



From the Program Director

Debbie Redfearn
Single Family Housing Program Director

Fiscal Year 2006 was a challenging year, to say the least. But with challenges come opportunities.

Together, we have an opportunity to use the Guaranteed Rural Housing program to allow more people to buy homes and stay in Louisiana.

Funds are plentiful, eligible areas have been expanded, and income limits have been modified. Now is the time for lenders to seize this opportunity and utilize the Guaranteed Rural Housing program to expand their market.

We are up to the challenge. Are you?

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.

Hurricane Recovery

Modified Income Limits Released

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.

FY 2006 Top 5 GRH Lenders in Louisiana

Spotlight

JP Morgan Chase Bank, N.A.
\$55.1 million

Capital One
\$5 million

Unity Mortgage
\$3.9 million

Cross Keys Bank
\$3.7 million

Sabine State Bank
\$3.6 million

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

Effective April 26, 2006

*Add 8 percent of 4-person income limit for each person in excess of 4 persons.

"Moderate Income" is defined as 115 percent of the U.S. Median Family Income.

Breaking News!

NEW CONSTRUCTION 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.

MORTGAGE RECOVERY ADVANCES ON EXISTING GRH LOANS

For borrowers delinquent as a result of the hurricanes, Rural Development can advance up to 12 months past due principal, interest, taxes, and insurance to a loan servicer to bring the account current. While interest free, the advance is subject to repayment by the borrower at the time the first lien mortgage is satisfied. Loan servicers will be eligible for a \$500 processing fee for this action.

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 can 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 can be granted on a case-by-case basis.

RURAL ENERGY PLUS PILOT PROGRAM

Effective immediately, the name of the pilot has changed from "Home Energy Advantage" to "Rural Energy Plus". 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)

Louisiana is participating in the GUS pilot program beginning October 1, 2006. Full implementation of GUS is scheduled for January 2007.

Hurricane Recovery in Louisiana

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.



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.

Progress Report

- ◆ As of September 30, 2006, USDA Rural Development has assisted 964 Louisiana families with an investment of \$105.5 million.
- ◆ 720 of these homes were purchased in declared disaster or contiguous parishes.
- ◆ 45 homes were purchased in expanded eligible areas.

Louisiana received over \$543 million in disaster supplemental funding for the Guaranteed Rural Housing program.

This funding is projected to be utilized within the next four to five years. \$461.8 million remain in supplemental funding, and unused funds can be carried over from year to year.


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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

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Housing Specialist
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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

Kevin Boone
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USDA Service Center
Whitney National Bank
905 Jefferson Street, Suite 320
Lafayette, Louisiana 70501-7913
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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

John Friedman or Doug Lawrence
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Amite, Louisiana 70422
Telephone: (985) 748-8751, ext. 127
or 136
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john.friedman@la.usda.gov
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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

Visit Our Exhibit

November 2, 2006 Greater Baton Rouge Association of Realtors Expo - Baton Rouge, LA - Bonne Carre' Conference Center

November 10-13, 2006 National Association of Realtors Expo - New Orleans - Morial Convention Center

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. 4199 (1980-D) dated July 21, 2006, clarifies how Section 8 Homeownership Vouchers may be used for qualifying applicants under the GRH program.

RD AN No. 4200 (1980-D) dated July 26, 2006, provides guidance concerning use of the Systematic Alien Verification for Entitlements (SAVE) Program database maintained by the Department of Homeland Security (DHS) Citizenship and Immigration Services (CIS).

RD AN No. 4202 (1980-D) dated August 5, 2006, clarifies Rural Development procedure on the issuance and retention of Form RD 1980-17, "Loan Note Guarantee," and affirms agency policy on a lender's request for a duplicate copy.

RD AN No. 4210 (1980-D) dated August 31, 2006, clarifies RD Instruction 1980-D requirements for reporting the sale of Real Estate Owned property (REO). It also clarifies procedure for the future recovery of sale proceeds when REO held by the guaranteed lender sells at a higher price than the appraised value used to estimate a net recovery loss claim on unsold REO.

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.

Address Updates, Questions, and Comments

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