

From the Program Director

Debbie Redfearn

Single Family Housing Program Director

As of June 30, 2006, we have assisted 680 Louisiana families with an investment of \$73,780,967. 511 of these homes were purchased in declared disaster or contiguous parishes. 35 homes were purchased in expanded eligible areas. Louisiana has received over \$543 million in disaster supplemental funding for the Guaranteed Rural Housing program, and we project to use the funds within the next four to five years.

As you can see, USDA Rural Development has stepped up to the plate in the housing recovery efforts in Louisiana. We continue to search for innovative ways to make the Guaranteed Rural Housing program thrive in Louisiana, and we will continue to request hurricane exception authorizations that will benefit both the homeowner and the lender.

We want to hear from you! Give us your suggestions to improve the Guaranteed Rural Housing program in Louisiana. Why would you choose another program over the Guaranteed Rural Housing program? Please send your ideas to debbie.redfearn@ia.usda.gov.

Spotlight on New Lenders

Red River Bank
Alexandria, Louisiana

Gulf Coast Bank & Trust Company
New Orleans, Louisiana



Homeownership Month

Louisiana Families Celebrate GRH Events

June was celebrated nationwide as National Homeownership Month. In Louisiana, USDA Rural Development marked the occasion by spotlighting the Guaranteed Rural Housing program in Rayne and Kenner, Louisiana.

Russell T. Davis, Administrator for USDA Rural Development Housing and Community Facilities Programs, Roger Glendenning, Director of USDA Rural Development's Single Family Housing Guaranteed Loan Division, and Jennifer Wagner Bell of the Office of Management and Budget traveled to Louisiana from Washington, DC, to join homeowners, lending organizations, community partners, and USDA Rural Development staff in planting trees at two homes financed through the Guaranteed Rural Housing program. The trees were furnished through a partnership effort with Keep Louisiana Beautiful, the Louisiana Urban Forestry Council, and the local Wal-Mart. See photographs and captions to learn more about the events.

HURRICANE RECOVERY Expanded Eligible Areas
See page 2



Above: Homeownership Month celebration in Rayne, Louisiana. The home pictured is the first home in the nation to be completed under the JPMorgan Chase/USDA Rural Development construction to permanent loan guarantee pilot program.



Above: Homeownership Month celebration in Kenner, Louisiana. This Kenner family lost their apartment to flooding caused by Hurricane Katrina. They evacuated to Florida—then returned home to Kenner. Finding rental costs too high, the homeowner worked with Allied Home Mortgage Capital Corporation to secure a USDA Rural Development guaranteed housing loan.

Breaking News!

NEW PROCEDURE

Effective immediately, the original Form RD 1980-21, Request for Single Family Housing Loan Guarantee WILL NOT be required in either the loan commitment or loan closing package. Copies or faxes are acceptable. Additionally, this form has been revised to reference the applicant's acknowledgement and certification to do business with the U.S. Government. Therefore, Form AD 1048, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions, is no longer required.

NEW CONSTRUCTION PILOT PROGRAM WITH J.P. MORGAN CHASE BANK

The key feature of this pilot program is that USDA Rural Development will issue the final Loan Note Guarantee following the closing of the interim loan, and prior to the completion of the subject property. This program is available statewide.

MORTGAGE RECOVERY ADVANCES ON EXISTING GRH LOANS

For borrowers delinquent as a result of the hurricanes, Rural Development can advance up to 12 months past due principal, interest, taxes, and insurance to a loan servicer to bring the account current. While interest free, the advance is subject to repayment by the borrower at the time the first lien mortgage is satisfied. Loan servicers will be eligible for a \$500 processing fee for this action.

IN-GROUND SWIMMING POOLS

Louisiana has received exception authority to approve homes with in-ground swimming pools in declared disaster and contiguous parishes. In the remaining parishes, waivers may be granted on a case-by-case basis.

THERMAL REQUIREMENTS

Louisiana has received exception authority to waive Rural Development thermal requirements for existing dwellings in declared disaster and contiguous parishes. In the remaining parishes, waivers may be granted on a case-by-case basis.

HOME ENERGY ADVANTAGE PILOT PROGRAM

Qualifying ratios (both PITI and total debt ratios) may be exceeded by 2% if the home is built to meet the 2000 International Energy Conservation Code (IECC) or subsequent comparable code. Both new construction and existing homes may be eligible. This is a nationwide pilot for the next 18 months.

GUARANTEED UNDERWRITING SYSTEM (GUS)

Pilot will begin soon in other states. The first phase will include seven lenders. Stay tuned!



Above: Homeownership Month Celebration in Kenner, Louisiana -- an expanded eligible area. This Kenner family lost their apartment to flooding caused by Hurricane Katrina. They evacuated to Florida—then returned home to Kenner. Finding rental costs too high, the homeowner worked with Allied Home Mortgage Capital Corporation to secure a USDA Rural Development guaranteed housing loan.

Hurricane Recovery in Louisiana Expanded Eligible Areas

To assist in the recovery effort, we have received authority to approve Guaranteed Rural Housing loans in the following areas:

- Sulphur (Calcasieu Parish)
- New Iberia (Iberia Parish)
- Houma (Terrebonne Parish)
- Slidell (St. Tammany Parish)
- All of Jefferson Parish excluding the unincorporated areas of the East Bank of the Mississippi River (Metairie and River Ridge are not eligible)
- All of St. Bernard Parish
- All of East Baton Rouge Parish excluding the incorporated area of Baton Rouge

These areas are eligible for a period of three years from disaster date. Loans must be approved and obligated within this time frame. This list of expanded eligible areas has been added to the Income and Property Eligibility website:

<http://eligibility.sc.egov.usda.gov>. Maps will not reflect the expanded eligible areas.

Funding

\$1.2 billion has been allocated to the Gulf states affected by the hurricanes. Louisiana received \$543,103,448, and unused funds can be carried over from year to year.

Income Limits in Louisiana

Guaranteed Rural Housing
Moderate Income Limits
Adjusted Income Limits
(Orleans Parish is Ineligible for Lending)

Number in Household	Income Amount*
1 Person	\$48,000
2 Persons	\$54,850
3 Persons	\$61,700
4 Persons	\$68,550
5 Persons	\$74,050
6 Persons	\$79,500
7 Persons	\$85,000
8 Persons	\$90,500

Effective April 26, 2006

*Add 8 percent of 4-person income limit for each person in excess of 8 persons.

"Moderate Income" is defined as 115 percent of the U.S. Median Family Income.


 Contact Us
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Area I

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Single Family Housing Guaranteed
Housing Specialist
USDA Service Center
2410 Old Sterlington Road, Suite C
Monroe, Louisiana 71203
Telephone: (318) 343-4467, ext. 109
Fax: (318) 343-5776
pat.guillory@la.usda.gov
Parishes served:
Caldwell, Catahoula, Claiborne,
Concordia, East Carroll, Franklin,
Jackson, LaSalle, Lincoln, Madison,
Morehouse, Ouachita, Richland,
Tensas, Union, and West Carroll

Area II

Mary Lu Wilkerson
Single Family Housing Guaranteed
Housing Specialist
USDA Service Center
6949 Highway 1 Bypass, Suite 103
Natchitoches, Louisiana 71457
Telephone: (318) 352-7100, ext. 128
Fax: (318) 354-1682
mary.wilkerson@la.usda.gov
Parishes served:
Avoyelles, Bienville, Bossier, Caddo,
DeSoto, Grant, Natchitoches,
Rapides, Red River, Sabine, Vernon,
Webster, and Winn

Area III

Charles Miniex
Single Family Housing Guaranteed
Housing Specialist
USDA Service Center
Whitney National Bank
905 Jefferson Street, Suite 320
Lafayette, Louisiana 70501-7913
Telephone: (337) 262-6601, ext. 119
Fax: (337) 262-6823
charles.miniex@la.usda.gov
Parishes served:
Acadia, Allen, Beauregard,
Calcasieu, Cameron, Evangeline,
Iberia, Jefferson Davis, Lafayette,
St. Landry, St. Martin, St. Mary, and
Vermilion

Area IV

John Friedman or Doug Lawrence
Single Family Housing Guaranteed
Housing Specialists
USDA Service Center
805 West Oak Street, Room 3
Amite, Louisiana 70422
Telephone: (985) 748-8751, ext. 127
or 136
Fax: (985) 748-4940
john.friedman@la.usda.gov
doug.lawrence@la.usda.gov
Parishes served:
Ascension, Assumption, East Baton
Rouge, East Feliciana, Iberville,
Jefferson, Lafourche, Livingston,
Plaquemines, Pointe Coupee,
St. Bernard, St. Charles,
St. Helena, St. James, St. John,
St. Tammany, Tangipahoa,
Terrebonne, Washington, West Baton
Rouge, and West Feliciana

Visit Our Exhibit

2006 GREATER GULF STATES MORTGAGE BROKERS CONVENTION

This fantastic event is being held in Memphis, Tennessee, from August 22-25, 2006, at the Memphis Marriott Downtown. Please visit Scott Pousson at the USDA Rural Development booth.

Things to Know**Administrative Notices**

The following Administrative Notices have been issued addressing Guaranteed Rural Housing (GRH) loan-making and servicing issues:

RD AN No. 4177 (1980-D) dated April 26, 2006, clarifies the use of replacement cost for new construction located in remote rural areas.

RD AN No. 4178 (1980-D) dated April 28, 2006, clarifies how to properly analyze a self-employed applicant's loan application for repayment ability.

RD AN No. 4179 (1980-D) dated April 28, 2006, elaborates upon the acceptable forms of employment income verifications for GRH loans.

RD AN No. 4184 (1980-D) dated May 12, 2006, clarifies the provisions of RD Instruction 1980-D regarding the content and submission requirements for GRH lender real estate owned (REO) property disposition plans.

RD AN No. 4191 (1924-A) dated June 7, 2006, provides guidance on the use and acceptance of National Pest Management Association's (NPMA) forms used in Rural Development's housing programs.

RD AN No. 4196 (1980-D) dated July 10, 2006, clarifies GRH condominium requirements, and how to determine if the condominium has been approved or accepted by HUD, VA, Fannie Mae, or Freddie Mac.

Maximum Loan to Value Ratio (LTVR) for GRH purchase loans is 102 percent (if the entire guarantee fee is financed).

The guarantee fee for purchase loans is 2.00 percent. The refinance fee is 0.5 percent.

**Not sure if a property is in an eligible area?**

Try out the Income and Property Eligibility website: <http://eligibility.sc.egov.usda.gov>
It can also be used to calculate adjusted household income and compare it to current income limits.

Please visit Louisiana's USDA Rural Development website: <http://rurdev.usda.gov/la>. Check here for general program information, contacts, updates, and other valuable information on all USDA Rural Development programs in Louisiana.

Instructions, Forms, Procedure Notices
Rural Development (RD) Instructions, Forms, Procedure Notices (PNs), and Administrative Notices (ANs) can be viewed on the Internet. The link is: <http://www.rurdev.usda.gov/regs/>

To obtain Rural Development forms, visit the eGov website: <http://www.sc.egov.usda.gov/>. To obtain a copy of Louisiana Administrative Notices, contact the Guaranteed Housing Specialist in your area.

Address Updates, Questions, and Comments

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