

SPECIAL POINTS OF INTEREST

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WISCONSIN GRH LOAN VOLUME UP 65%!

Nationally, we are on track for a record year in the GRH loan program! The Fiscal Year 2008 budget will provide over \$5 billion in funding for the GRH loan program of which over a billion has been utilized during our first quarter. In Wisconsin, Rural Development has approved 253 loans for approximately \$27.5 million. Thanks for your great support!

GRH REFINANCING OPPORTUNITIES

Now is a great time to schedule an interest rate review for your existing GRH customers to see if they will benefit from the lower interest rates in the market place. With ample refinancing funds available and prevailing rates in the 6% range, both you and your customers can benefit from the recent reduction in mortgage interest rates.

Attached is an updated GRH loan refinancing chart to assist you in determining the type and amount of documentation needed. Lenders using our Guaranteed Underwriting System (GUS) can also submit their files electronically and take advantage of

streamlined file documentation allowed on "accept" files.

The maximum LTV (based on a current appraisal) for a GRH refinance is 100.5% including the 0.5% guarantee fee. If the borrower's current LTV is in excess of 100.5%, you may consider the possibility of a "principal only" refinance where the customer (or lender) pays the closing costs. The 0.5% guarantee fee can be financed above the current principal balance and you will avoid incurring the cost of a new appraisal.

HOUSING SECTION STAFF CHANGES

Good-Bye to Housing Program Director Peter Kohlen and Housing Specialist Kathy Bleskey upon their retirement in January. Both Peter and Kathy have contributed greatly to the success of Rural Development in Wisconsin with their combined 64 years of service to the Agency.

Congratulations to Julie Czappa and to Jessica Mancel upon their recent promotions. Both Julie and Jessica have worked in the Housing Section as Technicians in the Direct 502 and GRH loan programs. Julie was promoted to Housing Specialist in the State Office

GIVE US A CALL!

Contact us at Rural Development to help you finance a home, multi-family housing, business, community facility or water and waste system in a rural area.

Brian Deaner
Acting Housing Program Director

Paul Bartlett
Housing Specialist

Sara Kendall
Housing Specialist

Julie Czappa
Housing Specialist

Phone: 715-345-7620

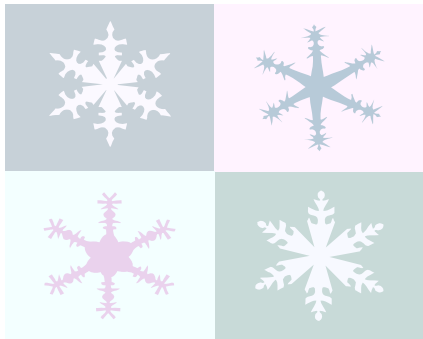
Fax: 715-345-7699

Website: www.rurdev.usda.gov/wi



and Jessica was promoted to Area Loan Specialist in the Stevens Point Area Office.

Welcome to Brian Deaner, Acting Housing Program Director, Kristin Peterson, Housing Technician, and Landis Wubbels, Housing Assistant, as they join the Housing Section. Brian comes to us as an Area Director from the Menomonie Area Office to lead the Housing Programs during this transition in staffing. Kristin transferred from our Stevens Point Area Office to the Housing Section as a Technician. Landis started her career with the Agency after working in the private sector as an office assistant.



EXISTING DWELLING CERTIFICATION

Our last newsletter announced the elimination of Thermal Standards effective January 10, 2008. Since then, lenders have asked for clarification on the type of certification needed to comply with RD AN 4260, “Single Family Housing Guaranteed Loan Program Existing Dwelling Inspection Requirements; Acceptable Origination Appraisal Forms”. Attached is an optional form “Wisconsin Existing Dwelling Certification” that may be used by lenders to certify that that property complies with the requirements of the HUD Handbooks. The preferred method of certification would be for the FHA roster appraiser to include this certification within the body of

the appraisal and eliminate the need for a separate addendum to the appraisal.

RD AN 4260 also allows lenders the option of using a non-roster appraiser and obtaining a home inspection from a qualified individual. When this method is used, the lender’s underwriter must review the inspection report to determine what repairs, if any, are required for the dwelling to be considered structurally sound, functionally adequate, and in good repair.

LOAN SERVICING ANs ISSUED

On December 18, 2007, **RD AN 4321**, “*Single Family Housing Guaranteed Loan Program, Loss Mitigation Comprehensive Policy Clarification*”, was issued. This AN updates RD AN 4165 and introduces the availability of a one time loss mitigation incentive for pre-foreclosure sales or deed in lieu of foreclosure property acquisitions. It also lifts the 12 month seasoning requirement for loan modifications and clarifies lender / servicer monitoring of pre-foreclosure sale plans.

On December 27, 2007, **RD AN 4320**, “*Single Family Housing Guaranteed Loan Program, Liquidation Value Appraisals – Definition of Value Type and Procedure*”, was issued. This AN replaces RD AN 4220 with the same title and includes minimal modifications.

LOAN ORIGINATION AN ISSUED

On January 30, 2008, **RD AN 4330**, “*Single Family Housing*

Guaranteed Loan Program, Guaranteed Underwriting System (GUS)” was issued. This AN replaces RD AN 4273 and clarifies the lender’s implementation responsibilities in the following areas: Entering and Submitting Data; Documenting and Underwriting a Mortgage Loan Request through GUS; Documentation Requirements; Data Modification / Loan Resubmission Requirements; Signing Up for GUS; and Education, Support, and Training Resources.

Interested in reading more on one of our ANs?

Click [here](#) to view a complete listing of ANs.

SUBSCRIBE TO LISTSERV

Subscribe to the RD ListServ to obtain the latest information on GRH loan Origination, Servicing, and GUS news by providing your email address to: www.rdlst.sc.egov.usda.gov/.

“FORMS & FILES” WEB PAGE

We currently are experiencing some technical issues with the “**Forms and Files**” section of the Wisconsin Rural Development website. We are working on the issue and will have it resolved shortly.

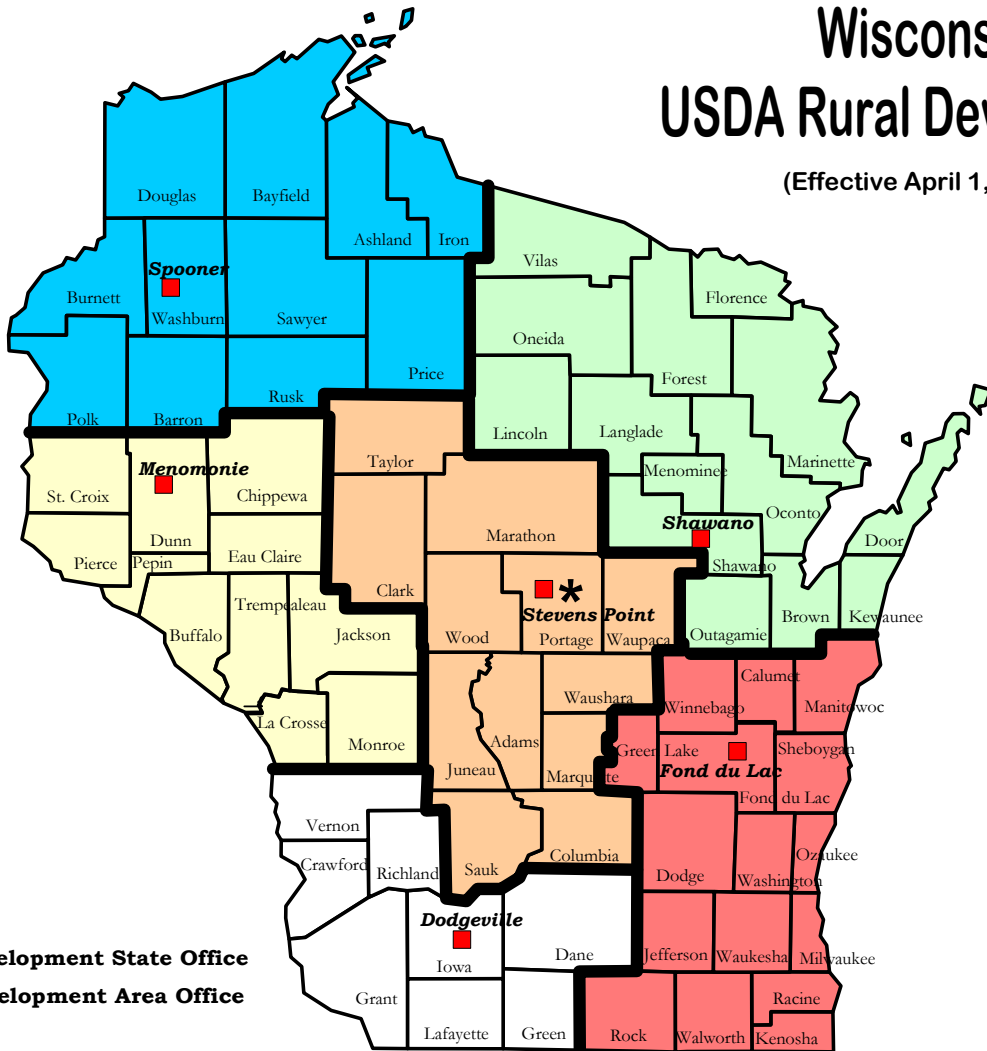


In the meantime, you may access the forms and files you need for the GRH program by following the link below: <http://www.rurdev.usda.gov/wi/programs/rhs/sfhg/handbook/originating/index.htm>

If you have any questions or need assistance on accessing any form or file, please contact the WI Rural Development State Office or your local WI Rural Development Area Office.

Wisconsin USDA Rural Development

(Effective April 1, 2007)



* Rural Development State Office
 ■ Rural Development Area Office

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Committed to the future of rural communities.

WISCONSIN RURAL DEVELOPMENT GUARANTEED RURAL HOUSING LOAN REFINANCING CHART

	Existing GRH to New GRH No cash out except for 0.5% guarantee fee	Existing GRH to New GRH Cash out to pay actual closing costs and/or the 0.5% guarantee fee	Direct 502 to New GRH Cash out to pay actual closing costs and/or the 0.5% guarantee fee
Maximum Loan Amount	0.5% over current principal balance	100.5% LTV	100.5% LTV
Amount of RD Guarantee Fee	0.5%	0.5%	0.5%
Income Compliance with RD Inst. 1980-D	Yes	Yes	Yes
New Appraisal	No	Yes	Yes
HUD Handbook Certification	No	No	No
Repairs Required (Repairs cannot be financed into loan)	N/A	If required by the appraiser to correct safety issues.	If required by the appraiser to correct safety issues.
RMCR or Tri-Merged Credit Report	Yes	Yes	Yes
Income Compliance & Verification (Full Doc. or Alt. Doc.)	Yes	Yes	Yes
Submit through GUS or Manually Underwrite (with ratio / credit waivers, if applicable)	Yes	Yes	Yes
Form RD 1980-21 (Revised 6-06)	Yes	Yes	Yes
Fully Completed Form 1003 & 1008	Yes	Yes	Yes
Refinance of Other Debts (RD or GRH loans only)	No	No	No
Interest Rate (No FNMA or VA rate guidelines apply)	Must be less than the borrower's current rate.	Must be less than the borrower's current rate.	Must be less than the borrower's current rate.
Loan Terms	30 Years	30 Years	30 Years
Payoff Information	Borrower's current lender	Borrower's current lender	Centralized Service Center 800-414-1226



WISCONSIN EXISTING DWELLING CERTIFICATION

LENDER'S NAME/ADDRESS _____

BORROWER'S NAME (S) _____

PROPERTY ADDRESS _____

YES _____ NO _____ The dwelling meets HUD's minimum property standards for existing dwellings as outlined in HUD Handbooks 4150.2 and 4905.1. (*HUD handbooks and forms can be downloaded over the Internet at <http://www.hudclips.org> or obtained by calling 1-800-767-7468*)

If no, what repairs are needed?

Date: _____ Certified by: _____

Date all repairs were completed: _____ Inspected by: _____