

**USDA Rural
Development's
Guaranteed
Rural Housing
Program
is meeting
your clients'
housing
needs!**



**June is
National Homeownership Month**

**From the
Program Director**

Debbie Redfearn
Single Family Housing Program
Director

We have reached the mid-point of Fiscal Year 2007, and the success of the Guaranteed Rural Housing program in this state is a reflection of the housing recovery in rural Louisiana.

As of March 31, 2007, we have assisted 563 Louisiana families with an investment of \$63,604,105 – an increase of 151 loans and over \$19 million compared to this time last year.

Thank you for choosing the Guaranteed Rural Housing program to help meet your clients' housing needs. Together, we are helping to ensure the future of Louisiana.

Please see the hurricane recovery section in this issue (page 3) to learn how the Louisiana GRH program can be used to provide housing in the affected areas.

**Maximum
Interest
Rate
Revised**

The calculation of the maximum interest rate allowed for a Guaranteed Rural Housing loan has been revised. The rate charged may not exceed the lender's published VA rate with no discount points OR the current Federal National Mortgage Association posted yield for 90-day delivery (Actual/Actual) plus six-tenths of one percent for 30-year conventional loans, rounded up to the nearest one quarter of one percent.

Help us celebrate the success of the Guaranteed Rural Housing program in Louisiana. We may be coming to a home near you!



Welcome!

American Bank & Trust Company
Covington, Louisiana

Grand Bank for Savings, FSB
Hattiesburg, Mississippi

Homebuyers Resource Group, LLC
Baton Rouge, Louisiana

Southern Heritage Bank
Jonesville, Louisiana

**New
Guaranteed
Rural
Housing
Lenders!**



Suggestion Box

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.

Please Note:

Minimum credit score for streamlined documentation has been lowered to 620!
See RD AN No. 4237 for details.



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.

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.

Guaranteed Underwriting System (GUS)

The GUS pilot in Louisiana has added the following lenders: **Market Street Mortgage, Allied Home Mortgage Capital Corporation, and American Southwest Mortgage.**

More lenders will be phased into the pilot throughout the year. Thank you for your patience!

GRH News Delivered to Your E-Mail!

Lenders are invited to sign up for GRH Origination and Servicing news delivered right to your email. Simply go to the website below, enter your email address, and select the updates you want to receive:

<http://www.rdlist.sc.egov.usda.gov>

Income Limits in Louisiana

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

Non-Disaster Parishes

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 12, 2007

*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.

Disaster Parishes

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

Hurricane Recovery in Louisiana

Supplemental Disaster Funding

\$1.2 billion has been allocated to the Gulf states affected by the hurricanes of 2005. 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) - 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. 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 are in effect:

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.

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. 4237 (1980-D) dated January 25, 2007, revises the minimum credit score required for applicant eligibility to utilize streamlined documentation of GRH loans from the current 660 down to 620.

RD AN No. 4238 (1980-D) dated February 2, 2007, renews instructions for the process used to refinance Section 502 Direct loans with GRH loans.

RD AN No. 4239 (1980-D) dated February 2, 2007, renews instructions for the process used to refinance existing GRH loans.

RD AN No. 4249 (1980-D) dated February 23, 2007, renews guidance surrounding the expiration date of the GRH Conditional Commitment when new construction is involved.

RD AN No. 4257 (1980-D) dated March 21, 2007, clarifies and standardizes the acceptable foreclosure time frame for the GRH program.

RD AN No. 4258 (1980-D) dated March 21, 2007, reissues the guidelines regarding reimbursement of attorney and trustee fees incurred for liquidated GRH loans.

RD AN No. 4259 (1980-D) dated March 27, 2007, provides guidance on foreclosure sale bids for security property on which there is a GRH loan guarantee.

RD AN No. 4260 (1980-D) dated March 29, 2007, elaborates upon the forms of dwelling inspections acceptable for GRH loans.

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.



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.

Post this page in a prominent place in your office!

Contact Us

Area I - Monroe

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Monroe, Louisiana 71203

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Parishes served:

Caldwell, Catahoula, Claiborne, Concordia, East Carroll, Franklin, Jackson, LaSalle, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll

Area II - Natchitoches

Mary Lu Wilkerson

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(318) 354-1682

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mary.wilkerson@la.usda.gov

Parishes served:

Avoyelles, Bienville, Bossier, Caddo, DeSoto, Grant, Natchitoches, Rapides, Red River, Sabine, Vernon, Webster, and Winn

Area III - Lafayette

Charles Miniex

Single Family Housing
Guaranteed Housing Specialist
USDA Service Center
Whitney National Bank
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Lafayette, Louisiana 70501-7913

Telephone:

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Fax:

(337) 262-6823

e-mail:

charles.miniex@la.usda.gov

Parishes served:

Acadia, Allen, Beauregard, Calcasieu, Cameron, Evangeline, Iberia, Jefferson Davis, Lafayette, Pointe Coupee, St. Landry, St. Martin, St. Mary, and Vermilion

Area IV - Amite

Doug Lawrence

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Parishes served:

Ascension, Assumption, East Baton Rouge, East Feliciana, Iberville, Jefferson, Lafourche, Livingston, Plaquemines, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Tammany, Tangipahoa, Terrebonne, Washington, West Baton Rouge, and West Feliciana

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

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