



Register Now!
Lender Training
Scheduled

For New Lenders and Veteran Lenders

Due to the increased volume of loan activity and numerous requests for GRH loan training, USDA Rural Development is offering group lender training classes monthly in locations across Louisiana.

The two-hour classes will cover the guaranteed loan making process and underwriting guidelines, and will be great for both new lenders or veteran GRH lenders who need refresher training.

We are providing all training materials.

Select a class and register!

MONROE

10:00 a.m.
February 14, 2008
March 11, 2008
April 8, 2008
May 6, 2008

To reserve your seat and for location details, 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.
February 6, 2008
March 5, 2008
April 9, 2008
May 7, 2008

To reserve your seat and for location details, 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.
February 13, 2008
May 14, 2008

LAKE CHARLES

10:00 a.m.
March 12, 2008

JENNINGS

10:00 a.m.
April 16, 2008

To reserve your seat and for location details for Lafayette, Lake Charles, or Jennings training sessions, 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 and SHREVEPORT

Training sessions will be scheduled in Alexandria and Shreveport in the near future. To ensure your staff receives training as soon as possible, please consider one of the training locations listed above.

From the Program Director

Debbie Redfearn

Single Family Housing Program Director

Fiscal Year (FY) 2008 is off to a great start. As of December 31, 2007, we have assisted 509 Louisiana families with an investment of \$60,621,049. While these numbers are impressive, the delinquency rate for first year GRH loans has been increasing recently. With your help, we need to ensure that loans are made to qualified homebuyers with a

reasonable assurance that they will become successful homeowners. The key factor to achieve this is quality underwriting during loan origination. Credit waivers and ratio waivers must be justified and properly documented by the lender on the 1008 Underwriting and Transmittal Summary.



Thermal Standards Eliminated on Existing Homes

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.

GRH Reservation System Now Open

Lenders may begin submitting requests for reservation of funds without having a complete application.

New Group E-Mail Addresses

We are pleased to announce the availability of the following group e-mail addresses for each of our Area Offices:

- 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 (page 4) to learn how the Louisiana GRH program can be used to provide housing in the affected areas.

To Meet Your Needs . . . Submit Complete GRH Package

In order to operate an efficient GRH program and meet your customer service needs, it is very important that submitted GRH loan packages are complete. We have always tried to approve loans within 24 to 48 hours, but we must have clear and complete information to accomplish this goal. As the volume of GRH loans in Louisiana increases, this is even more important. You are reminded that we do accept application packages submitted electronically. Additionally, a complete loan closing package is important for the lender to receive their Loan Note Guarantee in a timely manner.



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 |



Open the Door to Homeownership
For Your Customers
through **Guaranteed Rural Housing**

GUS

Guaranteed Underwriting System



Pelican press
Louisiana's Guaranteed Rural Housing News

January 2008

Guaranteed Underwriting System (GUS)

The Guaranteed Underwriting System (GUS) is now available in Louisiana for all approved lenders. 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.



**GUS is . . .
Fast, Easy,
and FREE**



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

Three highly anticipated future enhancements to GUS include:

- A "quick prequal" or a "quick 1003", which will allow lenders to get fast decisions after entering only a handful of data elements (rescheduled for April 2008).
- 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 (rescheduled 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 later in 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. 4273, 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.



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.



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. 4313 (1980-D) dated October 31, 2007, clarifies regulatory requirements dealing with lender loan file documentation for newly-constructed homes and regulatory requirements when the guaranteed loan is used to purchase a home in a Planned Unit Development.

RD AN No. 4315 (1980-D) dated November 20, 2007, provides guidance on the use of Federal Emergency Management Agency (FEMA) Form 81-93, "Standard Flood Hazard Determination."

RD AN No. 4321 (1980-D) dated December 18, 2007, encourages approved GRH lenders/servicers to exercise loss mitigation techniques to the fullest extent possible when servicing defaulted loans under the GRH program.

RD AN No. 4322 (1924-A) dated December 18, 2007, provides guidance on the thermal standards for manufactured housing that are acceptable to Rural Development.

RD AN No. 4323 (1924-A) dated December 18, 2007, provides guidance on the use and acceptance of the National Pest Management Association's (NPMA) termite forms used in Rural Development's housing programs.

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.

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:

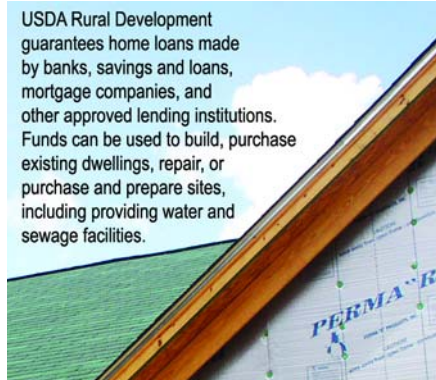
<http://rurdev.usda.gov/la>

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.



January 2008



Mary Lu Wilkerson Retires From USDA Rural Development Natchitoches Area Office

Mary Lu Wilkerson, Guaranteed Housing Specialist, retired from USDA Rural Development at the end of 2007. We want to wish Mary Lu a happy retirement, and thank her for her contributions to the GRH program and dedication to assisting Louisiana families achieve successful homeownership. Lenders should continue to submit GRH loan packages to the Natchitoches Area Office until further notice.

Contact Us

Area I - Monroe

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

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

Area II - Natchitoches

USDA Service Center
Single Family Housing
6949 Highway 1 Bypass,
Suite 103
Natchitoches, Louisiana 71457

Telephone:

(318) 352-7100, ext. 7

Fax:

(318) 354-1682

e-mail:

LA-RD-AREA2GRH@one.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
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

Area IV - Amite

Doug Lawrence

Single Family Housing
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USDA Service Center
805 West Oak Street, Room 3
Amite, Louisiana 70422

Telephone:

(985) 748-8751, ext. 136

Fax:

(985) 748-4940

e-mail:

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

State Office

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

Debbie Redfearn

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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.



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

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