



Revised Lender Handbook Available

From the Program Director

Debbie Redfearn
Single Family Housing Program Director

As we begin Fiscal Year 2007, Louisiana citizens continue to benefit from the Guaranteed Rural Housing (GRH) program. As of December 31, 2006, we have obligated 271 loans for a total of \$30,471,048 – ranking Louisiana 5th in the nation for the amount of dollars invested and 7th in the nation for number of loans approved.

The GRH program continues to play an important role in the housing recovery of Louisiana. Since Hurricane Katrina, Louisiana has approved 1,319 GRH loans totaling over \$144 million. Keep up the good work!

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.

Request Your Copies Today

Louisiana's newly-revised Single Family Housing Guaranteed Loan Program Handbook is now available. The new handbook is packed with valuable information and tools that will make the USDA Rural Development Guaranteed Rural Housing Program the home loan program of choice. Contact the USDA Rural Development Guaranteed Housing Specialist in your area for copies for your staff. **See page 3 for contact information.**

GRH Servicing Transitions to CSC

Guaranteed Rural Housing servicing was transitioned to the Centralized Servicing Center (CSC) on December 31, 2006. CSC will manage loss claims, loss mitigation, real estate owned property dispositions, and future/other recovery functions. Call CSC at (866) 550-5887 if you have any questions.

HURRICANE RECOVERY
Expanded Eligible Areas See page 2

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

Modified Adjusted Income Limits Declared Disaster Parishes and Contiguous Parishes (Effective October 1, 2006)

Number in Household	Income Amount*
1- 4 Persons	\$68,550
5-8 Persons	\$90,500

*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.

Hurricane Recovery in Louisiana

Supplemental Disaster 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.

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.

Adjusted Income Limits

For declared disaster parishes and contiguous parishes, the following adjusted income limits were effective October 1, 2006:

- 1-4 person household - \$68,550**
- 5-8 person household - \$90,500**

Our exception authority will expire September 30, 2008. For the remaining parishes, there is no change to the income limits.

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.



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CONSTRUCTION TO PERMANENT 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.

RURAL ENERGY PLUS 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 nationwide pilot will operate through the end of 2007.

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@la.usda.gov.

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.

GUARANTEED UNDERWRITING SYSTEM (GUS)

Louisiana has participated in the GUS pilot program since October 1, 2006, and we have received valuable feedback from our pilot lender. A controlled nationwide rollout is scheduled to begin later this year.



Guaranteed Rural Housing Program Advantages

for the LENDER

- Forms—Lender can use their forms to develop each loan and Rural Development loans can be closed using conventional type loan documents.
- 102 percent LTV—Total loan can exceed the appraised value only by the portion of the guarantee fee being financed, not to exceed 102 percent LTV.
- Ratios—29 percent and 41 percent; compensating factors and ratio waivers may be considered.
- Seller contributions—no limits.
- Guarantee fee—2.00 percent of the total loan amount. Refinance fee—0.5 percent.
- Loan Guarantee—90% of the principal amount of loan.
- Loans are accepted by Fannie Mae, Freddie Mac, and Ginnie Mae Pools.
- Loans can be closed using the Louisiana Housing Finance Agency's Bond Program.
- Assists lender in meeting CRA requirements.
- Commitments issued within 48 hours from receipt of a complete application.

USDA Rural Development guarantees home loans made by banks, savings and loans, mortgage companies, and other approved lending institutions. Funds can be used to build, purchase existing dwellings, repair, or purchase and prepare sites, including providing water and sewage facilities.

Contact Us

Area I

Pat Guillory
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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

Kevin Boone
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
kevin.boone@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

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. 136
Fax: (985) 748-4940
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

State Office

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

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<http://www.rurdev.usda.gov/la>



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. 4216 (1980-D) dated September 26, 2006, clarifies RD Instruction 1980-D requirements concerning collection accounts with outstanding balances.

RD AN No. 4217 (1980-D) dated September 26, 2006, clarifies RD Instruction 1980-D requirements concerning routine charges and fees that lenders may charge borrowers.

RD AN No. 4220 (1980-D) dated October 17, 2006, provides guidance on the definition of a liquidation value type appraisal and outlines the steps taken in obtaining a report from a qualified state licensed or certified appraiser in conjunction with Real Estate Owned (REO) guaranteed under the GRH program.

RD AN No. 4221 (1980-D) dated October 17, 2006, clarifies:

1. Regulatory requirements dealing with lender loan file documentation for newly constructed homes, and
2. Regulatory requirements when the guaranteed loan is used to purchase a home in a Planned Unit Development (PUD).

RD AN No. 4226 (426.2) dated October 27, 2006, provides guidance on the use of Federal Emergency Management Agency (FEMA) Form 81-93, "Standard Flood Hazard Determination."

DEBTS OF AN EX-SPOUSE

Since Louisiana is a community property state, the debts of an ex-spouse do not have to be counted if a community property settlement has been recorded. If the applicant is moving to Louisiana from a non-community property state, procedural requirements must be followed.

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.

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