



United States
Department of
Agriculture

Rural
Housing
Service

Oregon AN No. 1236(1980)

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August 26, 2002

SUBJECT: Guaranteed Rural Housing (GRH) Program
Loan Submission and Post Closing Checklists

TO: Rural Development Managers
Rural Development
Oregon

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide an updated reference source to insure the loan origination and post loan closing documentation is complete. The attachments are revised to capture recent changes to the GRH program.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN No. 1201(1980) issued March 13, 2001.

IMPLEMENTATION RESPONSIBILITIES:

To assist our lending partners in submitting a complete request for commitment and/or guarantee, two checklists - origination and post closing - have been developed and updated with changes, which have occurred since the last issuance.

Exhibit A to this AN, "***Guaranteed Rural Housing - Submission Checklist***" can be utilized by lenders when assembling the necessary documentation to request a "Conditional Commitment for Loan Note Guarantee."

Exhibit B to this AN, "***Guaranteed Rural Housing - Loan Note Guarantee - Post closing - Checklist***" can be utilized by lenders as resource tool to assemble final documentation to support issuance of a Loan Note Guarantee.

EXPIRATION DATE:
August 30, 2003

FILING INSTRUCTIONS:
Proceeding RD Instruction 1980-D

USDA is an equal opportunity lender, provider and employer.
Complaints of discrimination should be sent to:
USDA, Director, Office of Civil Rights, Washington, DC 20250-9410

If you have any questions regarding this Administrative Notice (AN), please feel free to contact Single Family Housing at (503) 414-3335.



LYNN SCHOESSLER
State Director

Attachments

**Guaranteed Rural Housing (GRH)
Rural Development
Loan Note Guarantee - Post Closing - Checklist**

Lender:	Borrower(s) Name(s):
Contact Person:	Phone #:
	Fax #:

The following represent(s) the documentation necessary to request a "Loan Note Guarantee" post closing:

POST CLOSING

"X"

- Lender Certification - Complete and execute Page 2 of Conditional Commitment, Form RD 1980-18 & Attachment
 - ◆ Confirm - Note Sold?
 - ◆ Confirm - Servicing Retained?
 - ◆ Execute at signature line
- Check for Guarantee Fee
 - ◆ Check payable to "Rural Development"
 - ◆ 2% X Final Loan Amount = Guarantee Fee
- Copy of Promissory Note
- Copy of Deed of Trust
 - ◆ Include Legal Description
- Copy of Final HUD-1
- Guaranteed Loan Closing Report, Form RD 1980-19
 - ◆ Completed and executed.
 - ◆ Accurate Lender ID No. in item #4
 - ◆ Confirm Lender status code in item #5 - should be 1
 - ◆ Insert Lenders Name and Servicing Address I item #9
- Completed Form RD 1980-11- Lender Record Change
 - ◆ Identify Investor
 - ◆ Identify Servicer
- Conditions of the Conditional Commitment
 - ◆ Copy of supporting documentation - items noted as conditions on Attachment to Commitment
- Other
 - ◆ As Applicable

**Guaranteed Rural Housing (GRH)
Rural Development
Loan Submission Checklist**

Approved Lender:	Borrower(s) Name(s):
Contact Person:	Phone #:
	Fax #:

The following represents the documentation necessary to request a commitment for Loan Note Guarantee:

**DOCUMENTATION
UNDERWRITING**

- FNMA 1008, Underwriters Analysis - Executed by the Underwriter
- Form 1980-86/confirmation of Reservation of Funds. Fillable form @ <http://forms.sc.egov.usda.gov/eforms/formsearchservlet>
- Form 1980-21, "Request for Single Family Housing Loan Guarantee" - 1/98 Revision - executed by lender and borrower(s) Fillable form available @ <http://forms.sc.egov.usda.gov/eforms/formsearchservlet>
- Form AD-1048, "Certification Regarding Debarment..." - executed by borrower(s)
- New 1003 application w/all addendum's
- Original application (1003) w/all addendum's - borrower's signature
- Documentation of qualified alien status (if applicable)
Credit Alert & Interactive Voice System (CAIVRS) - document approval # on 1003 above signature line.
- Underwriter's documentation of compensating factors on FNMA 1008 when payment shock > 100%
- Good Faith Estimate (GFE)

CREDIT/ASSET

- Credit Report (and addendum, if applicable) - Tri-merge or RMCR
- Documentation of Underwriters waiver of credit (if applicable) on FNMA 1008, Underwriter's analysis or separate waiver
- Verification of Rental History (credit scores < 660) - 3 years history / VOR / or CBR
- Documentation of Assets

INCOME/EMPLOYMENT

- Documentation of Income/Employment (all adult HH members) - Income worksheet (lender documentation of program eligible income)
- Verification of Employment/Verbal VOE
- Payroll earning statements/most recent 30-day period
- W-2 tax returns for previous 2 tax years
- Self-employment Income Analysis Statement
- YTD P & L Statement
- Federal tax returns - previous 2 years, signed for self-employment/non-salaried income
- Misc. Income Documents (Social Security, Pension, child support, etc.)

PROPERTY/ EXISTING

- Copy, Purchase Agreement (earnest money agr)
- Complete Appraisal & applicable addendum
 - ◆ original photographs
 - ◆ land to total value ratio limited to 30% unless
 - ◆ Documented site value typical for area and not dividable.
- Flood Certificate (Form 81-93)
- HUD 92564-VC (Valuation Condition Sheet)
- Thermal Certification
 - ◆ R-19/ceiling
 - ◆ R-3/water pipes/unheated crawl space
 - ◆ R-11/water heater/unheated space
 - ◆ R-11/heat ducts/unheated crawl space
 - ◆ Weather-stripped exterior doors
 - ◆ Exterior thermal door(s)
- Clear Pest and Dryrot Report (if applicable)
- Septic Certification (if applicable)
- Well Certification
- Evidence of health approval authority testing:
 - ◆ Coliform
 - ◆ Nitrates
- Evidence pump delivers 5 GPM, over 4 hour period

PROPERTY/NEW CONSTRUCTION

- Copy, Purchase Agreement (earnest money agr)
- Complete Appraisal & applicable addendum
 - ◆ original photographs
 - ◆ land to total value ratio limited to 30% unless
 - ◆ Documented site value typical for area and not dividable.
- Flood Certificate (Form 81-93)
- Compliance documentation for new construction:
 - ◆ Plan certification OR copy, building permit
 - ◆ Footing inspection
 - ◆ Framing inspection
 - ◆ Final inspection
 - ◆ Builders Warranty (Form RD 1924-19 - fillable form @ <http://forms.sc.egov.usda.gov/eforms/formsearchservlet>)

MANUFACTURED HOUSING/NEW

- Contract w/approved dealer-contractor (contract to address purchase of unit + development)
- Copy building permit
- Copy, Inspections (Footing, Framing, Final)
- Warranty - Unit + Development
- Dealer-Contractor Certification
- Appraiser Certification