

## From the Program Director

Debbie Redfearn

Single Family Housing Program Director

Greetings from the Louisiana State Office! Spring is in the air, and this time of the year always reminds me of renewal and growth. So, this is the perfect time to "renew" your interest in the Guaranteed Rural Housing (GRH) program and "grow" your market share.

Two other words you hear lately in Louisiana are "rebirth" and "rebuild." As Louisiana recovers from the 2005 hurricanes, we are here to fulfill our role in the effort to provide housing in the affected areas. Plenty of GRH funds are available now, and more is on the way in the form of supplemental disaster funds. This supplemental funding will be designated for loans in declared disaster parishes and contiguous parishes. 45 of the state's 64 parishes will be eligible for supplemental funding, so funding is available for your clients, even if they were not directly affected by the hurricanes. We are working hard to meet the needs of applicants affected by the hurricanes, and help communities recover by providing the resources for adequate housing. Please see the Hurricane Recovery section in this issue to learn how the Louisiana GRH program can be used to provide housing in the affected areas.

While our numbers are down through the first six months of this fiscal year compared to last year, we still feel that the GRH program is the best option for borrowers and lenders alike. As of March 31, 2006, we have assisted 412 Louisiana families with an investment of \$44,576,552. While many factors contribute to usage of the program, we are dedicated to making the GRH program as flexible as possible in order to meet the housing needs of the citizens of Louisiana in this time of transition.

We want to hear from you! Give us your suggestions to improve the GRH program in Louisiana. Why would you choose another program over the GRH program? Please send your ideas to [debbie.redfearn@la.usda.gov](mailto:debbie.redfearn@la.usda.gov).



### Hurricane Recovery in Louisiana

## Expanded Eligible Areas

To assist in hurricane recovery efforts, USDA Rural Development has received authority to approve Guaranteed Rural Housing loans in the following areas:

- Sulphur (Calcasieu Parish), expires 9/24/08
- New Iberia (Iberia Parish), expires 9/24/08
- Houma (Terrebonne Parish), expires 9/24/08
- Slidell (St. Tammany Parish), expires 9/24/08
- All of Jefferson Parish excluding the unincorporated areas of the East Bank of the Mississippi River (Metairie and River Ridge are not eligible), expires 9/24/08
- All of St. Bernard Parish, expires 8/29/08
- All of East Baton Rouge Parish excluding the incorporated area of Baton Rouge, expires 8/29/08

These areas are eligible for a period of three years from disaster date. Loans must be approved and obligated within this time frame.



JUNE

is National Homeownership Month

If you are hosting National Homeownership Month events and you would like USDA Rural Development to participate, please contact: [debbie.redfearn@la.usda.gov](mailto:debbie.redfearn@la.usda.gov).

## NEW INCOME LIMITS!

### 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.

### Funding

\$1.2 billion has been allocated for the Gulf states affected by the hurricanes. Louisiana will receive its share of the disaster allocation in May, and unused funds can be carried over to subsequent years.

### Breaking News!

**GUARANTEED UNDERWRITING SYSTEM (GUS)**  
Currently in pilot stage in other states. Stay tuned!

**FANNIE MAE AND FREDDIE MAC** now accept GRH loans with a 102% loan to value when the guarantee fee is financed.

### VANTAGESCORE

VantageScore is a new credit scoring model which incorporates information from the three major credit reporting repositories—Equifax, Experian, and Trans Union—to arrive at a single credit score. At this time, VantageScores are not accepted for GRH loans as an indicator of credit worthiness. Currently, the great majority of mortgage lenders continue to use FICO scores because most

underwriting systems have not been configured to use the VantageScore model. Once USDA Rural Development and the mortgage industry have had time to evaluate the new score, further guidance will be issued.

### YOUR NEWS

Please let us know if you have news you would like to share in the **Pelican Press**.



## Contact Us

### State Office

3727 Government Street  
Alexandria, Louisiana 71302  
Telephone: (318) 473-7630  
TDD/TTY: (318) 473-7655  
Fax: (318) 473-7829

#### Debbie Redfearn

Single Family Housing Program  
Director

debbie.redfearn@la.usda.gov

#### Scott Pousson

Single Family Housing Specialist  
scott.pousson@la.usda.gov

### Area I

#### Pat Guillory

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

## NEW CONSTRUCTION PILOT PROGRAM WITH CHASE HOME FINANCE

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.

## 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. 4134** (1980-D) dated January 31, 2006, renews instruction to GRH field staff of the process used to refinance existing GRH loans.

**RD AN No. 4137** (1980-D) dated January 31, 2006, renews instruction to GRH field staff of the process used to refinance Section 502 Direct loans to GRH loans.

**RD AN No. 4138** (1980-D) dated February 1, 2006, revises loss claim and recovery (future recovery and additional recovery) remittance procedures due to enhanced automation capabilities, which assist in the preparation of GRH loss claims and recoveries.

**RD AN No. 4143** (1980-D) dated February 1, 2006, clarifies the expiration date of the GRH Conditional Commitment when new construction is involved.

**RD AN No. 4145** (1980-D) dated February 25, 2006, elaborates upon the forms of dwelling inspections and origination appraisal forms acceptable for loans guaranteed under the GRH program.

**RD AN No. 4149** (1980-D) dated March 10, 2006, furnishes guidance concerning what documentation U.S. non-citizens must supply in order to be considered for a GRH loan guarantee.

**RD AN No. 4150** (1980-D) dated March 10, 2006, provides guidance on foreclosure sale bids for security property on which there is a GRH loan guarantee.

**RD AN No. 4162** (1980-D) dated March 29, 2006, reiterates agency methodology for evaluating "payment shock."

**RD AN No. 4163** (1980-D) dated March 29, 2006, elaborates upon the use of debt ratio waivers when approving loan guarantees under the GRH program.

**RD AN No. 4165** (1980-D) dated April 5, 2006, encourages lenders to exercise loss mitigation techniques to the fullest extent possible when servicing defaulted loans under the GRH program.

**RD AN No. 4168** (1980-D) dated March 29, 2006, clarifies and standardizes the acceptable foreclosure time frame by state for the loans guaranteed by the GRH program.

**RD AN No. 4169** (1980-D) dated March 29, 2006, reissues the guidelines regarding reimbursement of attorney and trustee fees incurred for liquidated loans guaranteed by the GRH program.

**RD AN No. 4170** (1980-D) dated April 13, 2006, elaborates upon what forms of credit history and current debt verifications are acceptable for loans guaranteed under the GRH program.

**RD AN No. 4171** (1980-D) dated April 13, 2006, outlines two uses for Fair Isaacs & Company (FICO) credit scores when underwriting GRH loans.

**RD AN No. 4174** (1980-D) dated April 20, 2006, clarifies instruction concerning collection accounts with outstanding balances.

**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://rdinit.usda.gov/regs/> or  
<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

In an effort to save paper and postage, we are distributing this and future newsletters by e-mail. Thanks go to those of you who have responded to our request and provided us your e-mail address—our e-mail address list is growing longer each day. If you would like to add your name to our e-mail distribution list for newsletters and program announcements, please provide your e-mail address to [debbie.redfearn@la.usda.gov](mailto:debbie.redfearn@la.usda.gov).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (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, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider, employer, and lender.