



Because of our participating lending partners, **1,572 Louisiana families** are enjoying homeownership through USDA Rural Development's Guaranteed Rural Housing Program.

**Thank you!**

Amanda Kate Farrar is an elementary school teacher who lost her home to the hurricanes of 2005. This year, she moved into a new home financed through the "construction to permanent" guaranteed home loan program that is a partnership effort between USDA Rural Development and JPMorgan Chase.

# FY 2007 **Top 10** Guaranteed Rural Housing Lenders in Louisiana

**JPMorgan Chase Bank, N.A.**  
\$99.5 million

**American Southwest Mortgage**  
\$7.6 million

**Sabine State Bank**  
\$5.8 million

**DHI Mortgage**  
\$5.5 million

**Capital One**  
\$5.3 million

**Cross Keys Bank**  
\$4.9 million

**Red River Bank**  
\$4.0 million

**Ouachita Independent Bank**  
\$4.0 million

**First Federal Bank of Louisiana**  
\$3.6 million

**Richland State Bank**  
\$3.2 million

## 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

## From the Program Director

**Debbie Redfearn**

Single Family Housing Program Director

**WHAT A YEAR!** Louisiana bounced back and had a record-setting year for Fiscal Year 2007. As of September 30, 2007, we had assisted 1,572 Louisiana families with an investment of \$181.9 million, which ranked us 4th in the nation. These numbers are unprecedented in our state and the result of the hard work and dedication of you, our lending partners.

We are looking forward to an even larger Fiscal Year 2008. Unused funds from last fiscal year are now available and we can accept and fund new loan guarantee requests at this time. However, until Congress passes the USDA budget for Fiscal Year 2008, lenders may not reserve any loan funds without the submission of a complete loan application package. The guarantee fee will remain at 2 percent for purchase loans, and 0.5 percent for refinance loans.

**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.**

# GUS

Guaranteed Underwriting System



**Pelican** press  
Louisiana's Guaranteed Rural Housing News

November 2007

## 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 (scheduled for February 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 (scheduled for February 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).

## Credit Waivers and Ratio Waivers

The 1008 Underwriting and Transmittal Summary is the ideal place to document credit waivers and ratio waivers for Guaranteed Rural Housing 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.

## 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 will operate through the end of 2007.

## 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.rdlst.sc.egov.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](mailto: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.

### 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. **UPDATE: We anticipate the final rule for removal of the thermal requirements will be published soon, which should make it effective in January 2008. Stay tuned!**



November 2007

## 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. 4293 (1980-D)** dated July 9, 2007, clarifies how Section 8 Homeownership Vouchers may be used for qualifying applicants under the GRH program.

**RD AN No. 4300 (1980-D)** dated July 25, 2007, updates the loss claim and recovery (future recovery and additional recovery) remittance procedures.

**RD AN No. 4302 (1980-D)** dated July 31, 2007, describes what documentation non-U.S. citizens must supply when the Systemic Alien Verification for Entitlements (SAVE) program database does not achieve a determination, in order to qualify for the GRH program.

**RD AN No. 4303 (1980-D)** dated August 13, 2007, clarifies GRH program condominium requirements, and how to determine if the condominium has been approved or accepted by the United States Department of Housing and Urban Development (HUD), Veteran Affairs (VA), Fannie Mae (FNMA), or Freddie Mac (FHLMC).

**RD AN No. 4305 (1980-D)** dated September 11, 2007, clarifies Rural Development procedure on the issuance and retention of Form RD 1980-17, "Loan Note Guarantee," and affirm agency policy on a lender's request for a duplicate copy.

**RD AN No. 4307 (1980-D)** dated September 10, 2007, clarifies GRH program requirements for routine charges and fees that lenders may charge borrowers.

#### 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.





## 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](mailto:debbie.redfearn@la.usda.gov).

## Contact Us

### Area I - Monroe

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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

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[mary.wilkerson@la.usda.gov](mailto: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

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**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

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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

### State Office

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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](mailto:debbie.redfearn@la.usda.gov).



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

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