Annual
	\$ 63.05 / Month	\$ 492.50 / Annual	\$ 47.69 / Month
		\$ 41.04 / Month	

* One-Time Fee	* Paid Each Month	* Paid Each Month	* Paid Each Month
* Can Be Financed	Until 20% Equity Reached	Until 20% Equity Reached	Until 20% Equity Reached
	* Cannot Be Financed	* Can Finance 1.5% UpFront Only	* Cannot Be Financed

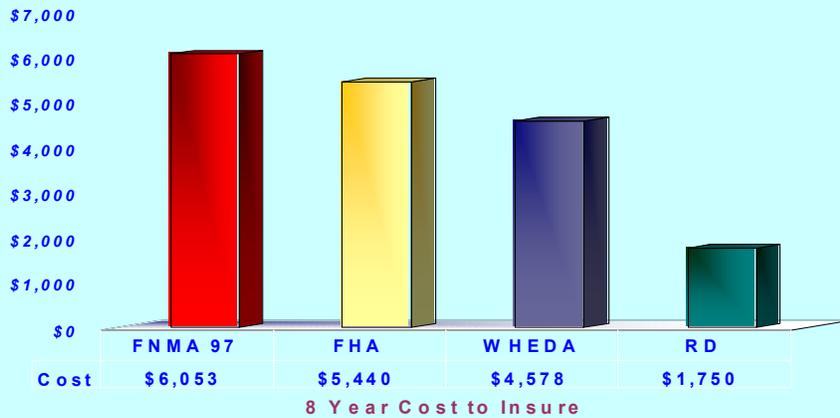
Based On Average Retention Period For This Type Purchase, of 8 Yrs, Total Cost for Guarantee or Mtg Ins Protection:

\$ 1,750 X 1 Payment =	\$63.05/Mo X 96 Months =	\$41.04/Mo X 96 Months =	\$47.69/Mo X 96 Months =
\$ 1,750	\$ 6,052.80	\$3,939.84 + \$1,500 Up Front =	\$4,578.40
		\$ 5,439.84	

Lender's 'Coverage':

100% of loss up to 35% of the GRH loan, and 85% of any additional loss, up to the initial loan amount.	Only on the first 20% of the mortgage amount.	Only on the first 20% of the mortgage amount.	Only on the first 20% of the mortgage amount.
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Guaranteed to pay less



On a \$100,000.00 loan, the borrower saves \$3,690.00 in the first 8 years by opting for the GRH loan rather than the FHA loan. Remember, it is difficult to drop MI insurance. Plus, the MI premium has to be calculated into the ratios. This is NOT an issue with the GRH loan since MI is not required.

APPROVED GRH LENDERS

- Any lender licensed in Wisconsin may originate the loans and reserve funds. However, GRH loan packages must be submitted to Rural Development by an approved underwriting lender.
- Underwriting lenders must be approved by Wisconsin Rural Development or by our National Office in Washington, D.C. See the Lender Approval Checklist located [here](#) for more info.

ELIGIBLE RURAL AREAS

- Property must be in an eligible rural area or community. Generally, these are communities of fewer than 10,000 persons except that certain communities between 10,000 and 25,000 population are considered rural based on their distance from urban areas.
- Click [Maps](#) to view the county maps showing the areas eligible for GRH financing in Wisconsin. Milwaukee County is ineligible for Rural Development's single family housing programs.



**INCOME LIMITS FOR WISCONSIN
SINGLE FAMILY HOUSING GUARANTEED LOANS**

EFFECTIVE 03~08~04

County	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Brown	\$50,700	\$57,950	\$65,200	\$72,450	\$78,250	\$84,050	\$89,850	\$95,650
Calumet	\$50,450	\$57,650	\$64,900	\$72,100	\$77,850	\$83,650	\$89,400	\$95,150
Columbia	\$47,200	\$53,950	\$60,700	\$67,400	\$72,800	\$78,200	\$83,600	\$89,000
Dane	\$57,850	\$66,150	\$74,400	\$82,650	\$89,250	\$95,900	\$102,500	\$109,100
Dodge	\$46,950	\$53,650	\$60,350	\$67,050	\$72,400	\$77,800	\$83,150	\$88,500
Douglas	\$47,600	\$54,400	\$61,200	\$68,000	\$73,450	\$78,850	\$84,300	\$89,750
Fond du Lac	\$46,850	\$53,550	\$60,200	\$66,900	\$72,250	\$77,600	\$83,000	\$88,350
Iowa	\$53,550	\$61,200	\$68,850	\$76,500	\$82,600	\$88,700	\$94,850	\$100,950
Jefferson	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,600	\$85,100	\$90,600
Kenosha	\$50,550	\$57,800	\$65,000	\$72,250	\$78,000	\$83,800	\$89,550	\$95,350
Kewaunee	\$46,850	\$53,550	\$60,200	\$66,900	\$72,250	\$77,600	\$83,000	\$88,350
Manitowoc	\$48,400	\$55,300	\$62,250	\$69,150	\$74,700	\$80,200	\$85,750	\$91,250
Marathon	\$47,100	\$53,800	\$60,550	\$67,300	\$72,650	\$78,050	\$83,400	\$88,800
Outagamie	\$50,450	\$57,650	\$64,900	\$72,100	\$77,850	\$83,650	\$89,400	\$95,150
Ozaukee	\$54,100	\$61,800	\$69,550	\$77,250	\$83,450	\$89,650	\$95,800	\$102,000
Pierce	\$57,850	\$66,150	\$74,400	\$82,650	\$89,250	\$95,900	\$102,500	\$109,100
Portage	\$49,750	\$56,850	\$64,000	\$71,100	\$76,750	\$82,450	\$88,150	\$93,850
Racine	\$52,350	\$59,800	\$67,300	\$74,750	\$80,750	\$86,700	\$92,700	\$98,650
Rock	\$48,050	\$54,900	\$61,800	\$68,650	\$74,150	\$79,600	\$85,100	\$90,600
Sheboygan	\$50,450	\$57,650	\$64,900	\$72,100	\$77,850	\$83,650	\$89,400	\$95,150
St. Croix	\$57,850	\$66,150	\$74,400	\$82,650	\$89,250	\$95,900	\$102,500	\$109,100
Walworth	\$50,050	\$57,200	\$64,350	\$71,500	\$77,250	\$82,950	\$88,700	\$94,400
Washington	\$54,100	\$61,800	\$69,550	\$77,250	\$83,450	\$89,650	\$95,800	\$102,000
Waukesha	\$54,100	\$61,800	\$69,550	\$77,250	\$83,450	\$89,650	\$95,800	\$102,000
Winnebago	\$50,450	\$57,650	\$64,900	\$72,100	\$77,850	\$83,650	\$89,400	\$95,150
Wood	\$48,700	\$55,650	\$62,600	\$69,600	\$75,150	\$80,700	\$86,250	\$91,850
All Other Counties*	\$46,300	\$52,900	\$59,500	\$66,150	\$71,400	\$76,700	\$82,000	\$87,300

* Milwaukee County is ineligible for Rural Development programs.
ADD 8% OF 4 PERSON LIMIT FOR EACH PERSON IN EXCESS OF 8 PERSON.

MODERATE INCOME IS DEFINED AS THE GREATER OF 115% OF THE U.S. MEDIAN FAMILY INCOME OR THE AVERAGE OF THE STATE-WIDE AND STATE NON-METRO MEDIAN FAMILY INCOMES OR 115/80THS OF THE AREA LOW-INCOME LIMIT.

COMPLIANCE INCOME VERIFICATION



Adjusted household (compliance) income limits for all states are posted at: <http://www.rurdev.usda.gov/rhs/sfh/sfh%20guaranteed%20loan%20income%20limits.htm>. Just click on the state in the list on the site.

- Income of **all adults** that will be residing in the household and certain other income must be verified. See RD Instruction 1980-D, pages 39-48 for detailed information for what income to count and the deductions available. RD Instruction 1980-D can be viewed by clicking [here](#).
- Common adjustments to the gross income include: verified child care for children 12 and younger; \$480 annual deduction for each child under age 18, age 18 or older and handicapped, or full-time student, and who are not the applicant, spouse, or co-applicant; \$400 annual deduction for an elderly family (see definition in RD Inst. 1980-D, page 4). Other deductions are described in RD Inst. 1980-D, pages 43-44. Click [here](#) to view the Adjusted Annual Income Calculation worksheet in the GRH Forms section.
- Acceptable **alternative documentation** for non-self-employed applicants:
 - Form RD 1910-5, "Request for Verification of Employment" (or the equivalent HUD/FHA/VA or Fannie Mae form), and the most recent paycheck stub.

Or

- Paycheck stubs or payroll earnings statements covering the most recent 30-day period, and W-2 tax forms for the previous 2 tax years, and a telephone verification of the applicant's current employment. Click [here](#) to view a sample Telephone Confirmation for Alt. Doc. in the GRH Forms section.
- Refer to the [Administrative Notice \(AN\)](#) for more information on alternative documentation.
- Click [here](#) to view a good question/answer guide on Alt. Doc. which is available in the GRH Forms section under the heading of Loan Origination.
- Alternative documentation is not appropriate for individuals that change employers frequently, self-employed individuals, occupations with unreimbursed employment related expenses, disability income, child support income, etc.

- Supply portions of divorce decree pertaining to property settlements, child support, and alimony.
- **Pending pay increases** that are scheduled to occur within 90 days based on the VOE must be considered for compliance purposes.
- A 12-month history of child support income must be verified through the State of WI (Family Support Division) or the Clerk of Court's office. The Wisconsin Support Collections Trust Fund can be contacted at 800-991-5530 or accessed through the following web site: www.wisctf.org Information on who to contact locally for child support information can be obtained through the following web site: www.dwd.state.wi.us/bcs
- Supply copies of the most recent award letter to verify income from Social Security, SSI, SSI disability, pension, workman's compensation, or other types of unearned incomes.
- Unemployment compensation (UC) received as a result of seasonal types of employment can be verified by providing a copy of the applicant's income tax returns for the past two years. UC benefits can also be verified through the following web site: <http://ucclaim-wi.org>

REPAYMENT (QUALIFYING) INCOME

- This may require a separate calculation from the adjusted gross annual income (compliance income) depending on the applicant's employment history and the types of income involved.
- The qualifying income is based on income that is considered to be stable and dependable based on the history of that type of income.
- Qualifying income must be based on the income of the person(s) signing the promissory note.
- The income must be anticipated to last for at least 24 months.
- This income may be based on projected income when determining base earnings, however, most underwriters use historical information from the previous 24 months to determine projected income from overtime, profit sharing, bonus, tips, commissions, part time work, seasonal employment, unemployment compensation, and **self employment** as per RD Instruction 1980.347.



- Refer to the [Administrative Notice \(AN\)](#) for more information on determining the repayment income for self employed GRH applicants. Historical income that is higher than the projected income (based on current wages and YTD earnings) must be explained and documented regarding the anticipated decrease in earnings.
- Non-taxable income such as child support or SSI may be grossed up **20%**.
- Non-taxed per diem or mileage payments to reimburse the applicant for employment related travel expenses are not considered for compliance or qualifying purposes.
- Vehicle allowances provided by an employer for the applicant to acquire transportation are considered as income for both compliance and qualifying purposes. The vehicle allowance cannot be used to offset the payment on the vehicle's debt from the Total Debt Ratio (TDR).
- No co-signors are permitted. Related or non-related co-borrowers who reside in the household are permitted.
- Pending pay increases that are scheduled to occur in the near future based on the VOE are not considered for qualifying purposes, however, they may be viewed as a compensating factor if a ratio waiver is needed.

LOAN PURPOSES



Purchases

- Existing or new homes, including: modular housing; manufactured homes (new units only, see the section titled "Manufactured Housing"); townhouses; and condominiums.
- Townhouses and condominiums must be property eligible for Fannie Mae, Freddie Mac, FHA, or VA financing. Refer to the section "Site and Building Requirements" for more information.
- New construction: take out (or end loan) and construction-permanent financing only. Applicants are responsible for obtaining their own interim construction financing, if needed. Site loans may be refinanced as part of the new construction financing. Lenders must underwrite and obtain the Rural Development Conditional Commitment prior to beginning construction for GRH loans involving a Construction Contract.
- Property repairs and improvements can be financed up to the "as improved" value of the property. Repairs and improvements must be completed before

the final guarantee is issued. Escrows are allowed for exterior weather delayed repairs only.

- All of the buyers closing costs, including prepaid expenses and the one time Rural Development guarantee fee of 1.75% can be financed up to the property's appraised value.

Refinancing

Limited to refinancing existing Rural Development GRH and Direct 502 loans only.

- Refer to the [Administrative Notices \(ANs\)](#) for more information on refinancing existing GRH and Direct 502 loans.
- Rural Development Direct 502 loans may have subsidy recapture due. The recapture can be deferred (Rural Development maintains a lien and subordinates their mortgage) or it can be included in the payoff. A 25% reduction of the recapture amount is offered for payoff rather than deferral.
- Loan term must be 30 years.
- Fixed interest rate at or below the current rate.
- A 0.5% guarantee fee must be paid to Rural Development.
- Compliance income limits and repayment ratios are the same as for an initial GRH loan.
- No insulation certification; No flood certification; No property inspection.
- CANNOT refinance debts other than the existing Rural Development GRH loan or the Direct 502 loan.
- Can add or delete borrowers.
- Property must be owner occupied.
- Maximum loan cannot exceed the balance of the loan being refinanced, plus the 0.5% guarantee fee, and reasonable and customary closing costs, including funds necessary to establish the new escrow for taxes and insurance.
- The LTV can be up to 100.5% (based on the appraised value) for refinances if the 0.5% guarantee fee is included in the loan.



- Appraisals less than one year old may be used for GRH refinance transactions if the lender obtains a re-certification of value from the original appraiser. The LTV cannot exceed 100.5% of the property's original appraised value.
- A new appraisal is not required when refinancing only the **unpaid principal** on an existing GRH loan with the 0.5% guarantee fee. However, a new appraisal is required when refinancing a Direct 502 loan or if interest, closing costs (including pre-paid expenses) are included in the new GRH loan.
- No cash back (except the nominal amount paid up front for the credit check and appraisal). The applicants may receive any escrow refund from the old loan.
- The property may be in an ineligible (non-rural) area because of eligible area delineation changes by Rural Development since the original loan was made.
- Click [here](#) to view the GRH Refinancing Chart in the GRH Forms section for more information.

MINIMUM LOAN AMOUNT

None, check with your investor.



MAXIMUM LOAN AMOUNT - LTV

Up to 100% of the property's appraised value, or the amount applicant can repay, whichever is less. The initial GRH loan amount cannot exceed the appraised value of the property under any circumstances.

- Newly constructed homes without a 10-year insured builder's warranty or documentation for the three required construction inspections are limited to 90% LTV based on the appraisal.
- The total debt against the property can exceed the value if housing assistance for closing costs or down payment is made by a state or local agency and is secured by a "soft second". Grants by the state or local agencies for closing costs or down payment assistance are acceptable. Check with your investor or secondary marketing department for any restrictions they may impose in regard to the second liens.
- New GRH loans used for refinancing an existing Rural Development GRH or Direct 502 loan can be up to 100.5% LTV when including closing costs and the 0.5% guaranteed fee in the loan.

SPECIAL ASSESSMENTS

- Special assessments for work on the site actually commenced or levied prior to the date of the Offer to Purchase shall be paid by the seller, in most cases. If assumed by the buyer, properties with unpaid special assessments for site improvements, street improvements, or connection to municipal sewer and water systems are limited to 100% LTV based on the proposed loan amount and the unpaid balance of the special assessment. The buyer can assume the seller's unpaid special assessment as long as the total LTV does not exceed 100%.

LOAN TERMS

- 30-year amortization only. Shorter or longer terms are not permitted. Since there are no pre-payment penalties, additional principal payments made by the borrower will shorten the loan's amortization period. For construction-permanent loans, the 30-year term begins with the date of the loan modification to the permanent terms.

INTEREST RATE



- The **maximum** interest rate charged on GRH loans may not be more than the current Fannie Mae rate (which is the Fannie Mae 90-day actual / actual yield for 30 year fixed rate conventional loans plus 60 basis points) or the lender's published rate for VA first mortgage loans with no discount points, whichever is higher.
- Most investors provide a daily rate schedule. GRH loan applications may be submitted to Rural Development with floating or locked interest rates. Conditional Commitments issued by Rural Development on applications with floating rates will always be at the lesser of the lender's proposed rate or the current Fannie Mae rate. The interest rate, when locked by the applicant and lender must be at an eligible rate of interest as defined above. If a lender locks an eligible interest rate that is higher than the rate shown on their Conditional Commitment, a revised Conditional Commitment must be obtained from Rural Development approving the higher rate.
- The Fannie Mae web site for obtaining this rate is: www.efanniemae.com/syndicated/documents/mbs/apecprices/public/30frac.html
- When looking at the chart of the Fannie Mae 30 Year Fixed Rates, the rate you need to be concerned with is the 90 day posted yield at the top of the chart, right under the date and time of the posted update. The 60 basis points are added to the 90-day posted yield to determine the maximum rate.

GUARANTEE FEE

- One and three quarters percent (1.75%) of the total loan amount for purchase transactions and one half percent (0.5%) for refinance transactions. The fee may be included in the loan if the appraisal is equal to or greater than the final loan amount. To calculate the final loan amount to include the fee, divide the proposed loan w/o the fee by .9825 for purchases or .995 for refinances (see page 15).

Example: \$90,000.00 loan without the fee. $\$90,000 / .9825 = \$91,603.05$ final loan. The guarantee fee is 1.75% of the final loan or \$1,603.05.

- The guarantee fee is submitted to Rural Development after the GRH loan has been closed. Click [here](#) to view the GRH Loan Closing Package Checklist in the GRH Forms section for more information.

REAL ESTATE TAX & HAZARD INS. ESCROWS

- Lenders are required to collect and maintain monthly escrows for real estate taxes and hazard insurance.



CREDIT CRITERIA

- Refer to the [Administrative Notice \(AN\)](#) for more information on utilizing credit scores for the GRH loan program.
See "DOCUMENT PAYMENT SHOCK" as stricter underwriting may be necessary.
- A 12-month Verification of Rent (VOR) will not be required by Wisconsin Rural Development when both GRH applicants have a representative credit score of 660 or higher.
- The representative credit score is considered to be the middle of three scores or the lower of two scores for each applicant.
- Non-traditional credit reports (or equivalent documentation) will have to be obtained for those applicants having insufficient credit information to develop credit scores.
- Lenders may take advantage of the streamlined credit documentation described in the [Administrative Notice \(AN\)](#) for applicants with representative credit scores of 660 or above. A lender shall not be required to document adverse credit history waivers under RD Instruction 1980-D, 1980.345(d)(e), except those involving a delinquent Federal debt or previous Agency loan.

- Credit scores between 659 and 620 call for a full analysis of the applicant's credit issues. This is still an acceptable range. ***Additional risk layering is not permitted without strong compensating factors.*** The lender's underwriter should approve waivers of recent adverse credit when justified and if the exception can be offset with compensating factors. Examples of adverse credit are listed under **"WAIVERS TO CREDIT REQUIREMENTS"**, below.
- Applicants with a credit score of 619 or less would statistically have a high likelihood of default on their loan. The loan can be considered by underwriters, however, any layered risk associated with the application should be avoided without very strong compensating factors.
- The credit of the primary wage earner will carry the most weight in the underwriter's decision. ***Example: A co-applicant that is not employed, or contributing income to the household, could have marginal credit (credit score below 620). The GRH loan may still be acceptable based on the strengths of the primary applicant if the co-applicant's income is not needed to show repayment of the loan.***
- **"Spouse Only"** loans are permitted only if the lender has included the debts from the excluded spouse in the applicant's total debt ratio. The applicant must have the capacity to service **all** household debts since Wisconsin is a **"marital property state"**. Any of the excluded spouse's debts that are in a judgement status must be satisfied prior to closing. For compliance purposes, the excluded spouse's income must also be properly verified to determine the eligibility of the household.
- **"No credit history / no credit score"** is not acceptable. A history of credit usage must be developed in order for the underwriter to make a reasonable determination of credit worthiness.



Consult with your investor as to the minimum number of trade lines you need to verify. Documented non-traditional credit such as utilities, cable television, cell phone, rent, auto and renter's insurance are acceptable. Underwriters should not allow additional risk layering for these situations without strong compensating factors being present.

EXAMPLES OF RISK LAYERING



- *Payment shock over 100%.*
- *Self-employment income with less than 24 months history.*
- *Repayment ratios exceeding the normal maximums of 29/41.*
- *No cash reserves.*
- *No history of savings.*
- *No previous housing expense.*
- *Unstable income based on recent 24-month employment history.*
- *Low credit scores due to recent late pays.*
- *Purchasing a home with a great deal of deferred maintenance.*

WAIVERS TO CREDIT REQUIREMENTS

- Underwriters may consider mitigating circumstances to establish the borrower's intent for good credit when:
 - The circumstances were of a temporary nature, were beyond the applicant's control, and have been removed.
 - The adverse action or delinquency was the result of a justifiable dispute because of defective goods or services.
 - Underwriters must document their credit waiver on Form 1008 or a similar underwriting worksheet. Click [here](#) to view the **Waiver Request** in the GRH Forms section for a sample credit or ratio waiver format.
- Examples of adverse credit that must be waived by the underwriter when the applicant's representative credit score is less than 660:
 - More than one 30 day late payment in past 12 months.
 - Any account converted to collection in past 12 months.
 - Any judgments outstanding in past 12 months.
 - Unpaid collection accounts, with no satisfactory arrangement for payments, no matter what their age, as long as they are currently delinquent and/or due and payable.
 - Any debt written off in the past 36 months.
 - Two or more rent payments paid 30 days late within past 12 months.
 - Foreclosure in the past 36 months.
 - Bankruptcy discharged within the past 36 months.
 - Unpaid tax liens or delinquent government debts (including student loans).

Refer to the **"Repayment Ratio"** section below, for a comprehensive list of common compensating factors that can be considered by underwriters to support a credit waiver.

COLLECTION ACCOUNTS



- It is a common underwriting practice for many conventional lenders to require the payment of unpaid collection accounts or charge off accounts prior to loan closing. If this practice is consistent with your investor's (Fannie Mae, FHLMC, and GNMA) underwriting guidelines, you should apply it to GRH loans as well.
- GRH applications with representative scores over 660 for each applicant qualify for streamlined credit documentation, which would not require the payment of collection accounts prior to closing unless the lender's underwriter requires it. Rural Development does require that all judgements, garnishments or other delinquent credit that has the potential to affect the GRH loan's lien position be paid prior to closing.
- The lender's underwriter is responsible for determining what collection accounts, if any, must be paid. Underwriters must determine that the applicants have an acceptable credit history and document any mitigating circumstances on their underwriting transmittal if they are not requiring the payment of all collection accounts.
- Refer to the [Administrative Notice \(AN\)](#) for more information on the treatment of collection accounts in the GRH loan program.

CREDIT HISTORY VERIFICATION

- Refer to the [Administrative Notice \(AN\)](#) for more information on the types of credit reports acceptable for use in the GRH loan program.
- RMCRs, MMCRs and NTMCRs that meet the standards of Fannie Mae, Freddie Mac, Housing and Urban Development (HUD) and Veteran Affairs (VA) are acceptable for Rural Development purposes. In the case of MMCRs, tri-merged reports are preferred.
- Non-traditional credit history may be required as discussed above in the **"Credit Criteria"** section.
- Lenders are expected to verify a satisfactory rent payment history covering the past 12 months. *(This is optional when both applicants have representative credit scores of 660 or higher.)*

- Lenders must also obtain a 12-month history showing that child support, alimony, or other court determined obligations have been paid as agreed by the applicant.

Student loans which will remain in a deferred repayment status for at least 12 months will not be counted in the Total Debt Ratio (TDR). Lenders are responsible for verifying the repayment status and repayment history of an applicant's student loans.

REPAYMENT RATIOS



See "DOCUMENT PAYMENT SHOCK" as stricter underwriting may be necessary.

- 29% Housing Ratio (PITI) and 41% Total Debt Ratio (TDR).
- There is not a maximum amount the ratios may be exceeded. Depending on the strength of the compensating factors, housing ratios in the mid to high 30s and total debt ratios in the mid to high 40s are not uncommon.
- Non-taxable income such as child support and SSI may be grossed up **20%**.
- All debts with **more than 6 monthly installments** remaining should be considered in the TDR. Other debts should be counted if they are reoccurring or otherwise have an impact on repayment ability.
- Underwriters may request an exception to the 29/41 guidelines by properly documenting their decision to exceed the ratio guidelines. Generally, the amount of latitude given for ratio waivers is proportionate to the level of risk and compensating factors present in the loan application. Click [here](#) to view the Waiver Request form in the GRH Forms section for more information.
- Refer to the [Administrative Notice \(AN\)](#) for more information on compensating factors acceptable for use in situations involving significant payment shock.



- Common compensating factors used by the Agency for GRH loans include, but are not limited to:

- **A representative credit score of 660 or higher for each applicant. The 660 score may be used by itself or coupled with other common compensating factors, to justify the debt waiver.**
 - **Borrower has demonstrated a conservative attitude toward the use of credit and ability to accumulate savings.**
 - **Credit history shows that the borrower has devoted a similar percentage of income to housing expense to that of the proposed loan, or accumulated savings which, when added to the applicant's housing expense, shows a capacity to make payments on the proposed loan.**
 - **The applicant receives compensation or income not reflected in the qualifying income, but directly affecting the ability to pay the mortgage.**
 - **There is only a minimal increase in the borrower's housing expense.**
 - **The borrower has substantial cash reserves after closing.**
 - **The borrower has substantial non-taxable income not previously accounted for in the ratio computations.**
 - **The borrower has potential for increased earnings, as indicated by job training or education in the borrower's profession.**
 - **Trailing Spouse Income – This could apply if the home is being purchased as the result of the relocation of the primary wage earner and the secondary wage earner has an established history of employment. The following must be documented: 1. The likelihood of the trailing spouse's return to work; 2. What are the reasonable prospects for securing employment in a similar occupation in the new area? The underwriter must address the availability of such possible employment and the employment history.**
 - **A low Total Debt Ratio. The low TDR, by itself, does not compensate for a high PITI ratio. However, when other strong compensating conditions are present, a low TD ratio should be viewed as a positive mitigating factor.**
- **Underwriters may request a ratio or credit waiver from Rural Development as part of a Pre-Approval. Click [here](#) to view the GRH Loan Pre-Approval Processing Checklist.**





DOCUMENT PAYMENT SHOCK

- Underwriters should document payment shock on Form 1008 or an equivalent underwriting worksheet. Refer to the [Administrative Notice \(AN\)](#) for more information on analyzing payment shock and risk layering.
- In cases where the **payment shock is 100%** or more as well as in cases where the applicant did not have housing expense, no additional risk layering (i.e. adverse credit waivers, debt ratio waivers, or buy downs) should be allowed without **strong** documented compensating factors. Acceptable compensating factors include, but are not limited to:
 - The borrower has an excellent credit history reflecting timely repayment of credit obligations;
 - Each applicant has a credit score of 660 or greater.
 - The applicant has demonstrated a conservative attitude toward the use of credit and an ability to accumulate savings;
 - The applicant has a stable employment history over the past two years, demonstrating a dependable income stream;
 - The applicant has demonstrated an ability to pay housing costs similar to the projected P&I payment, taxes, insurance, and maintenance.
 - The applicant has potential for increased earnings, as indicated by job training or education in the applicant's profession.

SELLER CONCESSIONS

- No Rural Development limit. Contact your investor or secondary marketing department. Typically, they are limited to 6%. However, some lenders may be limited to 3% depending on the servicing agreement they have with their investor.

2/1 BUYDOWN REQUESTS



- Pre-Approval by Rural Development is required for those applicants whose repayment ratios must be bought down in order to qualify for GRH assistance.
- Lenders must show that the applicant's income will increase at the end of the first and second year to offset the increased payments, NOT including normal cost of living raises.

- Applicant must be in a position for verifiable increases in income other than the annual cost of living raises.
- Projected reduced debt to offset increased rate is justified only if it can be documented that the debt will not occur again (i.e. a student loan). An example of what will NOT work: a car loan or revolving charge account being paid off.
- No additional risk layering should be allowed in cases where payment shock is 100% or more or in cases where the applicant did not have prior housing expense.



NEW HOME FINANCING & CONSTRUCTION DOCS.

- Lenders are only required to submit minimal new construction documentation, described on the "GRH Loan Application Processing Checklist", to Rural Development. However, lenders must retain copies of the building permits, construction inspections, occupancy permits, plan certifications, and construction warranties described in this section in their borrower's loan file. Refer to the [Administrative Notice \(AN\)](#) for more information on new construction documentation.
- Rural Development can guarantee **construction-permanent** loans. The guarantee is not issued until the home has been completed and the closing package (including the guarantee fee) has been received by Rural Development.
- Builders may supply an insured 10-year builder's warranty from an Agency approved warrantor in lieu of obtaining the three construction inspections that are typically required. Click [here](#) for a list of **Approved 10-Year Warrantors** located in the GRH Forms section for more information.
- **Full Documentation** - Construction inspections and building plan certifications must be obtained from qualified individuals. A list of Wisconsin Uniform Dwelling Code (UDC) inspectors can be obtained in the Safety and Buildings section of this web site: www.commerce.state.wi.us. Copies of construction inspections and Plan Certifications completed by a municipal building inspector at the appropriate intervals are also acceptable.

Lenders must obtain copies of three construction inspections at the following intervals:

1. Foundation / Footing Inspection (prior to back filling)
2. Rough In Inspection (shell is enclosed, walls are open, and mechanical systems are in place)

3. Final Occupancy Inspection (verify that any exceptions noted have been completed prior to submitting your closing package to Rural Development)

- **Alternative Documentation** – In lieu of obtaining a Wisconsin Uniform Dwelling Code (UDC) plan certification and the 3 construction inspections referenced above or the insured 10 year insured builder's warranty, lenders may submit the following documentation for dwellings less than 1 year old:

1. A copy of the dwelling's building permit.
2. A copy of the dwelling's certificate of occupancy with no exceptions indicated.

(This method of documentation is only available in jurisdictions that issue a building permit and a certificate of occupancy (or equivalent). If a jurisdiction does not perform construction inspections and issue both a building permit and certificate of occupancy, full documentation is required, as described above.)

- The standard underwriting package is delivered through the underwriter to Rural Development prior to construction for GRH loans involving a Construction Contract.
- The following additional forms are required for GRH loans involving Construction Contracts:
 - Form RD 400-1, Equal Opportunity Agreement
 - Form RD 400-6, Compliance Statement
 - Form RD 1924-25, Plan Certification
 - Form FmHA 1924-6, Construction Contract, **or** include the "Equal Opportunity Clause" (EOC) addendum as part of each contract or subcontract over \$10,000.
 - Click to view the [EOC addendum](#) and the GRH Loan Application Processing [Checklist](#) for Purchase Contracts, Construction Contracts, and New Manufactured Homes available in the GRH Forms section.
- The Agency forms listed above can be downloaded from the [New Construction](#) page in the Loan Origination section.
- A Wisconsin Uniform Dwelling Code (UDC) plan certification and the three construction inspections (or 10 year insured builder's warranty) are required with a **Purchase Contract** where no funds are advanced until the dwelling is completed. Refer to the **Alternative Documentation** section

above for those jurisdictions that complete construction inspections, issue building permits, and issue certificates of occupancy. *(Example: the purchase of a spec home from a builder in which the land and all improvements are included in a single contract.)*



MANUFACTURED HOMES

- Existing manufactured (HUD code) homes are not permitted unless they are already financed by Rural Development (GRH or Direct 502 loan).
- Underwriters (and appraisers) must determine whether the unit is a “manufactured” or a “modular” home. There are no restrictions on a modular home, even though they are built off-site. Modular homes must meet all the same Uniform Dwelling Code (UDC) requirements as “stick built” homes.
- Existing homes that have the characteristics of a manufactured home must be underwritten carefully to verify that the home (or any part of the structure) is not a manufactured (HUD code) home. Some appraiser comments or characteristics to watch for include: mobile / manufactured home appearance, presence of FMHCSS tag on the dwelling, floor plan, slab or pier foundation, presence of skirting, presence of feature board walls, presence of metal structural components, evidence of ownership is a title, furnace and water heater is located on the main floor, etc.
- New manufactured homes must be purchased, installed and warranted from an Agency approved **Dealer – Contractor**. Click [here](#) to view a list of Dealer – Contractors approved for Wisconsin in the GRH Forms section. Dealers not listed on our approved list should contact any Rural Development office for the application and requirements for becoming an approved Dealer - Contractor.
- Dealer – Contractors must use a single construction contract to include the purchase of the home, installation of the home on a permanent foundation, and any other site development work. No “do it yourself” work by the applicant is allowed. The Dealer – Contractor must provide a 12 month warranty on all work completed under the construction contract, including the work completed by their sub-contractors. *(Refer to the previous section “New Home Financing & Construction Docs.” for information on lender file documentation.)*
- The set up requirements for Rural Development are different than those of FHA/HUD or WHEDA. The manufactured home must be financed as real estate along with the site.

- The home must be permanently installed on the site with all running gear and towing equipment removed.
- All foundation types must have a frost protected perimeter. Foundation plans must be **Wisconsin UDC approved**. A list of state approved Uniform Dwelling Code (UDC) inspectors can be obtained in the Safety and Buildings section of this web site: www.commerce.state.wi.us.
- Acceptable types of foundations for manufactured homes include full basements, crawl spaces, and concrete slabs. All foundation perimeters must be frost protected and enclosed with a permanent building material such as concrete, cement blocks, or treated wood. In no cases will metal or vinyl skirting be accepted.



MODULAR HOMES

- Modular homes are designed and constructed to meet all requirements of the Wisconsin Uniform Dwelling Code, the same as site-built construction. This is not the same development standard used for manufactured homes, “double-wides”, or mobile homes, which meet a national safety and construction standard often referred to as HUD code. GRH loans on new modular homes are processed the same as stick-built homes.
- Rural Development in Wisconsin does not require the second construction inspection (referred to as the “rough in”) for modular homes since they are constructed and inspected while in the factory. These homes are typically delivered to the site with the interior walls enclosed.
- Some of the common manufacturers of modular homes found in Wisconsin include, Design Homes, Terrace Homes, Wausau Homes, Stratford Homes, Pittsville Homes, Amwood Homes, Wick Homes, and Wisconsin Homes.

EXISTING HOMES

- Private wells and septic systems must be inspected for code compliance and adequacy by a properly licensed individual.
- For all existing homes (more than 12 months old or previously occupied) inspections must be obtained to verify that:
 - The property must meet the requirements of **HUD Handbooks 4150.2 and 4905.1**. These handbooks can be viewed at the following web site: www.hud.gov/groups/lenders.cfm.

- The property must meet Wisconsin Rural Development Thermal Standards. Click [here](#) to view the Thermal Standards in the GRH Forms section.
- Lenders should use the Inspection Report for Purchase of Existing Homes to document the property's compliance with both the HUD Handbook and RD Thermal Standards. Click [here](#) to view the Inspection Report for Purchase of Existing Homes in the GRH Forms section.
- It is recommended that you contract with a **FHA appraiser** to do the home appraisal and RD Inspection. The appraiser may complete a VC sheet (Valuation Conditions) checklist to determine that the dwelling meets the HUD handbook requirements for an existing home. The appraiser must still address the RD Thermal Standards if they complete a VC sheet. For more information, refer to the [Administrative Notice \(AN\)](#).
- A list of FHA appraisers is available at: entp.hud.gov/idapp/html/apprlook.cfm.
- If the FHA appraiser calls for an additional inspection, such as for electrical, furnace, foundation or roof, that inspection must be obtained and be satisfactory.
- Any repairs called for on the inspection(s) must be completed before Rural Development can issue a Loan Note Guarantee on the loan. However, the loan can be approved and the Conditional Commitment can be issued subject to the completion of the repairs.
- The Lender, applicant, and seller must work out a plan for completing the required repairs. It is quite common for underwriters to require the completion of all interior repairs prior to closing. Typically, any deferred maintenance indicated in the seller's Real Estate Condition Report (RECR) or repairs indicated in the appraisal and RD Inspection report must be completed.
- Any repairs that are completed with GRH loan funds must include a written estimate for materials and labor as part of the underwriting package. A re-inspection will be required to document the work was actually completed.
- Rural Development is not looking to correct minor cosmetic problems. The appraiser / inspector should understand that the thermal, mechanical and structural components of the home should be checked, as described in the Inspection Report for Purchase of Existing Homes to document the property's compliance with both the HUD Handbooks and the RD Thermal Standards.



- No inspection is required when refinancing an existing Rural Development GRH or Direct 502 loan.

REPAIR ESCROWS



- Lenders may escrow 1 ½ times the bid amount for materials and labor to complete **exterior weather delayed** repairs only.
- The escrow agreement must be based on a signed contract and allow for completion of the work within 120 days of the work commencing.
- The home must meet decent, safe, and sanitary requirements at the time of closing. *(For example: It would not be permissible to escrow for repairs if an existing septic system has failed or if the water test indicated "unsafe".)*
- Rural Development will issue the Loan Note Guarantee to the lender prior to the completion of the required repairs if a proper escrow account has been established.
- Dwelling repairs required by Rural Development on the Conditional Commitment must typically be completed prior to closing. Underwriters, at their discretion, may allow for the completion of repairs after closing, but prior to the issuance of the Loan Note Guarantee by Rural Development.

APPRAISAL ISSUES



- Lenders may use their own properly licensed or certified appraisers for completing appraisals on property financed with a GRH loan.
- It is recommended that lenders use a **FHA appraiser** for the completion of both the appraisal and the "RD Inspection Report for Purchase of Existing Homes". This will be more cost effective for the applicant and in many cases, result in more timely loan closings. Non FHA appraisers are often reluctant to complete the RD Inspection Report due to the HUD Handbook certification that is required by Rural Development.
- A list of FHA appraisers is available at:
entp.hud.gov/idapp/html/apprlook.cfm.
- The complete appraisal using the URAR (Form 1004) format or the Quantitative Analysis Appraisal Report (Form 2055) with all attachments is required. Lenders should obtain a duplicate set of clear photos from the appraiser so that their original file and the Rural Development file both have

a set. Digital photos are acceptable. Lenders may email a copy of the appraisal to Rural Development at RD.SFH.SO@wi.usda.gov if they wish. Appraisers using the 2055 format must complete an interior and exterior inspection and provide an estimate of the subject's site value. Refer to the [Administrative Notice \(AN\)](#) for more information on appraisal formats.

- An appraisal is not required when refinancing the principal only of an existing Rural Development GRH loan. It is required on all cases of refinancing a Direct 502 loan. See the section titled, "Refinancing".
- Appraisals should be done on an "as improved" basis to reflect the value of the property meeting Rural Development thermal standards and the HUD Handbooks 4150.2 and 4905.1.
- The appraisal must be less than six months old for home purchase transactions and less than one year old for refinance transactions.
- Appraisals on new homes (under 12 months old and not previously occupied) must include a detailed **"cost approach"** appraisal based on a nationally recognized cost handbook. Two common handbooks are the Marshall & Swift Residential Cost Handbook and the Boech Residential Cost Handbook.
- Appraisals must contain at least 3 comparable sales that are less than 1 year old. The gross and net appraisal adjustments must be conforming with conventional underwriting and USPAP guidelines.



SITE AND BUILDING REQUIREMENTS

Refer to the national regulation RD Instruction [1980-D](#), paragraphs 1980.312-1980.314 for more information.

- Click [Maps](#) to view the county maps showing the areas eligible for GRH financing in Wisconsin.
- Dwellings must meet Wisconsin Rural Development Thermal Standards. Click [here](#) to view the Thermal Standards in the GRH Forms section.
- No in-ground swimming pools are permitted. Exceptions can be considered on a case by case basis by the National Office. Any value attributed to above ground pools will be deducted from the appraised value since they are viewed as personal property.



- Dwellings financed should be of a residential nature and not closely associated with farm service buildings or commercial / industrial property. *(Underwriters typically expect reasonable zoning compliance. A good rule of thumb is that homes lacking residential zoning should be bordered on three sides by residential types of property.)*
- Income producing structures (including side by side duplexes) or land cannot be financed. Other structures of a storage nature (with low contributory value) are allowed, besides the house and a garage, subject to their value and the site's value being under 30% of the total value.
- Non-income producing sites can be financed regardless of size as long as the contributory value of the site and other structures is less than 30% of the total value. The 30% limitation may be exceeded if the site cannot be further subdivided for residential purposes based on its current zoning.
- Hobby farms and farmettes are not eligible for financing since they generally include income producing land and structures.
- Property must be contiguous to and have direct access from a street, public road, or driveway. Streets and roads must be hard surfaced or an all weather surface (i.e. not a single lane dirt road). Shared driveways are permitted as long as the access to the property is transferable with the title to the property.



- Property with non-conforming features such as: only 1 bedroom; small square footage of the site or dwelling, slab foundation, log homes, A frames, dome homes, etc. or homes with other types of functional obsolescence; may not be suitable for GRH financing. The appraisal must be made using similar comparable sales (i.e. having the same features) with acceptable gross and net adjustments and a similar value per square foot of living area.

CONDOMINIUMS

- Condominiums, Planned Unit Developments (PUD), or other dwellings served by a home owners association (HOA) may be accepted when the project has been approved or accepted by HUD, VA, FNMA, or FHLMC. *(The lender's underwriter is responsible documenting the acceptability of the condo based on secondary market criteria. Unwarrantable condos cannot be accepted.)*

PUDs will be accepted by Rural Development without additional documentation from the underwriter as long as all other property and appraisal requirements are met.)

- Small residential condominiums that are **not** served by a home owners association (HOA) based on the condominium documents, may be eligible for GRH financing. *(The lender's underwriter must determine the acceptability of the project's condo documents.)*

WELL AND SEPTIC INSPECTIONS



- A properly licensed individual must inspect all private wells and septic systems for adequacy and compliance with **current** state codes. Any observations of non-compliance must be noted on the inspection report. Click [here](#) to view an example of a well inspection report.
- Non-conforming wells and septic systems must be brought into compliance with current state codes.
- In almost all cases, basement wells are illegal and must be relocated outside of the dwelling's foundation. Pit wells and dug wells must be brought into compliance with current codes.
- Driven point wells **may** be eligible depending upon the well's location, type of installation, and capacity. Approximately 5 gallons per minute (GPM) is considered an adequate well capacity to supply a normal household.
- Shared wells located on the subject property are permissible as long as the existing shared well agreement contains no adverse clauses. A shared well that is not located on the subject property may be acceptable if a HUD Shared Well Water Agreement is signed by all parties and is properly recorded. Click [well agreement](#) for a copy of the HUD Shared Well Water Agreement.
- All private wells must be tested for bacteria, nitrates and any other contaminants known to cause health hazards in the area. The water tests must be considered "safe" based on EPA drinking water standards. Click [safe water](#) to view the maximum contaminant levels found in the current EPA drinking water standards.
- Wells with unsafe levels of nitrates will require the installation of an individual water treatment system that has been approved by the State of Wisconsin. Lenders must verify that an acceptable water treatment system has been installed. The Wisconsin Department of Commerce maintains an Approved Plumbing Products Register at their website. The register is updated frequently and can be found at the following website: <http://www.commerce.state.wi.us/SB/SB-PubsPlumbProdReg.html>

- All types of state approved septic systems are eligible. The septic inspection report must clearly describe the type of system, the adequacy of the system relative to the dwelling's size, compliance with current septic codes, and comment on any evidence of failure. Click [here](#) to view an example of a septic inspection report. Holding Tanks will be accepted for new construction financing only if no other alternative is possible on the site.

ENVIRONMENTAL ISSUES



- Lenders must submit FEMA Form 81-93, Standard Flood Hazard Determination, with each GRH loan application. Lenders typically obtain a life of the loan certification from the provider of the determination.
- Flood insurance is required anytime the foundation of any improvements is located in Zone A (100 year flood zone).
- Property located in unmapped areas (Zone D) or in non-participating communities where the risk of flooding is unknown, may be eligible based on the lender's analysis of the flooding history in that area.
- More information about FEMA, including Letters of Map Revision (LOMR) and Letters of Map Amendment (LOMA) can be found at: www.fema.gov/mit/tsd.
- Properties with underground storage tanks (residential use) must be registered with the State of Wisconsin Safety and Buildings Division. Abandoned underground storage tanks must be removed from the site.
- Properties with asbestos on the interior of the dwelling (typically found on the heating ducts in older homes) must have the asbestos material encapsulated or removed by a qualified individual.
- Since homes built prior to 1978 may contain lead-based paints, lenders should ensure that their applicants have received a copy of Addendum S – Lead Based Paint Disclosures and Acknowledgements, as part of their Offer to Purchase.
- Any peeling, flaking or chipped paint noted in the appraisal or RD Inspection Report for Purchase of Existing Homes must be abated in accordance with HUD guidelines.
- The EPA pamphlet, "Lead in Your Home: A Parent's Reference Guide," provides good information on this issue and is available by clicking [here](#).

HOME BUYER EDUCATION



- Lenders are required to document that first time homebuyers have successfully completed homebuyer education. Any format that is acceptable for or offered by private mortgage insurance companies is acceptable. Rural Development will accept any program conducted by the Lender that is approved by Fannie Mae, Freddie Mac, FHA, VA, or WHEDA.
- The National Foundation Of Credit Counseling (NFCC) publishes the “Keys to Homeownership”, which is an excellent homebuyer education workbook. Copies can be purchased by contacting NFCC Housing Department at (301) 589-5600, ext. 20
- A housing counselor’s directory is available on the HUD Web site at: www.hud.gov/offices/hsg/sfh/hcc/hccprof14.cfm .
- No cost homebuyer education is available on-line through the Nehemiah no-profit organization. Their website is: www.nehemiahloan.com Upon completion of the course, applicants will have to pass a test in order to receive their completion certificate.

OTHER APPLICANT ELIGIBILITY CRITERIA

- Refer to RD Instruction [1980-D](#), paragraph 1980.346 for more information.
- Applicants applying for GRH assistance must not own an adequate home within the local commuting area.

Examples

- 1. An applicant is relocating to a new job, which is across the state. They are selling their existing home so they can afford to purchase a new home.*
- 2. An applicant owns an existing manufactured home located on a leased site. They are selling their manufactured home and purchasing a site and new manufactured home through a Dealer / Contractor.*
- 3. An applicant owns a home in which they are in the process of selling. They will complete the sale of their current home prior to or simultaneously with the purchase of their new home.*

4. An applicant who is currently renting or residing at home with relatives decides to purchase a home.

- Applicants applying for GRH assistance must have minimal liquid assets that prevent them from qualifying for a conventional loan with no mortgage insurance. (Less than 20% down payment available excluding retirement assets.) A loan with mortgage insurance coverage is not considered “conventional” by this paragraph. *(Applicants may qualify for more than one loan program, such as GRH, WHEDA, FHA, or VA.)*
- Applicants must personally occupy the dwelling.
- Applicants must be a U.S. citizen, a U.S. non-citizen national or a “qualified alien”. *(Note: the Rural Development citizenship requirements are more restrictive than HUD/FHA in regards to non-permanent resident aliens.)*
- Refer to the [Administrative Notice \(AN\)](#) for more information on the definition of a “qualified alien” and the specific types of documentation needed to verify the citizenship status of an applicant.
 - Applicants who indicate “No” to Item J in Part VIII of their application indicating that they are not a U.S. citizen must provide documentation indicating their immigration status.
 - A copy of the front and back of INS Form I-551, Alien Registration Receipt Card (for permanent resident aliens) is the most common type of documentation obtained by lenders. Other types of acceptable documentation are described in the [Administrative Notice \(AN\)](#).



RETAINING AN EXISTING HOME AS RENTAL PROPERTY

- Generally borrowers must sell their existing home (or manufactured home) prior to closing.
- If the home cannot be sold (i.e. due to a depressed housing market) and it will be rented, a projected profit and loss statement must be obtained.
- The projected net rental income must be counted in the total household income for compliance purposes. The projected net income must be calculated in accordance with conventional underwriting guidelines or IRS accounting principals.

- Any present remaining mortgage payment (PITI) must be counted in the applicant's Total Debt Ratio (TDR) and will not be offset with a proposed rent payment.
- Manufactured homes on leased sites may be retained as personal property. The site's monthly lease cost and any monthly debt payment on the manufactured home must be included in the applicant's Total Debt Ratio (TDR) and will not be offset with a proposed rent payment.
- Net rental income will not count as qualifying (repayment) income unless there is a 24-month history to establish its dependability.
- The value of any retained assets except essential vehicles, household furnishings, and the financed property, must be determined in order to calculate the income from "net family assets". Refer to RD Instruction [1980-D](#), paragraph 1980.347(d)(3) for more information.

REASONABLE COSTS AND FEES



- Lenders may charge normal and customary fees for their services as long as their fees do not exceed the charges or fees routinely made by the lender for similar transactions such as WHEDA, FHA or VA.
- Other **conforming** high LTV home mortgage products (excluding sub-prime) can also be used for comparison. This documentation is not routinely requested as part of the loan application process unless the fees observed on the Good Faith Estimate appear to be unusually high for that market. The 1.75% guarantee fee should not be included when making the comparison.
- Refer to the [Administrative Notice \(AN\)](#) on this topic for more information.
- Discount points may only be charged in cases where the interest rate is being bought down from the current FNMA rate (see page 17). Discount points can only be financed for low income applicants.

RURAL DEVELOPMENT TURN AROUND TIME



- Rural Development will typically respond within 1 or 2 business days of receiving a complete (underwritten) application. Lenders will be notified immediately if their application package is incomplete.
- Priority underwriting (**24-hour approval**) is available for those files where both applicants have a representative credit score of 660 or higher.

- While Rural Development is not underwriting the loan, we must verify that certain applicant and property compliance issues have been met. This includes a determination that all household income has been verified and is within the maximum amount allowed; verifying that the underwriter has properly documented any ratio or credit waivers; completing an environmental analysis, reviewing the appraisal; and verifying that Thermal Standards and HUD property requirements have been met. Depending on the availability of staff and the quality of your package, many files are reviewed and approved the same day they are received.



RURAL DEVELOPMENT OFFICE LOCATIONS

- There is a Local Office and a State Office directory at the back of this handbook. A map showing each Local Office's service area can be viewed by clicking [here](#). Identify the county where the home being purchased is located to find the appropriate Local Office. Contacts regarding regional or statewide issues should be referred to the State Office in Stevens Point. The Local Office directory and other associated contact information is also available on our Wisconsin web site: www.rurdev.usda.gov/wi.

GETTING STARTED

- Educate your loan originators, processors, underwriters, and closing department. Wisconsin Rural Development has 14 full time Local Offices located throughout the state. Our State Office is located in Stevens Point. Lenders should request GRH training from their nearest Rural Development office. Regional training can be arranged by contacting the State Office.
- Thoroughly review this material, the RD-Instruction 1980-D, and the referenced [Administrative Notices \(ANs\)](#). Ask questions!
- This handbook and the referenced ANs are available for viewing and downloading from our Wisconsin web site: www.rurdev.usda.gov/wi.
- Click [here](#) to review the GRH Loan Application Processing Checklist located in the GRH Forms section.
- Review the "Processing Guide" on page 45 to understand the typical "file flow".
- Contact Rural Development for the names of other lenders experienced in the GRH loan program. Call them for some insight. *(Lenders report back their amazement at how easy this program is to administer.)*

PRE-APPROVALS



- Wisconsin Rural Development will issue written pre-approvals to approved lenders on “credit only” files that have been underwritten and approved by your underwriter or investor.
- The underwritten file must include all appropriate waivers for ratios, credit, and analysis of payment shock.
- The written pre-approvals are valid for 90 days and are specific to both the lender and county. *(Note: GRH funds are not “reserved” until the lender has submitted a Request for Reservation of Funds – see below.)*
- Click [here](#) to review the GRH Loan Pre-Approval Processing Checklist located in the GRH Forms section.

RESERVATION OF FUNDS

The originating lender or broker must request a “Reservation of Funds” after the applicant has an accepted Offer to Purchase. This process assures all parties that the GRH funding is available prior to processing and underwriting the file. The availability of funds is generally good throughout the year. During the month of October, Conditional Commitments may be delayed pending the approval of a new fiscal year budget or continuing resolution for our Agency.

- Fax [Form RD 1980-86](#), Reservation of Funds, to the Rural Development State Office or to the Local Office serving the county where the property is located. Refer to the section “Submitting The Loan / Pre-approval Request” for guidance on which office you should be using.
- Rural Development will fax a “Confirmation of Funds” to the originator usually within the same day. The GRH funds remain in a “reserved” status, pending the receipt of a complete file from the lender’s underwriter. All “Confirmation of Funds” will expire in 60 days or on September 30th each year, whichever comes first.

SUBMITTING THE LOAN / PRE-APPROVAL REQUEST

Wisconsin Rural Development offers a dual delivery system to its GRH lenders through its State Office and 14 full time Local Offices. Lenders may always submit their files to the State Office, but may also be able to work a Local Office, as described below.

- Local Offices may issue Conditional Commitments to seller / servicer lenders who retain the servicing of the GRH loans they originate and prefer a **decentralized** method of program delivery.
- Local Offices may also issue Conditional Commitments to approved lenders or investors who underwrite GRH loans on behalf of loan originators or mortgage brokers, who prefer a **decentralized** method of program delivery. Loan originators or mortgage brokers should include [Form RD WI 1980-12](#) as a cover sheet to their investor's underwriter so that they know which RD office you prefer reviewing your file. If no preference is indicated by the loan originator or mortgage broker, the investor's underwriter will send the file to the State Office for review.
- The State Office will issue Conditional Commitments to approved lenders or investors who prefer a **centralized** method of program delivery. These lenders are generally high volume lenders with multiple branch office locations that have centralized processing and underwriting functions.
- Approved lenders and loan originators should select the type of delivery system, **centralized or decentralized**, that works best for their business. Loan originators should consult their underwriting department or their investor for guidance on this issue. Click [here](#) for a list of Wisconsin approved and Nationally approved lenders that originate GRH loans.

CHANGING THE LOAN AMOUNT OR INTEREST RATE



- Once [Form RD 1980-18](#), Conditional Commitment for SFH Loan Guarantee, has been issued to a lender, no increases to the loan amount or interest rate are permitted without **prior** written concurrence from Rural Development.
- **Lenders must not close a loan at an interest rate or dollar amount higher than indicated on the Conditional Commitment.**
- Decreases in the loan amount or interest rate do not require Rural Development concurrence.
- An increase in the loan amount (i.e. up to the appraised value) can be approved, but **requires 3 business days** to process this change. The lender must submit a revised Form 1003, 1008, and Form RD 1980-21 indicating the proposed use of loan funds. If the new repayment ratios exceed the 29/41 guidelines, the lender must complete a ratio waiver as described in the "Repayment Ratios" section. A revised Conditional Commitment will be issued to reflect the increased loan amount, if approved by Rural Development.
- An increase in the interest rate will be permitted if the lender documents the date the rate was locked at an eligible rate of interest. This information

along with a revised Form 1003 and 1008 must be submitted to document this change. If the new repayment ratios exceed the 29/41 guidelines, the lender must complete a ratio waiver as described in the "Repayment Ratios" section. A revised Conditional Commitment will be issued to reflect the increased interest rate, if approved by Rural Development.

- Do **not** close the loan until both your underwriter's and Rural Development's conditions have been satisfied.



LOAN CLOSING

- If requested, Rural Development will review your documentation prior to closing to verify that you have satisfied the conditions listed on the Conditional Commitment.
- Make certain that the loan amount and interest rate matches (or is less than) the amount and rate shown on the Conditional Commitment.
- Make sure the guarantee fee is 1.75% of the FINAL loan amount for purchase transactions or 0.5% for refinance transactions.
- Utilize the GRH Loan Closing Package Checklist as a cover sheet when submitting closing packages. Click [here](#) to review the GRH Loan Closing Package Checklist located in the GRH Forms section.
- Submit the closing package and guarantee fee to the Rural Development office that issued the Conditional Commitment.
- Upon receiving [Form RD 1980-17](#), Loan Note Guarantee from Rural Development, attach it to the original promissory note as evidence of the guarantee.



LOAN NOTE GUARANTEE COVERAGE

Rural Development's guarantee provides lenders with better protection than most types of mortgage insurance at a lower cost to the applicant. Because of the high quality of our guarantee, GRH loans are sellable on the secondary market, resulting in good value for both lenders and homebuyers.

- Lenders are protected 100% on the first 35% of the original loan amount. Any loss in excess of the first 35% is covered by an 85% guarantee.
- The following briefly explains the loss claim process:

- Step 1: Add all unpaid accrued interest, principal, foreclosure costs, all REO costs, interest from foreclosure date to REO sale (maximum of 6 months), and all REO sales expense to determine gross investment. Subtract gross REO sale price from gross investment to determine the loss.
 - Step 2: Multiply the original loan by 35 percent.
 - Step 3: Rural Development pays *the lesser of* all of the loss determined in Step 1 or 35% of the original loan (Step 2)
 - Step 4: RHS pays 85% of any loss remaining unpaid from Step 3.
- The maximum loss payable is 90% of the original principal borrowed.
 - For more information on electronic reporting, loss claims and the servicing of GRH loans click on [Loan Servicing and Loss Claims](#).

REPLACEMENT FORMS

- You may print copies of all of the forms from the [GRH Forms section](#). Many of these forms, worksheets, and checklists are unique to Wisconsin.
- Official Agency forms can be down loaded from the following web site: rdinit.usda.gov/regs/formstoc.html.



GRH WEB RESOURCES

- Updates to this handbook, current and past program updates (Lender Memos), a forms set, a servicing guide, and most National ANs (referenced throughout this handbook), are available from the Wisconsin Rural Development website: www.rurdev.usda.gov/wi.
- The national regulation for the GRH loan program is RD Instruction 1980-D. The income limits are an attachment to that regulation referred to as Exhibit C. The 1980-D regulation is particularly useful for answering questions regarding income and the adjustments to income.
- Other regulations that cover parts of the program are RD-Instruction 1924-A (construction issues), RD-1940-G (environmental), RD Instruction 426-2 (flood insurance, construction in flood zones).
- The national Rural Development regulations referenced above can be downloaded from the web site: rdinit.usda.gov/regs. Current Administrative Notices (ANs) referenced in this handbook can also be found at: rdinit.usda.gov/regs/an_list.html.



RURAL DEVELOPMENT HOME PAGES

- The USDA – Rural Development national home page is located at: www.rurdev.usda.gov. Look for the single family housing programs. There is a map where you can click on a State to find more information about that State's programs. This is useful for finding GRH contacts in other states.
- An "Eligibility" website is being developed to help lenders determine property location eligibility and household income eligibility. This website is still under construction for some states but is functional for Wisconsin. The website address is eligibility.sc.egov.usda.gov/eligibility/mainServlet. Eventually, this site will allow you to simply enter a property address to determine if the location is eligible for Rural Development assistance.
- Each state home page can be accessed by using the national home page, then add a slash (/) and the two letter abbreviation of the state. For example, the Wisconsin Rural Development home page is: www.rurdev.usda.gov/wi.
- To directly access the Wisconsin guaranteed rural housing program information, go to: www.rurdev.usda.gov/wi/programs/rhs/grh/index.htm

OTHER USEFUL SITES

The following web sites may be useful to you when looking for information on the GRH loan program and other homeownership related issues.

www.rurdev.usda.gov - USDA – Rural Development National Office web site. Agency information and USDA eforms are available here.

www.rurdev.usda.gov/wi - Wisconsin Rural Development web site. Local Office locations and RD program information are available here.

www.hud.gov/groups/lenders.cfm - HUD information for lenders on various home financing topics, including required disclosures. This site provides access to the HUD reading room where you can obtain handbooks, mortgagee letters, and forms. A link is also available to search for FHA approved condominiums.

<http://www.hud.gov/offices/hsg/sfh/lender/lenders.cfm> - This site provides a list of FHA appraisers who may be qualified to certify a property's compliance with HUD Handbooks 4150.2 and 4905.1.

www.wihomes.com - This site provides a real estate directory for homes available for sale in Wisconsin. The site also has links to the WI Realtors

Association and Realtor.com that are useful for property searches and market research.

www.commerce.state.wi.us - The Safety and Buildings section has current lists of licensed Uniform Dwelling Code (UDC) building inspectors (needed for new construction GRH loans).

www.homeloans.va.gov/ls.htm - This site contains lender and applicant information for the Federal VA home loan programs. This site also contains a list of Federal VA approved condominiums.

www.fema.gov - Information on the National Flood Insurance Program (NFIP) and FEMA Form 81-93, Standard Flood Hazard Determination, can be found here.

www.nehemiahloan.com - On line homebuyer education program offered through the Nehemiah non-profit organization.

www.efanniemae.com - This site provides access to the current FNMA rate used by the GRH loan program. The single family originating and underwriting link will provide access to a list of FNMA accepted condominiums.

<https://ucclaim-wi.org> - This site provides Wisconsin unemployment compensation earnings data for individuals who have received benefit during the past 6 years. Lenders must use the applicant's state issued PIN in order to access the data.

www.wisctf.org - Use this site contact the Wisconsin Support Trust Fund to verify the child support payments received by an individual. They can also be reached by calling toll free 800-991-5530

DISCLAIMER: The material is mostly in bulleted format. It does not contain the full context of the Agency regulations. This is intended to be a brief overview that incorporates the essence of the Agency's national regulation and Wisconsin specific requirements. Because it is Wisconsin specific, it may not be suitable for use in other states. The information contained herein should provide adequate information for the processing of the majority of your GRH loans. Underwriters should consult with the Agency Guaranteed Housing Specialists or your local Rural Development Managers for guidance in unusual cases.

GRH PROCESSING GUIDE

Step 1: Enroll the applicant(s) in Homebuyers Education. (Required for first time homebuyers only.) Complete Form RD 1980-21 and Form AD-1048 with the applicant(s) at the time of application.

Step 2: Fax the Reservation of Funds to the appropriate Rural Development office. (See "Reservation of Funds" section.)

Step 3: Rural Development will return a "Confirmation of Funds" for the requested amount. The funds are set aside for 60 days while you process the loan through underwriting and Rural Development's approval. Upon approval of the loan, Rural Development will issue the Conditional Commitment to the lender listing any loan approval conditions. The Conditional Commitment provides you a 90-day window to close the loan and submit your closing package with the guarantee fee to Rural Development.

Step 4: Complete two loan origination packages, one for your underwriter and one for Rural Development. Use the "GRH Loan Application Processing Checklist" located in the GRH Forms section.

Step 5: Send both application packages to your underwriter or investor. If they approve the loan, they will send Rural Development a complete package with the underwriter's approval and supporting documentation. **Do not submit your application packages simultaneously to your underwriter and Rural Development.**

Step 6: Rural Development will review the underwritten application package and issue a Conditional Commitment, indicating any approval conditions, directly to the underwriter. Typically, a copy is faxed to the originator.

Step 7: The underwriting lender will inform the originating office and closing department of the loan conditions set by both the underwriter and Rural Development.

Step 8: The closing lender proceeds to close the loan if all underwriter and Rural Development conditions have been met.

Step 9: The underwriting/closing lender submits a closing package to Rural Development to obtain the Loan Note Guarantee. Refer to the "Loan Closing" section for more information.

Step 10. Rural Development issues the Loan Note Guarantee to the approved underwriting/closing lender. The Loan Note Guarantee must be attached to the original promissory note as proof of guarantee in the event of a loss.



United States Department of Agriculture
Rural Development
Wisconsin State Office
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Stevens Point, WI 54481
(715) 345-7620 FAX (715) 345-7699 TTY (715) 345-7614
E-Mail: RD.SFH.SO@wi.usda.gov

GUARANTEED RURAL HOUSING PERSONNEL AT THE STATE OFFICE

NAME	TITLE	TELEPHONE EXTENSION #
ADMINISTRATIVE:		
PETER G. KOHNEN Peter.Kohnen@wi.usda.gov	HOUSING PROGRAM DIRECTOR	111
UNDERWRITING - LENDER TRAINING - GRH LOAN SERVICING:		
PAUL J. BARTLETT Paul.Bartlett@wi.usda.gov	GUARANTEED HOUSING SPECIALIST	114
SUSAN E. KOHNEN Sue.Kohnen@wi.usda.gov	GUARANTEED HOUSING SPECIALIST	115
UNDERWRITING:		
DAWN T. WANTA Dawn.Wanta@wi.usda.gov	GUARANTEED HOUSING SPECIALIST	116
GRH LOAN PROCESSING:		
JESSICA R. BIGA Jessica.Biga@wi.usda.gov	SINGLE FAMILY HOUSING ASSISTANT	118
JULIE A. CZAPPA Julie.Czappa@wi.usda.gov	SINGLE FAMILY HOUSING TECHNICIAN	119

RURAL DEVELOPMENT – LOCAL SERVICE OFFICE AREAS

NORTHWESTERN REGION

Brian Deaner Area Director

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Bayfield County
Iron County
Price County

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Barron County
Polk County
Rusk County

Cora Schultz 330 E LaSalle Avenue, Room 100
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MENOMONIE
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Dunn County
Pepin County
Pierce County
St. Croix County

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Douglas County
Sawyer County
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RURAL DEVELOPMENT – LOCAL SERVICE OFFICE AREAS

NORTHEASTERN REGION

Dave Schwobe Area Director

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RHINELANDER
Florence County
Forest County
Langlade County
Lincoln County
Oneida County
Vilas County

Stephanie Kelnhofer 639 W Kemp Street
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SHAWANO
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Door County
Kewaunee County
Marinette County
Menominee County
Oconto County
Outagamie County
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Marathon County
Portage County
Waupaca County
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Wood County

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RURAL DEVELOPMENT – LOCAL SERVICE OFFICE AREAS

SOUTHWESTERN REGION

Chuck Igl Area Director

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RURAL DEVELOPMENT MANAGERS

BLACK RIVER FALLS
Buffalo County
Eau Claire County
Jackson County
Monroe County
Trempealeau County

Sue Larson 311 County A
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DODGEVILLE
Dane County
Grant County
Green County
Iowa County
Lafayette County

Jay Jones 138 S. Iowa Street
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PORTAGE
Adams County
Columbia County
Juneau County
Marquette County
Sauk County

Peggy Jones 2912 Red Fox Run
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VIROQUA
Crawford County
La Crosse County
Richland County
Vernon County

Susan Weber-Johnson Agriculture Service Center
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RURAL DEVELOPMENT – LOCAL SERVICE OFFICE AREAS

SOUTHEASTERN REGION

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RURAL DEVELOPMENT MANAGERS

ELKHORN

**Kenosha County
Racine County
Rock County
Walworth County**

**Tony Gates 225 O'Connor Drive
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FOND DU LAC

**Calumet County
Fond du Lac County
Green Lake County
Manitowoc County
Sheboygan County
Winnebago County**

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WEST BEND

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