

SPECIAL POINTS OF INTEREST

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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.

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GRH LOAN VOLUME CONTINUES

Our GRH loan volume continues at a record pace this year both in Wisconsin and Nationally. Based on our current rate of funds usage, Wisconsin is expected to exceed \$120M this fiscal year and Nationally, we are looking at growing the program past the \$5 billion level. Thanks for your great support!

During the past month, we sent letters to a number of lenders which encouraged them to utilize the Area Offices for the delivery of the GRH loan program in Wisconsin. The staffing of our State Office's Housing Section has changed significantly over the past year, with the majority of our resources now being located in our Area Offices. This further decentralization of our program delivery was done to ensure that lenders will continue to receive timely service, especially during times of peak loan volume. Thanks for your cooperation during this transition.

ASSET LIMITATIONS

Wisconsin Rural Development's past practice on this issue was to limit the amount of liquid assets to no more than 20% of the amount of the home being purchased. We have recently received clarification from our National Office as to the amount of assets that an applicant can retain and

still qualify for GRH financing. **There are no asset limitations.** We have updated our GRH Originator Manual to reflect this change.

LOAN ORIGINATION ANs RE-ISSUED

On March 28, 2008, RD AN 4345, "Single Family Housing Guaranteed Loan Program: Applicant Traditional and Non-Traditional Credit History Verification", was issued to replace and supplement RD AN 4268. This AN provides direction to lenders on acceptable types of non-traditional credit documentation and the underwriting of applicants with non-traditional credit profiles.

On March 28, 2008, RD AN 4346, "Single Family Housing Guaranteed Loan Program: Utilizing Credit Scores for Underwriting Single Family Housing Guaranteed Loans", was issued to replace RD AN 4237. This AN includes new guidance for underwriters when manually underwriting GRH loans with FICO scores under 620 as well as files with no credit scores.

LOAN SERVICING ANs RE-ISSUED

On March 14, 2008, RD AN 4341, "Single Family Housing Guaranteed Loan Program: Acceptable Liquidation Fees and Costs", was issued to replace RD AN 4258 with the same title. This



AN has been updated to align with the Schedule of Standard Attorney's Fees established by HUD.

On March 14, 2008, RD AN 4342, "Single Family Housing Guaranteed Loan Program: Acceptable Foreclosure Timeframes", was issued to replace RD AN 4257 with the same title. This AN has been updated to align with the foreclosure time frames established by Freddie Mac.

On April 11, 2008, RD AN 4350, "Single Family Housing Guaranteed Loan Program: Foreclosure Sale Bids", was issued to replace RD AN 4259 with the same title. This AN continues the policy of allowing lenders to bid 85% of the current market value of the security at foreclosure sales without prior Agency concurrence.

ONLINE LOSS MITIGATION TRAINING OFFERED IN USDA LINC

We are pleased to offer a new training opportunity for lenders in USDA LINC. More than ever, Loss Mitigation is an extremely important function in the servicing of mortgage loans. The new online training opportunity is currently housed in the Training and Resource Library of USDA LINC. The Training and Resource Library in USDA LINC can be accessed by clicking on the link provided below:

<https://Usdalinc.cert.sc.egov.usda.gov/USDALincTrainingResourceLib.asp>.

Once you have accessed the Training and Resource Library, the [Loss Mitigation Lender Training for SFH](#) is located in the Loss Claim Administration and Servicing section under the "Training" header.

FANNIE MAE & FREDDIE MAC AGREE...

Many affordable lending products are experiencing higher Loan Level Price Adjustments (LLPA's), rate adjustments, or Loan To Value (LTV) caps (especially in declining markets). USDA Rural Development is proud to announce that GRH loans are NOT party to any of these restrictions! Fannie Mae and Freddie Mac have recently published guidance assuring lenders that GRH loans may be submitted as usual. GRH loans are not experiencing any adverse changes during this evolving mortgage environment. While other programs have significantly reduced client benefits, GRH financing remains constant with Fannie Mae, Freddie Mac, and many of our other business partners.

UPDATED ADMINISTRATIVE

The updated Administrative Notices (ANs) referenced in this newsletter are available on our national website at: <http://www.rurdev.usda.gov/regs/> and they will soon be available in the "What's New?" folder at the GRH Loan Origination and Servicing Handbook website. The internet address for this folder is: <http://www.rurdev.usda.gov/wi/programs/rhs/sfhg/handbook/new.htm>.

Interested in reading more on one of our ANs?

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

NEW GRH CONTACT PERSON

Paul Bartlett, Wisconsin Rural Development's GRH Specialist, will soon be moving on to continue his career with Rural Development in a new capacity. Paul has accepted the position of Area Director in Kearney, Nebraska and will be joining the Nebraska Rural Development team in early June. Rural Development cannot express enough appreciation for his commitment to our agency, partners and most importantly the rural constituents we all serve. Thank you and best wishes Paul!

Beginning in June, the State Office contact person for the GRH loan program in Wisconsin will be Donna Huebner. She can be reached via e-mail at Donna.Huebner@wi.usda.gov or by telephone at (715) 345-7620, ext. 114.

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