

### MAXIMUM INCOME LIMITS:

Income limits are adjusted annually by household size and by County or MSA areas. Rural Development income limits generally track HUD published income limits. The limits cap out at 115% of HUD area median income according to household size. For current RD published income limits go to [www.rurdev.usda.gov](http://www.rurdev.usda.gov).

Below is the lowest range of the 2012 annual income limits for Vermont and New Hampshire. Please note that these limits are higher in many counties for the specific household size and county where the buyer intends to acquire a property. You can go to <http://eligibility.sc.egov.usda.gov>

<b>Vermont</b>	<b>1-4 PERSON</b>	<b>5-8 PERSON</b>
	\$75,600	\$99,792
<b>New Hampshire</b>	<b>1-4 PERSON</b>	<b>5-8 PERSON</b>
	\$86,700	\$114,444

Income from all adults, whether or not they are applicants for the loan, must be calculated. Deductions from this gross annual income may be taken as follows:

1. Deduct \$480 for each member of the household under the age of 18.
2. Deduct the cost of child care for any children in the household under the age of 12. The full amount of child care can be deducted, provided the payment can be verified in writing.
3. Deduct \$400 if one of the loan applicants is over the age of 62.

### LENDER PARTICIPATION IN GUARANTEED HOUSING LOANS:

Lenders interested in participating should contact Rural Development office in their area for an application for approved lender status.

Qualified lenders include those already approved by:

- HUD
- US Veteran's Administration
- Fannie Mae
- Freddie Mac

Or those lenders who are participating in

- Farm Credit System
- Other USDA/RD or USDA/Farm
- Services guaranteed loan programs

Lenders who do not qualify under the above criteria can participate in the program via correspondent relationships with Approved Lenders.

**For more information, a copy of our lender's manual, or to apply for approved lender status, please contact:**

**USDA/RD Housing Programs  
Concord, New Hampshire  
(603) 223-6035**

**USDA/RD Housing Programs  
Montpelier, Vermont  
802-828-6003**

"USDA is an Equal Opportunity Provider, Employer and Lender." To file a complaint of discrimination write USDA, Office of Civil Rights, 1400 Independence Avenue S. W. Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).



Committed to the future  
of rural communities.

## LENDER INFORMATION FOR GUARANTEED MORTGAGE LOANS



Visit our Web Site at:

[www.rurdev.usda.gov/vt](http://www.rurdev.usda.gov/vt)

(Revised 01-18-2012)

## WHY USE A USDA, RURAL DEVELOPMENT GUARANTEE?

- ⇒ Enhances your customer's purchasing power by eliminating monthly PMI.
- ⇒ Strongest protection available to a lender. 90% guarantee. Essentially pays 100% of a loss claim. (The first 35% of your original loan is covered at 100%).
- ⇒ Purchase Loans can be up to 102% LTV The up- front fee can be financed.
- ⇒ Qualifying ratios of 29/41 are acceptable to state HFAs and other secondary market investors.
- ⇒ Liberal credit evaluations. Risk layering and streamlined underwriting used for credit scores over 660. Use of Nontraditional credit history is also allowed.
- ⇒ No maximum purchase price limits.

## OVERVIEW OF THE RURAL DEVELOPMENT (RD) GUARANTEE PROGRAM:

The purpose is to provide low cost mortgage insurance for loans financed through local lenders for applicants who need insurance. Lender originates and uses its own forms.

102% LTV Financing.

Up- front fee of 2% for purchase loans and an annual fee is .3% on the outstanding average principal balance paid at the end of each year buy the lender.

Fixed rate, 30 year term.

No limit on seller contributions.

Loans saleable in secondary market and to State HFAs.

No purchase price limits.

Owner occupancy and single family unit. Income limit - 115% of HUD Median.

## WHAT ARE THE ALLOWABLE RATES AND TERMS AND FEES?

Interest rates are negotiated between the applicant and their lender. Loans must carry a fixed rate and must carry a 30 year term.

Down payments are not required. Loans may be made for 102% of the appraised value of a property (fee of 2% can be included).

Lenders may establish fees and late charges, provided they do not exceed those charged other customers for similar transactions.

Escrow accounts must be established for taxes and insurance. Additional escrows may be established to ensure completion of repairs

## WHAT ARE THE PROPERTY REQUIREMENTS?

- \* The property must be a single family unit or an approved condominium unit.
- \* Homes must be located in designated rural areas. In Vermont the following communities are ineligible: Burlington, South Burlington, Winooski, Essex Junction and parts of Colchester. In New Hampshire ineligible areas are : Concord, Derry, Dover, Hudson, Keene, Londonderry, Manchester,

Merrimack, Nashua, Portsmouth, Rochester, Salem, and parts of Goffstown and Hooksett. All other communities in both states are eligible.

- \* Camps, existing mobile homes, and multifamily dwellings cannot be financed.
- \* Income-producing property cannot be financed.
- \* Homes may be new construction - stick built, modular or manufactured housing are all acceptable.

## WHAT ARE THE APPRAISAL AND INSPECTION REQUIREMENTS?

- \* Standard appraisal documents are acceptable.
- \* The dwelling must be determined to be decent, safe, and sanitary. This can be verified by a home inspection report or HUD Appraiser Certifies that Property meets HUD Minimum Requirements.
- \* Private water supplies must be tested for potability.

## REFINANCE OPTIONS

- \* RD loans (Direct or Guaranteed) can be refinanced. The upfront fee is 1.5% and the annual fee on the outstanding average principal balance each year is currently 0.3% payable by the lender at the end of each year. Please contact the RD Guarantee Specialist for your state for further details.