

USDA



Committed to the future of rural communities.

# Rural Resources

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*Michael W. Aube, State Director*

[Contact Us](#)

*Beverly A. Stone, Public Affairs*

*“Your newsletter for building rural communities.”*



### Message from the State Director:

Rural Development invested **\$206,663,895** in the state of Maine during fiscal year 2006. This represented an increase in program dollars of 140 percent from fiscal year 2005.

These funds were allocated throughout all counties of the state assisting in housing, business, and community program areas. In our Housing Programs, Rural Development was able to assist 813 families in obtaining/maintaining homeownership; 22 multi-family housing properties received restructuring and revitalization assistance through a new demonstration program; 3 multi-family housing properties received guaranteed Section 538 loans to rehabilitate existing Section 515 properties (the first and only ones in Maine and the nation); and Maine’s first 2 site loans were provided and will assist many rural Maine families to obtain new, affordable housing.

In our Business Programs, these funds assisted in creating 689 jobs and saving 754 other jobs; 3 renewable energy/energy efficiency grants were provided which brought additional leveraged funds from private investments for renewable energy projects, which will ultimately make Maine less dependent upon foreign energy sources; and grant funds were received to enable the Aroostook Empowerment Zone and Lewiston Enterprise Community to increase jobs in these areas and assist communities in creating sustainable economic development.

In our Community Programs, Maine had the highest percentage of direct CF funds obligated in the USA, with over 480 percent of allocation obligated. This exceptional performance provided almost 40 communities servicing a rural population of 62,724 with essential services, such as health care, fire protection,

and educational facilities; 37 Community Facilities were assisted; construction contracts created 1,139 construction jobs, in addition to jobs in the engineering, legal, and administrative employment sectors; Maine was the number one recipient of Distance Learning and Telemedicine projects with 9 out of 10 applications funded with grants to assist with essential health care and distance learning projects; and 20 water/waste systems were assisted resulting in a benefit to 30,711 users.

USDA Rural Development is committed to our mission. With the dedicated staff, cooperative partners, and innovative programs, each day our efforts make rural Maine a better place to call home.

### Under Secretary Dorr Introduces Market Test of Guaranteed Underwriting System (GUS)

The single largest, most expensive purchase many Americans make is buying their own home. That is especially true in rural America.

But the process of buying a home can be tedious, complicated, and time consuming. However, for lenders and buyers using the USDA Rural Development Single Family Housing Guaranteed Loan Program (SFHGLP), the loan approval process is about to get a lot easier.

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# Housing Programs

Recently, USDA Rural Development began a market test of the electronically-based Guaranteed Underwriting System (GUS) to expedite loan approvals. GUS automates the old manual underwriting process. Lenders in the market test can now electronically enter a homebuyer's loan application information into the GUS online program and within seconds get a loan decision. That is, at the very least, two days shorter and less expensive than using the manual process and having to use overnight delivery of documents.

Once the applicant's information is entered into the system, it runs through a series of electronic calculations and considerations that weigh various credit factors and then determines, again, in a matter of seconds, a borrower's and the property's eligibility for a USDA Rural Development guaranteed loan. For a lender and a buyer, that is lightning speed that minimizes the stress and pressure of the wait. Families will know right away if they can buy their home and start planning their future.

Through the use of cutting-edge technology, GUS will advance President George W. Bush's commitment to increase homeownership. This program offers a full service automated underwriting system which will be made available in the future for other private sector lenders participating in the Rural Development guaranteed loan program.

The idea that led to GUS came out of a discussion three years ago between Under Secretary Thomas C. Dorr and then-Federal Housing Administration (FHA) Commissioner John Weicher on ways to work together, through the sharing of knowledge resources, to automate USDA Rural Development's manual underwriting process. As a result, one of the critical components in GUS is FHA's mortgage scorecard, known as TOTAL (Technology Open to Approved Lenders), which has been modified in GUS for rural, moderate- to low-income home loan purposes. Among the items TOTAL evaluates are a loan applicant's credit score, debt ratios and other factors.

Lenders participating in Phase I & II of the market test include: Residential Mortgage of Scarborough, ME; Allied Mortgage Capital Corporation of Rockwell, TX; American Southwest Mortgage of Oklahoma City, OK; Central National Bank of Junction City, KS; First National Bank of Columbus, NE; Guaranty Trust of Murfreesboro, TN; State Bank of Lincoln, IL; The Mortgage Company of Junction City, KS and Virginia Housing Development Authority of Richmond, VA. Additional lenders will be added to the market test later this year in preparation for full GUS implementation in January 2007.

President Bush, this Administration, and USDA Rural Development are committed to helping more Americans become homeowners. Homeownership is part of the American dream. It strengthens family and communities. For millions of Americans, it is the first big step on the ladder to financial security to building assets that benefit their families for years to come.

This year, USDA Rural Development will likely invest about \$15 billion in direct loans and guarantees for rural housing, infrastructure, community facilities, business development and entrepreneurial activity. At USDA Rural Development, we want to streamline our efforts to help more Americans realize their dreams by becoming homeowners. GUS is one of the many ways we can help both lender and potential homebuyer with faster and more efficient service. With GUS, Rural Development continues leading the way to making rural America a more energetic and vibrant place to live and work.

For more information, contact Rural Development's housing programs at 990-9110.

## **Single Family Origination News Single Family Housing Guaranteed Loan Program – Online Access to Credit Alert Interactive Voice Response System (CAIVRS)**

USDA Rural Development has been informed by the Department of Housing and Urban Development (HUD), that the telephone access to the Credit Alert Interactive Voice is scheduled to terminate as of December 31, 2006. All lenders approved to process USDA Rural Development loans are required to prescreen their applicants through CAIVRS. Many lenders are still utilizing the telephone system to perform the pre-screening through CAIVRS. Beginning January 1, 2007, all USDA Rural Development lenders must prescreen their applicants through CAIVRS via the Internet.

More information will soon be available at:

[http://www.rurdev.usda.gov/me/SFH/approved\\_lenders.htm](http://www.rurdev.usda.gov/me/SFH/approved_lenders.htm)

## **Gardiner Family Benefits from Partnership Between Rural Development and Kennebec Valley Community Action Program in Time for Holidays**

Full story at:

<http://kennebecjournal.maintoday.com/news/local/3444312.html>

# Business Programs

## Rural Development Provides Assistance for NewLand Nursery and Landscaping for Growing Needs

### **\$800,000 BUSINESS & INDUSTRY LOAN ENABLES NEWLAND NURSERY AND LANDSCAPING TO UPDATE EQUIPMENT AND EXPAND MARKETS**

Rural Development's guarantee given to Union Trust Company will enable NewLand Nursery and Landscaping to expand markets, update its facilities and equipment, as well as expand its service crews, creating/saving 24 jobs in Ellsworth. This rural Maine business has been in operation since 1985, and includes a wholesale/retail nursery, a landscape design/build operation, landscape maintenance, and a full service florist shop. NewLand is expected to expand its market shares in all four lines of the business as a result of the Rural Development Guaranteed Business & Industry loan. No other firm in the eastern Maine area competes on all four levels as NewLand does, offering "one-stop" shopping to residential and commercial customers.



## THE CITY OF CARIBOU RECEIVES A RURAL BUSINESS ENTERPRISE GRANT TO ASSIST THE MAINE MILITARY AUTHORITY EXPAND ITS OPERATIONS

The City of Caribou recently received a Rural Development Rural Business Enterprise Grant (RBEG) in the amount of \$350,000 to assist the City in the purchase of a 35,000 square foot building to be leased to the Maine Military Authority (MMA). This will enable MMA to expand its operations, creating 35 jobs, in addition to saving over 60 jobs in Aroostook County. MMA operates a refurbishing center for High Mobility Multi-Purpose Wheeled Vehicles (HMMWV). MMA's refurbishment center at the former Loring Air Force Base

had run out of space, and needed an additional site for their component refurbishing shop. The arrangement with Caribou will enable MMA to expand at minimal cost, and create very good paying jobs in an area that has experienced high unemployment and out-migration over the past 20 years. The City of Caribou matched the RBEG funds with another \$350,000 to complete the transaction.

## MAINE INDIAN BASKETMAKERS ALLIANCE RECEIVES RURAL DEVELOPMENT ASSISTANCE TO HELP IN MARKETING EFFORTS

The Maine Indian Basketmakers Alliance in Old Town was recently awarded a Rural Business Opportunity Grant (RBOG) to fund a technical assistance project to help the Alliance identify and expand markets, provide small business skills to their members, and enhance their website/online marketing. The \$63,000 RBOG was leveraged with another \$63,000 in cash and in-kind contributions from the Alliance, whose mission is to focus on preserving and extending the art of basketmaking within Maine's American Indian community. One of the organization's goals is to preserve the ancient tradition of ash and sweet grass basketmaking among the Penobscot, Passamaquoddy, Maliseet, and Micmac tribes. The Wabanaki Arts Center Gallery in Old Town is the Alliance's retail store, which provides an outlet for basket-makers to sell their work. Maine's American Indian population has typically experienced much higher rates of unemployment and poverty than the rest of the population. In addition to these trends, the City of Old Town recently experienced an economic blow with the announcement of the closure of the Georgia Pacific paper mill. This grant will help create and save jobs in areas desperately needing an economic boost.

*Through the centuries,*

the Maliseet, Micmac, Passamaquoddy and Penobscot Indians have passed down the art and tradition of basket weaving from one generation to the next. Today, these authentic, handwoven baskets of ash and sweetgrass may be viewed here at our online gallery or at the Wabanaki Arts Center Gallery in Old Town, Maine. For more information, call 207.827.0391.



# Community Programs

## USDA Rural Development, Eastern Maine Development Corporation, and the Bangor Daily News Present Symposium on Broadband Resources



From left to right at the symposium: Connecting Maine's Future are- USDA Rural Development State Director Michael W. Aube, Eastern Maine Medical Center CEO Deborah Carey-Johnson, and Senator Susan M. Collins

USDA Rural Development, Eastern Maine Development Corporation, and the Bangor Daily News presented "A Broadband Symposium: Connecting Maine's Future," with Keynote Speaker Senator Susan M. Collins. The Symposium centered on the needs of Maine businesses, municipalities, the healthcare industry, and other organizations as they face the challenge of locating broadband services that will assist them in remaining competitive in the global marketplace. The needs of local organizations were presented, as well as resources and solutions outlined by Federal and State organizations including the USDA Rural Development and Maine Public Utilities Commission. Over 150 people attended.

Residents of all 16 Maine Counties will benefit from Rural Development Distance Learning and Telemedicine facilities for residents in rural Maine communities.

At a Luncheon Ceremony, Keynote Speaker Senator Susan M. Collins announced nearly \$3 million in USDA Grants for Distance Learning and Telemedicine to nine Maine recipients.

The Grants increase educational opportunities and enhance healthcare through advanced telecommunications technologies.

Rural Development Distance Learning and Telemedicine Grant Recipients in Maine were: Eastern Maine Medical Center, Millinocket School Department, Jay School Department, Eastern Maine Healthcare Systems, Cobscook Community Learning Center, Community Health and Counseling Services, Kno-Wal-Lin Home Care and Hospice, Inc., Regional Medical Center at Lubec, Inc., and Central Maine Medical Center.

## Fryeburg Rescue Association Celebrates New Ambulance

The new ambulance was proudly displayed in front of Fryeburg Rescue Association, as officials gathered to celebrate its arrival. The sparkling new ambulance replaces an older model which was no longer up to code, making life safer for over 3,000 rural residents of the four communities (Fryeburg, Lovell, Brownfield, and Stow) that are served by the Association. The new vehicle will improve response time to health emergencies and accidents and will provide more effective and efficient emergency care.



Rural Development helped make this purchase possible, providing a Community Facility Loan in the amount of \$149,000 and Grant in the amount of \$36,000 for the ambulance and a crash vehicle (not pictured). In the photo from left to right are: Diane Jackson, Regional Representative, Office of Senator Olympia J. Snowe; Stephen Goldsmith, Chief, Fryeburg Rescue Association; Janice Stroud-Bickes, USDA Rural Development Area Director; and Carlene Tremblay, Staff Assistant, Office of Senator Susan M. Collins.