

From the Program Director

Debbie Redfearn
Single Family Housing Program Director

The Louisiana Guaranteed Rural Housing (GRH) program continues to produce staggering numbers in Fiscal Year (FY) 2008. As of March 31, 2008, we have assisted 1,161 Louisiana families with an investment of \$139,363,240.

Louisiana ranks second in the nation in GRH production thanks to your commitment in making the GRH program your first choice to assist your customers.

This increase in loan volume makes it even more important for lenders to submit complete loan applications to us. We cannot accept loan applications from originators without final underwriter approval or partial loan applications (i.e., credit checks, prequalifications, etc.). It is the responsibility of the lender to underwrite the loan, not Rural Development.

Originators should work closely with their lenders to coordinate the submission of complete loan applications to Rural Development. Please contact your lender to check on the submission of an application.

Lenders are reminded that we can accept electronic submission of loan applications. This process should allow us to continue to provide excellent customer service by approving your loans in a timely manner.

Louisiana's GRH Program

2nd in the NATION!



IMPORTANT

New GRH Team Members

The following parishes (formerly served by the Natchitoches Area Office) have been centralized to the Alexandria State Office:

- Avoyelles**
- Bienville**
- Bossier**
- Caddo**
- Desoto**
- Grant**
- Natchitoches**
- Rapides**
- Red River**
- Sabine**
- Vernon**
- Webster**
- Winn**

Valerie McClelland will be working with Ross to provide excellent customer service in processing your GRH loans. Contact Valerie at:

e-mail: valerie.mcclelland@la.usda.gov
Fax: (318) 473-7829
Telephone: (318) 473-7944
or
LA-RD-AREA2GRH@one.usda.gov

New loan requests, loan closing packages, and any correspondence will be sent to:

Ross Maxwell
USDA Rural Development
3727 Government Street
Alexandria, LA 71302

e-mail: ross.maxwell@la.usda.gov
or
LA-RD-AREA2GRH@one.usda.gov
Fax: (318) 473-7829
Telephone: (318) 473-7952

Expanded Eligible Areas in Disaster Areas to Expire Soon see page 3
Training see page 2

Loan Closings for Lafayette Area Office

Effective immediately, the State Office will process all loan closings for loans approved in our Lafayette Area Office. Please submit loan closing packages to the Alexandria address.

NEW Income Limits!

Income Limits in Louisiana

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

Non-Disaster Parishes

Effective March 19, 2008

Number in Household	Income Amount*
1 Person	\$49,550
2 Persons	\$56,600
3 Persons	\$63,700
4 Persons	\$70,750
5 Persons	\$76,400
6 Persons	\$82,050
7 Persons	\$87,750
8 Persons	\$93,400

*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

Number in Household	Income Amount*
1- 4 Persons	\$70,750
5-8 Persons	\$93,400

Training

Guaranteed Rural Housing Loan Training

Lender Training Classes for New Lenders or Refresher Training for Veteran Lenders

Due to the increased volume of loan activity and numerous requests for GRH loan training, it has become necessary to offer group lender training classes in lieu of individual training sessions.

We are offering scheduled lender training classes monthly in locations across Louisiana. The classes will cover the guaranteed loan making process and underwriting guidelines, and last approximately two hours. These classes will be great for the new lender or for the lender who needs refresher training. We will provide all training materials. Lender training classes are scheduled as follows:

MONROE – 10:00 a.m.

May 6, 2008, June 11, 2008, July 16, 2008, August 13, 2008

To reserve your seat and for location details, you must contact Pat Guillory at (318) 343-4467, extension 109, or pat.guillory@la.usda.gov at least 48 hours prior to scheduled meeting date.

HAMMOND – 10:00 a.m.

May 7, 2008, June 18, 2008, July 16, 2008, August 6, 2008

To reserve your seat and for location details, you must contact Doug Lawrence at (985) 748-8751, extension, 136 or doug.lawrence@la.usda.gov at least 48 hours prior to scheduled meeting date.

LAFAYETTE – 10:00 a.m.

May 29, 2008, June 11, 2008, July 16, 2008, August 7, 2008

To reserve your seat and for location details, you must contact Charles Miniex at (337) 262-6601, extension 119, or charles.miniex@la.usda.gov at least 48 hours prior to scheduled meeting date.

ALEXANDRIA – 10:00 a.m.

May 7, 2008

To reserve your seat and for location details, you must contact Ross Maxwell at (318) 473-7952 or ross.maxwell@la.usda.gov at least 48 hours prior to the scheduled meeting date.

SHREVEPORT

Training sessions will be scheduled in Shreveport beginning in May (date to be determined). To ensure you staff receives training as soon as possible, please consider one of the training locations listed above.



USDA Rural Development has other guaranteed lending programs that may interest you.

Join us in Shreveport to learn more about them . . .

**Community Facilities
Water and Waste
Business and Industry
Single Family Housing
Multi-Family Housing**

Lender Outreach Meeting

Join us to learn more about **all guaranteed loan programs** offered by USDA Rural Development, including GRH.

April 23, 2008 - Shreveport

Small Business Development Center
LSU in Shreveport
LSUS Business/Education Building, Room 103
Shreveport, Louisiana

Registration – 9:15 a.m.

Workshop – 9:30 a.m. to 11:30 a.m.

RSVP (318) 797-5144 or lsdbc.lsus@lsdbc.org

Fannie Mae and Declining Markets

The recent announcement by Fannie Mae to reduce the LTV by 5% for properties in declining markets does not apply to mortgages that are fully guaranteed by the federal government, including USDA Rural Development.

Area Office Group E-Mail Addresses

Submit all new applications to the appropriate address:

Monroe Office:

LA-RD-AREA1GRH@one.usda.gov

Natchitoches Office:

LA-RD-AREA2GRH@one.usda.gov

Lafayette Office:

LA-RD-AREA3GRH@one.usda.gov

Amite Office:

LA-RD-AREA4GRH@one.usda.gov

Expanded Eligible Areas in Disaster Areas

You are reminded that the expanded rural area definition in areas directly affected by the 2005 hurricanes expires 3 years from the date of the President's disaster declaration. For Hurricane Katrina, this was August 29, 2005, and for Hurricane Rita, September 24, 2005.

Any GRH loans in these expanded eligible communities must be approved and obligated no later than August 29, 2008, or September 24, 2008, as applicable.

Please see the expiration dates in the Hurricane Recovery section in this issue.

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.



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 - \$70,750
5-8 person household - \$93,400

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.

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.

GUS

Guaranteed Underwriting System



Pelican
Louisiana's Guaranteed
Rural Housing News press

April 2008

Guaranteed Underwriting System (GUS)

The Guaranteed Underwriting System (GUS) is now available in Louisiana for all approved lenders. Over 400 lenders are now using GUS nationwide, and we expect participation to increase as improvements to GUS are made. Currently, GUS is a direct data entry system, meaning applications must be manually entered into GUS.

Lenders presently using DU/DO/LP or other loan origination systems (LOS) to enter applications will not be able to import them into GUS at this time. Manually entering a loan into GUS and receiving a loan recommendation may add 10-30 minutes of additional processing time.

Use of GUS is voluntary, but lenders are encouraged to use this important automation tool for the Guaranteed Rural Housing program.

GUS incorporates the underwriting requirements of RD Instruction 1980-D and uses a modified version of the Federal Housing Administration (FHA) mortgage scorecard known as Technology Open To Approved Lenders (TOTAL) in a web-based automated underwriting environment.

Benefits of using GUS include:

- Consistent and objective loan decisions nationwide
- Ease of use: simple and available 24 hours a day
- Increased credit quality of guaranteed loans
- Lower processing time and origination costs to lenders: GUS IS FREE

- Improved service to approved lenders, streamlined documentation options and faster turnaround times for conditional commitments
- Automated property and income eligibility determinations in seconds

Future enhancements to GUS include:

- A streamlined application format which will improve functionality (scheduled for May 2008).
- A "quick prequal" or a "quick 1003", which will allow lenders to get fast decisions after entering only a handful of data elements.
- An import/export function so that lenders will not have to type data into GUS that has already been entered in the lender's loan origination system (LOS). Lenders will be able to upload applicant information from their LOS into GUS, and also download data from GUS to their LOS (scheduled for September 2008).
- A broker access function so that brokers may enter data into GUS, receive a preliminary result with feedback, and then assign the application to an approved lender (scheduled for December 2008).



Construction to Permanent Pilot Program With JPMorgan 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 has been extended to December 31, 2008.

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>



Suggestions???

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.

To learn more about GUS, see RD Administrative Notice No. 4330, or go to GUS Lender Overview Training which is available online at:
<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.asp>

Approved lenders interested in using GUS in Louisiana should send an email to Scott Pousson at scott.pousson@la.usda.gov or call (318) 473-7630.

Things to Know

Instructions, Forms, Procedure Notices

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

Administrative Notices

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

RD AN No. 4326 (1980-D) dated January 9, 2008, updates the loss claim and recovery (future recovery and additional recovery) remittance procedures.

RD AN No. 4330 (1980-D) dated January 30, 2008, clarifies guidance on the availability and use of the GRH automated underwriting system, known as the Guaranteed Underwriting System (GUS).

RD AN No. 4335 (1980-D) dated February 28, 2008, renews instruction of the process used to refinance Section 502 Direct loans to GRH loans.

RD AN No. 4336 (1980-D) dated February 28, 2008, renews instruction of the process used to refinance existing GRH loans.

RD AN No. 4337 (1980-D) dated February 28, 2008, renews guidance surrounding the expiration date of the GRH Conditional Commitment when new construction is involved.

RD AN No. 4341 (1980-D) dated March 14, 2008, amends the guidelines regarding reimbursement of attorney and trustee fees incurred for liquidated GRH loans.

RD AN No. 4342 (1980-D) dated March 14, 2008, reissues guidance regarding the acceptable foreclosure time frames by state for GRH loans.

RD AN No. 4345 (1980-D) dated March 28, 2008, elaborates upon the forms of credit history and current debt verifications acceptable for GRH loans.

RD AN No. 4346 (1980-D) dated March 28, 2008, affirms 620 as the minimum credit score required for applicants to utilize streamlined documentation for manually underwritten GRH loans.

Credit Waivers/Ratio Waivers

The 1008 Underwriting and Transmittal Summary is the ideal place to document credit waivers and ratio waivers for GRH loans. Required documentation of

compensating factors and any other comments should be included in the "Underwriter Comments" section. The Louisiana Ratio Waiver form and a separate credit waiver form are no longer being used.

Thermal Performance Standards

The regulations regarding thermal performance standards for existing homes have been eliminated effective January 10, 2008. This change will not affect thermal standards for new construction, currently prescribed by locally adopted building and model energy codes.

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. The total amount of the guarantee fee is tax deductible in the year the loan is closed.

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.

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.

From: GRH Handbook OVERVIEW OF THE GUARANTEED RURAL HOUSING LOAN PROGRAM

- Lender uses their own forms with few additional Rural Development forms required.
- Loans saleable in the secondary market.
- 30-year term only—rate cannot exceed FNMA 90-day yield rate plus six-tenths of one percent, rounded up to the nearest one-quarter of one percent or lender's published VA rate with no discount points.
- 100% financing—no down payment required. Loans can be made up to 100% of appraised value plus the amount of the guarantee fee.
- Refinancing of USDA Rural Development direct and guaranteed loans is allowed under certain conditions.

For your copy of the GRH Handbook

Visit our website:

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

No PMI Loans - 9% Rate - 30 Year Loan	\$1,408
Flex 100 w/LLPA 1% - 35%MI	\$1,304
Flex 100 w/LLPA 1.5% - 25%MI	\$1,267
Flex 97 - 3% down - 35%MI	\$1,265
MYCOMMUNITYMORTGAGE/HOME POSSIBLE - 20% MI	\$1,250
40-Year Loan 35% MI	\$1,227
FHA 3% Down - 1.5% UFMIP+MI	\$1,218
95% LTV Conventional - 5% down - 30% MI	\$1,214
Flex 97 - 3% down - 18% MI	\$1,207
80/20 - 80%: 7%, 30-Year 20%; 8.5%, 30-Year	\$1,201
VA - 2.15% Guarantee Fee - No MI	\$1,189
102% Rural Development - No MI 2% Guarantee Fee (included in loan)	\$1,188

- \$175,000 loan
- 7% interest rate unless otherwise noted
- No real estate taxes or home insurance included



Guaranteed to Compete!

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 - Monroe	Area II - Alexandria	Area III - Lafayette	Area IV - Amite
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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
e-mail:
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

Ross Maxwell
Single Family Housing
Guaranteed Housing Specialist
Alexandria State Office
3727 Government Street
Alexandria, Louisiana 71302

Telephone:
(318) 473-7952
Fax:
(318) 473-7829
e-mail:
ross.maxwell@la.usda.gov

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

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
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

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doug.lawrence@la.usda.gov

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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3727 Government Street
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