



United States Department of Agriculture
Rural Development
Wisconsin State Office

March 15, 2004

SUBJECT: Wisconsin Rural Development Guaranteed Rural Housing (GRH) Update

TO: Approved GRH Lenders, Originators, and Loan Servicers

Following is important information regarding the funding status and program delivery of Wisconsin's GRH loan program. Please distribute this information to all of your branch offices, correspondent banks, or mortgage originators that originate GRH loans in Wisconsin.

GRH FISCAL YEAR 2004 FUNDING STATUS

While we have not officially received our FY 2004 allocation of GRH funds from the national budget, we have received ample funds to keep the GRH program operating smoothly. Thank you for your tremendous support of the GRH program during the winter months. We are on track to do well over \$100 million this year!

NEW INCOME LIMITS

Effective March 8th the income limits for the GRH loan program were updated. The attachment shows the new income limits based on household size and county. The changes, compared to last year, ranged from no increase (11 counties) to an increase of 5.3% (Portage County). The "all other" category that encompasses most counties saw an increase of 1.75%. No counties had their income limits decreased. *The new income limits will be posted on our website later this week.*

UPDATES TO ORIGINATION AND SERVICING HANDBOOKS

The "What's New?" link on the GRH Loan Origination and Servicing Handbook page has been updated to include copies of all recently issued Administrative Notices (ANs) referred to in this Lender Memo. New GRH program information can be accessed at this link for viewing instead of attaching multiple documents to this correspondence. The address for this page is:

<http://www.rurdev.usda.gov/wi/programs/rhs/grh/handbook/new.htm>

4949 Kirschling Court • Stevens Point, WI 54481 • Phone (715) 345-7620 • Toll Free 1-866-GRH-3600
FAX (715) 345-7669 • TTY (715) 345-7614
Email: RD.SFH.SO@wi.usda.gov

Committed to the future of rural communities

An Equal Opportunity Employer

UNDERWRITING ANs REISSUED

Recently three applicant underwriting ANs were reissued to summarize the GRH program's requirements in the areas of utilizing credit scores for underwriting, acceptable alternative documentation to verify household income, and determining repayment income for self employed applicants. RD ANs 3948, 3949, and 3950 substantially restate the underwriting guidance given to lenders through RD ANs 3819, 3848 and 3833 that have previously expired. *These new ANs will be posted on our website later this week.*

LOSS CLAIM & FUTURE RECOVERY AN REISSUED

Recently the AN on Loss Claim and Future Recovery Processing was reissued to summarize the GRH program's requirements in these areas. RD AN 3945 substantially restates the loss claim submission process and future recovery analysis requirements given to lenders through RD AN 3564 that had previously expired. Also included is an up to date electronic version of the loss claim worksheet and a user's guide. Any questions regarding this AN or other loan liquidation procedures should be directed to Rural Housing Specialist, Sue Kohnen, at 1-866-GRH-3600, ext. 115. *This new AN, loss claim worksheet, and user's guide will be posted on our website later this week.*

NEW USDA LOGO & MOTTO

As you may have noticed, our logo in the letterhead of this document has been changed to depict a typical rural landscape, complete with a water tower and a mix of buildings all nestled in a rolling hillside. Our new motto "USDA Rural Development – Committed to the Future of Rural Communities", will help us communicate who we are and what we can do for rural communities.

USDA Rural Development programs assist rural communities in a variety of ways. Support efforts include:

- Housing – Build and renovate homes, apartments, and community facilities.
- Utilities – Support water, waste, electric and telecommunications projects.
- Business – Provide planning and assistance to business and cooperatives.

If you have any questions regarding this memo, call 1-866-GRH-3600 and ask for a Guaranteed Housing Specialist.

/s/ Peter G. Kohnen
PETER G. KOHNEN
Rural Housing Program Director

PGK: pjb