

RD AN No. 4714 (1980-D)  
March 20, 2013

TO: State Directors  
Rural Development

ATTENTION: Housing Program Directors,  
Guaranteed Loan Specialists,  
Area Directors and Area Specialists

FROM: Tammye Treviño /S/ *A. Cristina Chiappe* *for*  
Administrator  
Housing and Community Facilities Programs

SUBJECT: Single Family Housing Guaranteed Loan Program  
Standardized Income, Origination and Closing Templates  
Lender and Agency Documentation

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide lenders a standardized method of documenting and submitting supporting documentation to the Agency, when applying for loan note guarantees. The result will improve processing times by promoting efficiency and consistency in delivery of the Single Family Housing Guaranteed Loan Program (SFHGLP) pursuant to 7 CFR 1980, Subpart D (also known as RD Instruction 1980-D). This AN is provided in advance of the May 1, 2013 effective date to allow lenders and stakeholders sufficient time to prepare for its implementation.

**Change Date:**

Effective with Conditional Commitment requests received on/after **May 1, 2013**.

**COMPARISON WITH PREVIOUS AN:**

This AN replaces RD AN No. 4575 (1980-D), issued on May 23, 2011, which expired on May 31, 2012.

**EXPIRATION DATE:**

March 31, 2014

**FILING INSTRUCTIONS:**

Preceding RD Instruction 1980-D

## **BACKGROUND:**

Approved lenders are responsible for ensuring applicants meet household income requirements, that applicants have the ability and willingness to repay the loan, and for confirming the property is in a designated rural area and meets other regulatory requirements. 7 CFR 1980, Subpart D (also known as RD Instruction 1980-D) is the regulation which furnishes national policy and provides guidance under the statutory authorization. It is supplemented by AN such as this one.

## **IMPLEMENTATION RESPONSIBILITIES:**

This AN contains information to support lenders and Agency staff with a nationwide standardized method to assist in the analysis, calculation and documentation of income. It also identifies required origination and closing documentation. This will ensure the objective and mission of the SFHGLP are met including:

- Identify, verify, calculate and document eligible household income.
- Identify, verify, calculate and document repayment income.
- Identification of required origination documents for issuance of Form RD 1980-18, “Conditional Commitment for Single Family Housing Loan Guarantee.”
- Identification of required loan closing documents for issuance of Form RD 1980-17, “Loan Note Guarantee.”
- Identification of electronic delivery – all states.
- Tips for ensuring a lender’s request is processed in accordance with regulatory time frames.

The following attachments standardize the submittal, documentation and review process for lenders and Agency:

<b>Attachment</b>	<b>Tool</b>	<b>Purpose</b>
Attachment A	Worksheet for Documenting Eligible Household and Repayment Income	Used by lenders to document a determination of household eligible income and repayment income in accordance with <u>7 CFR 1980.345(b), 1980.347 and 1980.354.</u>
Attachment B	Worksheet for Documenting Eligible Household and Repayment Income (Internal Use Only)	Used by Agency staff to verify eligible household income and repayment income, as defined further in this notice.

Attachment C	Origination Stacking Order Checklist	Used by lenders to assemble the supporting documentation addressing loan eligibility when requesting Form RD 1980-18, “Conditional Commitment for Single Family Housing Loan Guarantee. “ Lenders should stack documents in the order noted.
Attachment D	Loan Closing Stacking Order Checklist	Used by lenders to confirm that all closing conditions have been met in accordance with Form RD 1980-18. It identifies the documents necessary to obtain a Loan Note Guarantee in accordance with <u>7 CFR 1980.363.</u> Lenders should stack documents in the order noted.
Attachment E	Identification of Electronic Delivery	Used by lenders to electronically deliver loan origination and loan closing packages to the Agency. The <b>preferred method of delivery</b> from the lender is through use of the <b>electronic boxes</b> identified. The Agency’s preferred method of delivery in

		response to the lender's request is electronic. Lenders should ensure the electronic point of contact is identified on documents. Hard copies are not required when delivery is electronic.
Attachment F	How to Improve Your Experience with Rural Development – A Lender's Guide to Effective File Flow	Used by lenders to assist in understanding the basic requirements to ensuring their requests are a priority for processing.

Fill-able documents for Attachments A, C and D are posted to the following site:  
<https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>

**Lender Action:**  
**Identify, Verify, Calculate and Document Eligible Household Income to Determine Eligibility of the Household for the SFHGLP**

**7 CFR 1980.347 Annual Income**

To participate in the SFHGLP, an applicant's household income cannot exceed *adjusted annual income limits* as set forth in 7 CFR 1980 1980.345(a). The calculation of *annual income*, as set forth in 7 CFR 1980.347, require the lenders to document the annual income for all adult members of the household. All sources of income in the household must be considered in the determination, regardless of whether the household member is a party to the note. Current verified income should be used to estimate the household's annual income over the ensuing 12 months, unless there is verified evidence of a likely change in circumstances, or historical data which does not support current income. Lenders should use the gross amount before any payroll deductions of base wages and salaries, overtime pay, commissions, fees, tips, bonuses, housing allowances, income from deposit accounts, investments and other assets, unemployment benefits and other compensation for personal services of all adult members of the household.

Once the income source is verified, the lender must project the expected income from this source for the next 12 months. **This calculation is used only to determine the household eligibility for the SFHGLP. This calculation does not necessarily represent stable and dependable income for repayment of the loan.** This projection should be based on a comparison and analysis to establish earning trends and avoid underestimating annual income for the household. The following methods represent examples of calculating annual income. The lender should choose the most representative calculation method which most accurately reflects the applicant's income to be received during the next 12 months and validated by supporting documentation.

Income Type	Definition of Income	Example Guidance	Example Calculation
<b>Straight Income</b>	<b>Straight</b> is based upon the wage or benefit amount and converted to the annual equivalent.	For example, if an applicant is paid hourly and works 40 hours per week, income would be derived by multiplying the hourly wage by 2080 hours (for part-time	For example: \$20/hour x 2080 hours per year (40 hours/week x 52 weeks/year) = \$41,600. Overtime paid at \$30/hour x 50

		employment use anticipated annual hours). If paid weekly, the weekly wage is multiplied by 52 weeks. Bi-weekly paid employee's wages are multiplied by 26 weeks and a monthly wage is multiplied by 12 months.	hours/year = \$1,500.  Total wages in this example: \$43,100.
<b>Averaging Income</b>	<b>Averaging</b> income is permissible if reported on the pay stubs or benefit statements for the last 30 days and converted to the annual equivalent.	An example is of an applicant who has submitted income records for the period of the last 30 days.	For example: The gross income received in the past 30 days is \$5,192 as verified by pay stubs.  Multiply \$5,192 by 12 to arrive at the annual income of the household.  $\$5,192 \times 12 = \$62,304.$
<b>Year-to-date (YTD)</b>	<b>Year-to-date (YTD)</b> gross earnings divided by the YTD interval, which is the number of calendar days elapsed between January 1 of the current year and the date of the most recent income verification, multiplied by 365.	The YTD interval should be closely examined to determine the appropriateness of this method. Lenders should not use this method if the duration of the YTD interval is insufficient, i.e., too short, to make a credible annual projection. Generally, there should be at least 3 months of earnings when using this method.	For example: The applicant worked 230 days to date (e.g. August 18) and income earned during that time period is \$40,000.  Divide \$40,000 by 230 days; arrive at \$173.91/day, then multiply by 365 to arrive at the annual income of \$63,477.15.
<b>Historical Income</b>	<b>Historical</b> income as reported on the previous year's tax return is used.	Consider the time of year and the reasonableness of this approach. For example, if the income documentation submitted is for January of the current calendar year, the historical data from the previous year may be utilized.	For example: The date is January 15. The most representative income for the applicant is the previous 12 months. The applicant earned \$60,000, in the previous tax year. The applicant worked all year. The anticipated annual income for the ensuing year is \$60,000.

**7 CFR 1980.348 Adjusted Annual Income**

Deductions may be made to determine the adjusted annual income which will be used to determine eligibility. Adjustments to the annual income determination, in accordance with 7 CFR 1980.348, include:

- deductions for dependants
- deductions for child care expenses
- deductions for qualifying elderly household member(s)
- deductions for the care of household members with disabilities
- deductions for medical expenses related to elderly households

To be eligible, the adjusted annual income must be within the applicable published income limits of the county in which the subject property is located. Current income limits may be found at <http://eligibility.sc.egov.usda.gov/eligibility/>.

Attachment A to this AN is provided as an aid to document eligibility of the household for the SFHGLP. Completion of the attachment will demonstrate the lender has accurately computed eligible income for the household. The determination of eligible household income should be retained in the lenders permanent case file in accordance with 7 CFR 1980.347.

**Lender Action:**

**Documentation of Eligible Household Income**

The lender's permanent case file must retain supporting documentation that Agency guidelines have been met. Attachment A provides lenders a format for documenting their income determination from the various household income sources. An example of a case study of household income and an example of a completed income determination follows the attachment.

The lenders calculation and determination of eligible household income should be submitted for all requests for guarantee in accordance with 7 CFR 1980.353(c).

Lenders who utilize the Agency's automated underwriting system are not required to submit documentation of the household's income verifications when receiving an "Accept" underwriting recommendation, except as otherwise provided below. All documentation will be retained in the lender's permanent loan file for audit purposes.

The loan application package forwarded to the Agency must include copies of **all income verification documents from all sources/types of income from all household members** in the following cases:

- Manually underwritten loans that were not submitted through the Agency's Guaranteed Underwriting System (GUS).
- Manually underwritten loans receiving a "Refer" or "Refer with Caution" underwriting recommendation when utilizing GUS.

Lenders receiving an "Accept" underwriting recommendation do not need to submit income verifications except when the GUS underwriting findings indicate the loans were selected for a quality control review (Lender Condition 31063 on the GUS Underwriting and Findings Report). Lender Condition 31063 is a quality control message requiring lenders to submit documentation supporting their commitment request. The GUS system randomly selects final applications receiving an "Accept" underwriting recommendation. When triggered, the lender should submit documentation noted on Attachment C to this AN when requesting a commitment. This quality control measure ensures lenders are accurately identifying, verifying, calculating and documenting **eligible household income**. It also validates the integrity of the lender's data in GUS.

**Agency Action:**

**Confirming Lender's Determination of Eligible Household Income**

For manually underwritten loans, agency staff should recalculate the lender's determination of eligible income if the lender's adjusted annual income calculation is within 10 percent of the income limit.

Agency staff will utilize Attachment B to this AN to record the Agency's calculation. Attachment B will be imaged with essential documents in the Agency's Imaging Repository.

**Lender Action:  
Identify, Verify, Calculate and Document Repayment Income to Qualify the Loan**

### **7 CFR 1980.345 Adequate and Dependable Income**

Repayment income often differs from annual adjusted income; repayment income must be treated independently of the household's adjusted annual income. Lenders use repayment income to determine if applicant(s) have sufficient income to repay the mortgage in addition to other recurring debts. To compute repayment income, the lender will count only the income of persons who will be parties to the note.

The anticipated repayment income, and its likelihood of continuance, must be established to determine the applicant's capacity to repay the loan. Income from any source that cannot be verified, is not stable, or cannot be reasonably expected to continue for at least the next three years, must not be used in calculating the applicant's repayment income. The lender must determine the sources of all income and that the income is stable. There is no minimum length of employment to consider the income as adequate and dependable. However, the lender must verify the applicant's employment for the most recent two full years and verify that the applicant's income has been and will be stable. In most instances, a two-year history of receiving income is required in order for the income to be considered stable. The lender should focus on the applicant's occupation, tenure, past employment history and probability of continuation.

Many income sources such as commission, bonus, overtime, tips and income from a second job should have a documented two year history. If less than a two year history is utilized for qualifying the loan, the lender must document in their underwriting analysis a credible basis for determining the income as stable and dependable.

Non-employment income sources such as child support, alimony, public assistance payments, social security, retirement, etc., can be considered stable to the extent that they are reasonably expected to continue for at least the next three years.

Generally, income from self-employment is considered stable and dependable if the applicant has been self-employed for two or more years documented by not less than two years of income tax returns. Projected or hypothetical income from any source is not acceptable for repayment purposes.

The Guaranteed Underwriting System (GUS) does not evaluate the stability and dependability of repayment income in the overall risk evaluation. The lender must determine the history and stability of earnings **prior to entering repayment income into GUS.**

**Lender Action:  
Determination and Documentation of Repayment Income**

The lender's permanent case file must retain supporting documentation stable and dependable income in accordance with 7 CFR 1980.345(b).

Attachment A provides lenders a format for documenting the various sources and analysis supporting the adequate and dependable income calculations.

The loan application package forwarded to the Agency must include copies of all income verification documents **supporting the calculation and determination of stable and dependable income** for all parties to the note in the following cases:

- Manually underwritten loans that were not submitted through GUS.
- Manually underwritten loans receiving a "Refer" or "Refer with Caution" underwriting recommendation when utilizing GUS.

Authorized lenders receiving an "Accept" underwriting recommendation do not submit income verifications except whether GUS underwriting findings indicate the loan was selected for a quality control review (Lender Condition 31063 on the GUS Underwriting and Findings Report) Lender Condition 31063 is a quality control message requiring lenders to submit documentation supporting their commitment request. The GUS system randomly selects final applications receiving an "Accept" underwriting recommendation. When triggered, the lender should submit documentation noted on Attachment C to this AN when requesting a commitment. This quality control measure ensures lenders are accurately identifying, verifying, calculating and documenting **stable and dependable income** when qualifying the loan. It also validates the integrity of the lender's data in GUS.

**Agency Action:  
Confirming Lender's Determination of Repayment Income**

For manually underwritten loans, agency staff should recalculate the lender's determination of repayment income for manually underwritten loans, during the review process, if the lender's repayment ratios are within 10 percent of the maximum debt ratio limits. Repayment ratios greater than 26.0 percent of principal, interest, taxes and insurance (PITI), and/or greater than 37.0 percent total debt ratio (TD) require Agency staff to recalculate repayment income. Agency staff will utilize Attachment B to this AN to record the Agency's calculation. Attachment B will be imaged with essential documents in the Agency's Imaging Repository.

<b>Agency Action: Consistent SFHGLP Delivery Nationwide</b>
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### **Transition to Standardized Process**

Agency staff is directed to use only the standardized templates provided with this AN by May 1, 2013. The Agency templates will be posted to the Agency's internal SharePoint website. Agency staff is not to modify these templates or create additional or separate state templates. States are instructed to remove from their state web sites and cease distribution to lenders of any templates different from the ones provided within this AN. By implementing standardized templates, lenders may anticipate greater consistency among all states nationwide. Equally important, Agency staff will benefit by using these templates because they will not spend time collecting or reviewing unnecessary information.

### **Form RD 1980-18, "Conditional Commitment for Single Family Housing Loan Guarantee"**

Form RD 1980-18 has recently been updated. Agency staff should ensure the most recent version of the form is utilized when issuing a commitment for guarantee.

### **Form RD 1980-19, "Loan Closing Report"**

Instructions to Form RD 1980-19 have recently been updated. The necessity for Agency staff to execute Form RD 1980-19 for the SFGLP has been discontinued. Information previously collected on the form can be captured when the Guaranteed Loan System (GLS) "Add Loan Closing" page is submitted to update the database.

### **Guaranteed Loan System (GLS) Data Filled Attachment to Form RD 1980-18, "Conditional Commitment for Single Family Housing Loan Guarantee"**

If Form RD 1980-18 has insufficient space to record all conditions to the commitment under "*Additional Conditions and Requirements*," Agency staff will utilize the GLS Data Filled Attachment to Form RD 1980-18. Different attachments, including ones created by any state, are not permitted.

### **Electronic Delivery of Documents**

The preferred method for receiving documents from lenders is electronic, through the state general email delivery box. Attachment E provides lenders with each state's general email delivery box. States unable to deliver a decision or guarantee to the lender within the regulatory time frames as disclosed at 7 CFR 1980.354 (48 hours) or 7 CFR 1980.361(a) (10 business days) will set an auto-reply to their general delivery boxes which will reply automatically to incoming messages. It will notify the lender of the date for which Conditional Commitment applications are being reviewed and the date for which Loan Note Guarantee request are being reviewed. The auto-reply rule may be created through the Microsoft Outlook Rules Wizard or Out of Office Assistant. This notification method will create a consistent nationwide process in notifying lenders of production status. In addition, states may utilize other methods of notification. Examples include, but are not limited to, notification posts to State websites, notification by mass email distribution and setting a call-in telephone number for voicemail updates.

The preferred method of delivery to lenders of all Conditional Commitments and Loan Note Guarantee issued is electronic. Administrative costs are significantly reduced with electronic delivery. Both Attachments C and D of this AN request the lender to record electronic delivery information. All

states will participate in the electronic delivery process. All personally identifiable information will be protected with encryption when using email to distribute documents. A guide to encrypting and emailing files is located on the Agency's SharePoint website.

### **Imaging Documents Received Electronically**

Documents received electronically no longer require states to print and fax/scan the documents into the Rural Development Imaging Repository. A process has been developed to separate documents by type and an auto-index feature has been added. This reduces manual assembly and indexing of documents by Agency staff. Documents received electronically will be uploaded either by a batch or by single documents to the imaging system. See the Centralized Assembly/Indexing application guide at the following website for additional information: <http://rddocmgmt.sc.egov.usda.gov/>.

### **Guaranteed Loan System (GLS) Blank/Data Filled Forms/Letters:**

Cover letters accompanying Form RD 1980-18 and Form 1980-17 will be removed from the website. States no longer need to generate a cover letter to accompany a commitment or loan note guarantee. This action will streamline delivery of the conditional commitment and loan note guarantee to the lender.

The following cover letters and outdated documents will be removed from the GLS website:

- RD 410-7 Notification to Applicant
- RD 410-7CL Cover Letter
- RD 1980-17 Cover Letter
- RD 1980-11 Guaranteed Rural Housing Lender Record Change
- RD 1980-18 Cover Letter
- All Auditing Forms

### **Outreach to Lenders/Stakeholders**

State Office staff should communicate to lender partners and stakeholders the Agency's standardized delivery process.

Questions regarding this AN should contact the Single Family Housing Guaranteed Loan Division at (202) 720-1452, or by email at: [SFHGLD.PROGRAM@wdc.usda.gov](mailto:SFHGLD.PROGRAM@wdc.usda.gov). Questions may also be addressed to the State Guaranteed Loan Coordinator. A list of Guaranteed Loan Coordinators may be found at: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>. At the menu, select "Contact Us – Guaranteed."

Attachments

**EXAMPLE CASE STUDY: Attachment A**  
**WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME**

**Example Case Study – Documenting Eligible Household and Repayment Income**

**Household members:**

<i>Name</i>	<i>Relationship</i>	<i>Comments</i>	<i>Household Income, Assets and Expenses</i>
David Example	Head of Household	Employed, party to note	\$1,250/week wages; Savings account balance \$2,000, annual interest income \$140; Checking account balance (2 month average) \$300, noninterest bearing account; Certificate of Deposit, cash value \$4,000, interest income \$400 annually
Betsy Example	Spouse	Employed, party to note	\$15.50/hr wages – working 20 hours week; \$100/month child support from her ex-husband (Kathy’s father)
Cynthia Example	David’s mother	Disabled, moved in when husband died	\$800/month Social Security benefits and \$600 in a noninterest bearing checking account
Janet Smith	Daughter	Full-time college student, employed	\$600/month wages
Kathy Smith	Daughter	Full-time junior high school student, employed	\$4.00/hour 8 hours/week wages
Chris Doe	Foster child	Full-time elementary student	County pays household \$800/month to care for foster child.

**Eligible Household Income:** Calculate annual and adjusted income to determine eligibility of the household for the SGHGLP.

**For Annual Income Calculation – Consider income of all household members:**

- Count David’s wages
- Count Betsy’s wages
- Count child support (Betsy)
- Count Janet’s wages (Household member is greater than 18 years of age and an adult)
- Do not count Kathy’s wages (Household member is a minor and less than 18 years of age)
- Count Cynthia’s Social Security
- Count actual income from assets from all members of the household
- Do not count income payments for care of foster child

Consider assets of all household members for the annual income calculation. Therefore Cynthia’s checking account balance is considered. The checking account balance is considered, however since it is noninterest bearing, there is no income. In addition, for annual income, the calculation of imputed income from assets must be made if assets exceed \$5,000. In this example, the imputed income is less than the actual income received.

**Adjusted Income Calculation:**

*Dependent Deduction*

- Three dependent deductions are permitted for Kathy (a minor), Janet (an adult full-time student, who is not the head of household or spouse), and Cynthia (an adult individual with disabilities, who is not the head of household or spouse)
- A dependent deduction is not given for a foster child.
- Total household members are 5, excluding the foster child.
- A deduction of \$1,440 in this example may be deducted (\$480 for each member under 18 years of age; 18 years of age or older and disabled; a full-time student aged 18 or older).

#### *Child Care Deduction*

- Child care expenses are permitted for the care of a foster child, but must not exceed the amount earned by the family member enabled to work. Betsy earns \$15.50/hour working 20 hours per week and pays \$50/week for child care.
- Child care expenses are not permitted if another adult household member is available to care for the child. Janet is not available because she is a full-time student and Cynthia cannot care for the child because of her disability.
- The full amount of the child care may be deducted.

#### *Elderly Household Deduction*

Even though an elderly person is a part of the household, this is not an elderly household because neither the head nor spouse is 62 years of age or older or an individual with disabilities. If this were an elderly household a deduction of \$400 would be allowed. No deduction can be made in this example.

#### *Medical Expense Deduction*

Family medical expenses cannot be deducted since this is not an elderly household.

#### *Disability Assistance Expenses*

No disability assistance expenses were claimed. To be allowed a deduction, the expenses would have to be necessary to enable a family member to work.

**Repayment Income:** Calculate the income utilized to repay the loan. Consider only income from parties to the note that is documented to be stable and dependable.

David and Betsy are parties to the note. David has worked the last two years earning \$1,250 per week or \$65,000 annually. Betsy has made \$15.50/hour and worked 20 hours per week for the past five years consistently. Betsy receives child support for Kathy, paid through the court at \$100 a month, or \$1,200 annually. She has received support consistently for the past three years. Kathy is 14. David and Betsy have cared for foster children for the past three years. Chris Doe is 6 years of age. The county pays \$800.00 per month, or \$9,600 annually to the household to care for the foster child.

- David: \$65,000 historical employment income divided by 12 = **\$5,416.67**
- Betsy: \$16,120 historical employment income divided by 12 = **\$1,343.33**
- Betsy: \$1,200 historical child support income divided by 12 = **\$100.00** [3 year continuance since Kathy is 14]
- Additional stable and dependable income utilized for repayment: **\$800** foster care income
- Total stable and dependable income in accordance with §1980.345 of RD Instruction 1980-D = **\$7,660.00**

## WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME

**Lender Instructions:** Determine eligible household income for the Single Family Housing Guaranteed Loan Program (SFHGLP) by documenting all sources/types of income for all household members. Qualify the loan by documenting all sources/type of income that is stable and dependable utilized to repay the loan.

### GENERAL INFORMATION

Applicant(s): David and Betsy Example	Lender: ABC Lender	Date: XX/XX/XXXX
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Identify all Household Members	Age	Full-time Student Y/N?	Disabled Y/N?	Receives Income Y/N?	Source of Income
David Example	40	N	N	Y	XYZ Employment, interest on Assets
Betsy Example	40	N	N	Y	123 Employment, child support
Cynthia Example	67	N	Y	Y	Social Security, interest
Janet Smith	19	Y	N	Y	ABC Employment
Kathy Smith	14	Y	N	Y	PT Employment
Chris Doe	8	Y	N	N	

**ANNUAL INCOME CALCULATION** (Consider anticipated income for the next 12 months for all adult household members as described in §1980.347 of RD Instruction 1980-D.) Website for instructions/administrative notices: <http://www.rurdev.usda.gov/RegulationsAndGuidance.html>

<p>1. Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.</p> <p>David - \$1,250/wk x 52 = \$65,000</p>	\$65,000.00
<p>2. Co-Applicant (Wages, salary, self-employed, commission, overtime, bonus, tips, alimony, child support, pension/retirement, social security, disability, trust income, etc.). Calculate and record how the calculation of each income source/type was determined in the space below.</p> <p>Betsy - \$15.50/hr x 20 hrs/wk x 52 = \$16,120 Betsy – child support - \$100 x 12 = \$1,200</p>	\$17,320.00
<p>3. Additional Income to Primary Income (Automobile Allowance, Mortgage Differential, Military, Secondary Employment, Seasonal Employment, Unemployment.) Calculate and record how the calculation of each income source/type was determined in the space below.</p>	\$
<p>4. Additional Adult Household Member (s) who are not a Party to the Note (Primary Employment from Wages, Salary, Self-Employed, Additional income to Primary Employment, Other Income). Calculate and record how the calculation of each income source/type was determined in the space below.</p> <p>Cynthia- \$800/month x 12 = \$9,600; Janet (over 18/working – count all income) - \$600/month x 12 = \$7,200</p>	\$16,800.00
<p>5. Income from Assets (Income from household assets as described in §1980.347(d) and §1980.302(a) of RD Instruction 1980-D). Calculate and record how the calculation of each income source/type was determined in the space below.</p> <p>Savings Account(David) = \$140; Certificate of Deposit = \$400</p>	\$540.00
<b>6. Annual Household Income (Total 1through 5)</b>	<b>\$99,660.00</b>

Applicant(s): David and Betsy Example

**ADJUSTED INCOME CALCULATION** (Consider qualifying deductions as described in §1980.348 of RD Instruction 1980-D)

7. Dependent Deduction (\$480 for each child under age 18, or full-time student attending school or disabled family member over the age of 18) - # (3) x \$480	\$1,440.00
8. Annual Child Care Expenses (Reasonable expenses for children 12 and under). Calculate and record the calculation of the deduction in the space below.  \$50/week x 52 weeks/year = \$2,600	\$2,600.00
9. Elderly Household (1 household deduction of \$400 if 62 years of age or older, or disabled and a party to the note)	\$
10. Disability (Unreimbursed expenses in excess of 3% of annual income. See §1980.348(d) of RD Instruction 1980-D for eligibility). Calculate and record the calculation of the deduction in the space below.	\$
11. Medical Expenses (Elderly households only. Unreimbursed medical expenses in excess of 3% of annual income. See §1980.348(d)(1) of RD Instruction 1980-D for further information). Calculate and record the calculation of the deduction in the space below.	\$
<b>12. Total Household Deductions</b> (Enter total 7 through 11)	<b>\$4,040.00</b>

<b>13. Adjusted Annual Income</b> (Item 6 minus item 12)	<b>\$95,620.00</b>
Moderate Income Limit: \$ 98,650 State: Oklahoma County: Washington	Income cannot exceed Moderate Income Limit to be eligible for SFHGLP

Applicant(s): David and Betsy Example

**MONTHLY REPAYMENT INCOME CALCULATION** (Consider stable and dependable income of parties to the note as described in §1980.345(a), 1980.345(b) and 1980.345(c) of RD Instruction 1980-D).

14. Stable Dependable Monthly Income (*Parties to note only*). Calculate and record how the calculation of each income source/type was determined in the space below. Identify income type by party to note.

	<b>Borrower</b>	<b>Co-Borrower</b>	<b>Total</b>
<b>Base Income</b>	<p>\$ <u>5,416.67</u></p> <p><i>Calculation of Base Income:</i></p> <p>David: \$65,000 historical employment income divided by 12 = <b>\$5,416.67</b></p>	<p>\$ <u>1,343.33</u></p> <p><i>Calculation of Base Income:</i></p> <p>Betsy: \$16,120 historical employment income divided by 12 = <b>\$1,343.33</b></p>	<p>\$ <u>6,760.00</u></p>
<b>Other Income</b>	<p>\$ <u>800.00</u></p> <p><i>Calculation of Other Income:</i></p> <p>Additional stable and dependable income utilized for repayment: <b>\$800</b> foster care income</p>	<p>\$ <u>100.00</u></p> <p><i>Calculation of Other Income:</i></p> <p>Betsy: \$1,200 historical child support income divided by 12 = <b>\$100.00</b> [3 year continuance since Kathy is 14]</p>	<p>\$ <u>900.00</u></p>
<b>Total Income</b>	<p>\$ <u>6,216.67</u></p>	<p>\$ <u>1,443.33</u></p>	<p>\$ <u>7,660.00</u></p>

15. **Monthly Repayment Income** (Enter total of 14).

\$ 7,660.00

Date: XX/XX/XXXX Prepared by: [Name/Title] Lender: [Lender]  
Name/Title

## WORKSHEET FOR DOCUMENTING ELIGIBLE HOUSEHOLD AND REPAYMENT INCOME

### [Internal Use Only]

**Agency Instructions:** Recalculate income in the circumstances noted below. Retain this worksheet as part of the permanent SFHGLP file, when applicable. If the reviewer agrees with the lender income worksheet calculation, check the box indicating agreement with the lender's calculation; otherwise complete the recalculation of income in the space provided.

**Eligible Household Income:** Recalculate the lender's determination of eligible income if the lender's adjusted annual income calculation is within 10 percent of the applicable published income limit for manually underwritten loans. The published income limits may be found at [Exhibit C to RD Instruction 1980-D](#), or at the public website: <http://eligibility.sc.egov.usda.gov/eligibility/>

**Repayment Income:** Recalculate the lender's determination of repayment income for manually underwritten loans if the lender's repayment ratios are within 10 percent of the published debt ratio limit found at [§1980.345\(c\)\(3\)](#). (i.e. greater than 26.0% principal, interest, taxes and insurance (PITI) OR greater than 37.0% total debt ratio (TD)).

**Definition- Manually Underwritten Loan Files:** 1) Loans submitted by lenders who have not utilized the automated underwriting system, GUS. 2) Loans submitted to GUS, that has received an underwriting recommendation of "Refer" or "Refer With Caution." GUS loans receiving a quality control lender message of 31063 are not considered manually underwritten loans.

#### GENERAL INFORMATION

Applicant(s):	GLS Borrower ID:	Lender:
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**AGENCY WRITTEN ANALYSIS DOCUMENTING ELIGIBLE HOUSEHOLD INCOME** (Consider anticipated income for the next 12 months for all adult household members as described in [§1980.347](#). Consider qualifying deductions as described in [§1980.348](#) of RD Instruction 1980-D.) Website for instructions/administrative notices: <http://www.rurdev.usda.gov/RegulationsAndGuidance.html>.

**Calculate and record how the calculation of each income source/type and deduction was determined in the space below.**

I have reviewed the lender's calculation and compared it to income verifications. I agree with the lender's calculation of eligible household income.

\$

Date: \_\_\_\_\_

By: \_\_\_\_\_

(Title)

Applicant(s):	GLS Borrower ID:	Lender:
---------------	------------------	---------

**AGENCY WRITTEN ANALYSIS MONTHLY REPAYMENT INCOME** (Consider the stable and dependable income of parties to the note as described in §1980.345(a), 1980.345(b) and 1980.345(c) of RD Instruction 1980-D). Website for instructions/administrative notices:

<http://www.rurdev.usda.gov/RegulationsAndGuidance.html>.

**Calculate and record how the calculation of each income source/type and deduction was determined in the space below.**

<input type="checkbox"/> I have reviewed the lender's calculation and compared it to income verifications. I agree with the lender's calculation of stable, dependable repayment income.	\$
--	----

Date: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Title)



**Guaranteed Rural Housing  
Origination Stacking Order Checklist**

**Lender Instructions:** Submit the identified documents in the order noted with the first document in the bundle being this Attachment. Submit only the identified documents. Include complete documentation for the specific file type identified to ensure an effective file flow. Documents must not exceed the maximum allowable age set forth in 7 CFR 1980, subpart D. Rural Development will consider all documents submitted as the certified and true copies of the original documents retained in the lender's permanent file. Electronic delivery to Rural Development is the preferred method. See Attachment E for electronic delivery information by state. In the subject line identify the case by: Loan Origination: Borrower Last Name, First Name

**General Information**

Applicant(s):	Lender:	Date:
---------------	---------	-------

**File Stacking Order Checklist**

**Guaranteed Underwriting System (GUS) - Underwriting Recommendation: ACCEPT**

**Please stack the credit package in the following document order:**

<input type="checkbox"/>	<b>Form RD 1980-21, "Request for Single Family Housing Loan Guarantee"</b>	<b>Note:</b> Must be completed and executed by all applicants and lender.
<input type="checkbox"/>	<b>Final GUS Underwriting Findings and Analysis Report</b>	<b>Note:</b> Last final submission to be printed, retained in lender's permanent loan file.
<input type="checkbox"/>	<b>Income Calculation: Worksheet For Calculating Income – Attachment A</b>	
<input type="checkbox"/>	<b>FEMA Form 81-93, "Standard Flood Determination Form"</b>	<b>Note:</b> Properties located in flood plains will require additional documentation. Confirmation the base flood elevation (BFE) is below lowest habitable floor of subject.
<input type="checkbox"/>	<b>Evidence of qualified alien</b> (If the applicant is not a US citizen)	
<input type="checkbox"/>	<b>Credit Report, Non-Purchasing Spouse</b> (If the applicant or property is in a community property state – AZ, CA, ID, LA, NV, NM, TX, WA, WI)	
<input type="checkbox"/>	<b>Uniform Residential Appraisal Report (URAR)</b> FNMA 1004/FHLMC 70	<b>Note:</b> 1004 MC (Market Conditions Addendum) must be part of report.

**File Stacking Order Checklist**

**Manual Underwriting, GUS Refer/Refer with Caution Underwriting Recommendation,  
GUS Accept if Lender Message 31063 (Quality Control) on GUS Underwriting Findings and Analysis Report**

**Please stack the credit package in the following document order:**

<input type="checkbox"/>	<b>Form RD 1980-21, "Request for Single Family Housing Loan Guarantee"</b>	<b>Note:</b> Must be completed and executed by all applicants and lender.
<input type="checkbox"/>	<b>Final GUS Underwriting Findings and Analysis Report, if applicable</b>	<b>Note:</b> Last final submission.
<input type="checkbox"/>	<b>Underwriting Analysis, confirmed and executed by Underwriter</b> (FNMA 1008/FHLMC 1077 or similar)	<b>Note:</b> Include credit waiver and/or repayment ratio waiver request in comment section. A GUS ACCEPT with message 31063 does not require credit or repayment ratio documentation/justification. Include supporting documentation when credit package includes a buydown.
<input type="checkbox"/>	<b>Uniform Residential Loan Application</b> (URLA – FNMA 1003/FHLMC 65)	<b>Note:</b> URLA must be executed by the interviewing lender and applicant(s).
<input type="checkbox"/>	<b>Income Calculation: Worksheet For Calculating Income – Attachment A</b>	
<input type="checkbox"/>	<b>Income Verification Documentation: For all household members</b>	Verification of Employment (VOE) + (1) earning statement OR verbal VOE + (2) earning statements (30 days) + W-2's (2 years) OR computer generated verification + W-2's (2 years) + verbal VOE Self Employment: income tax returns/ all schedules (2 years) + profit / loss, balance and income/expense statements Child support, pensions, disability, Social Security, retirement annuity award(s)
<input type="checkbox"/>	<b>Asset Verification Documentation: For all household members</b>	Verification of Deposit, bank statements, gift letter etc.
<input type="checkbox"/>	<b>Credit Report, Non-Traditional Report and all credit supplements, as applicable</b>	<b>Note:</b> Include adverse credit explanation and documentation used in credit waiver.
<input type="checkbox"/>	<b>Credit Report, Non-Purchasing Spouse</b> (If the applicant or property is in a community property state – AZ, CA, ID, LA, NV, NM, TX, WA, WI)	
<input type="checkbox"/>	<b>FEMA Form 81-93, "Standard Flood Determination Form"</b>	<b>Note:</b> Properties located in flood plains will require additional documentation. Confirmation the base flood elevation (BFE) is below lowest habitable floor of subject.
<input type="checkbox"/>	<b>Sales Contract, all pages and amendments</b>	
<input type="checkbox"/>	<b>Evidence of qualified alien</b> (If the applicant is not a US citizen)	
<input type="checkbox"/>	<b>Uniform Residential Appraisal Report (URAR) – not applicable to Streamlined Refinance Product</b> (FNMA 1004/FHLMC 70)	<b>Note:</b> 1004 MC (Market Conditions Addendum) must be part of report.



**Guaranteed Rural Housing  
Loan Closing Stacking Order Checklist**

**Lender Instructions:** *Submit the identified documents in the order noted with the first document in the bundle being this Attachment. Submit only the identified documents. Include complete documentation to ensure an effective file flow. Documents must not exceed the maximum allowable age set forth in [7 CFR 1980, part D](#). Rural Development will consider all documents submitted as the certified and true copies of the original documents retained in the lender's permanent file. All copies must be legible. The lender will submit the closing documents and fee so it is received by Rural Development within 60 days of loan closing. Electronic delivery to Rural Development is the preferred method. See Attachment E for electronic delivery information by state.*  
*In the subject line identify the case by: Loan Closing: Borrower Last Name, First Name*

**General Information**

Applicant(s):		Date:
RD Borrower ID:		
Lender Name:	Lender Point of Contact: <i>[Identify who to contact with questions on the closing package, documentation, and/or corrections required]</i>	
Phone #:	Fax #:	Email:

**Identify Delivery Location of Loan Note Guarantee  
*[Preferred method: Electronic Delivery]***

Electronic Delivery/Email:	
Regular Mail Delivery:	Attn:

**File Stacking Order Checklist  
Post Loan Closing – Issuance of Loan Note Guarantee**

**Please stack the loan closing package in the following document order:**

<input type="checkbox"/>	<p><b>Form RD 1980-19, "Loan Closing Report"</b></p> <p style="text-align: right;"><b>Note:</b> This form is not required if Lender is participating in Automated Loan Closing (ALC) Pilot. The date of closing is defined as the settlement date as it appears on the HUD-1 Settlement Statement, Block I.</p>
<input type="checkbox"/>	<p><b>Guarantee Fee – Payable to USDA or Rural Development</b> – <i>Include a copy of Page 1 - Form RD 1980-18</i></p> <p style="text-align: right;"><b>Note:</b> Lenders participating in ALC will utilize pay.gov to submit the guarantee fee. If not an ALC lender, when submitting electronically, submit the paper check to the physical location noted on Attachment E with a copy of Form RD 1980-19, "Loan Closing Report".</p>
<input type="checkbox"/>	<p><b>Form RD 1980-18, Lender Certification</b></p> <p><i>Lender is certifying all conditions listed or appearing on the commitment and/or GUS Underwriting and Findings Report for this applicant have been fulfilled, the security instrument has been recorded and is a good and valid first lien on the property described.</i></p> <p style="text-align: right;"><b>Note:</b> Complete form and execute. Identify servicer and investor, if known. Include all Attachments to Form RD 1980-18. Inspections, plans, warranties are retained in the lender's permanent file.</p>
<input type="checkbox"/>	<p><b>Promissory Note</b>, <i>copy with appropriate riders, if any</i></p> <p style="text-align: right;"><b>Note:</b> The loan amount of the Promissory Note must be equal to or less than the amount identified on Form RD 1980-18. The interest rate must be equal to or less than the rate identified on Form RD 1980-18. If the rate was floating, submit the rate chart and lock date.</p>
<input type="checkbox"/>	<p><b>Final HUD-1 Settlement Statement</b>, <i>copy of final</i></p>
<input type="checkbox"/>	<p><b>Additional Conditions</b>, <i>as noted on Form RD 1980-18, or supplemented by Attachment</i></p> <p style="text-align: right;">Submit documentation of required conditions, as applicable. Those conditions indicating the lender should "Retain in Lender's Permanent File" should not be included in post-closing documents.</p>

### Identification of Electronic Delivery

State	Electronic General Email Box Origination	Electronic General Email Box Loan Closing	Delivery of Paper Check Location  [Include a Copy of Form RD 1980-19]
AL	<a href="mailto:ra.alhuntsvil.rd-grh@al.usda.gov">ra.alhuntsvil.rd-grh@al.usda.gov</a>	<a href="mailto:ra.alhuntsvil.rd-grh-closing@al.usda.gov">ra.alhuntsvil.rd-grh-closing@al.usda.gov</a>	USDA Rural Development 1300 Meridian Street, Suite 23E Huntsville, AL 35801
AK	<a href="mailto:RA.AKPALMER.GRH@ak.usda.gov">RA.AKPALMER.GRH@ak.usda.gov</a>	<a href="mailto:RA.AKPALMER.GRH@ak.usda.gov">RA.AKPALMER.GRH@ak.usda.gov</a>	USDA Rural Development 800 West Evergreen Suite 201 Palmer, AK 99654
AZ	<a href="mailto:Phoenix.grh502@az.usda.gov">Phoenix.grh502@az.usda.gov</a>	<a href="mailto:Phoenix.grh502@az.usda.gov">Phoenix.grh502@az.usda.gov</a>	USDA Rural Development 230 North First Avenue, Suite 206 Phoenix, AZ 85003-1706
AR	<a href="mailto:RA.ARLRSUBMIT.GRH@ar.usda.gov">RA.ARLRSUBMIT.GRH@ar.usda.gov</a>	<a href="mailto:RA.ARCLOSING.GRH@ar.usda.gov">RA.ARCLOSING.GRH@ar.usda.gov</a>	USDA Rural Development Attn: SFH Section 700 W. Capitol Ave Room 3416 Little Rock, AR 72201
CA	<a href="mailto:grhloans@ca.usda.gov">grhloans@ca.usda.gov</a>	<a href="mailto:grhloans@ca.usda.gov">grhloans@ca.usda.gov</a>	USDA Rural Development 430 G Street Davis, CA 95831-4169
CO	<a href="mailto:cogrhapplications@co.usda.gov">cogrhapplications@co.usda.gov</a>	<a href="mailto:cogrhclosings@co.usda.gov">cogrhclosings@co.usda.gov</a>	USDA Rural Development Attn: GRH Closings 760 Bent Ave. Las Animas, CO 81054
CT	<a href="mailto:CTGRH@ct.usda.gov">CTGRH@ct.usda.gov</a>	<a href="mailto:CTGRH@ct.usda.gov">CTGRH@ct.usda.gov</a>	USDA Rural Development 238 West Town Street Norwich, CT 06360

<b>DE</b>	<a href="mailto:sfgdemd@de.usda.gov">sfgdemd@de.usda.gov</a>	<a href="mailto:demdclosings@de.usda.gov">demdclosings@de.usda.gov</a>	USDA Rural Development 1221 College Park Drive Suite 200 Dover, DE 19904
<b>FL</b>	<a href="mailto:RA.Flgainesv2.RD.origination@fl.usda.gov">RA.Flgainesv2.RD.origination@fl.usda.gov</a>	<a href="mailto:RA.Flgainesv2.RD.postclosing@fl.usda.gov">RA.Flgainesv2.RD.postclosing@fl.usda.gov</a>	Rural Development, USDA Suite 204 – 1 2441 N.E. 3 <sup>rd</sup> Street Ocala, FL 34470-8289
<b>GA</b>	<a href="mailto:ra.gagrh@ga.usda.gov">ra.gagrh@ga.usda.gov</a>	<a href="mailto:ra.grhclosings@ga.usda.gov">ra.grhclosings@ga.usda.gov</a>	USDA, Rural Development 151 Langston Chapel Road, Suite 500 Statesboro, GA 30458
<b>HI</b>	<a href="mailto:ra.hiaiea.glploan@hi.usda.gov">ra.hiaiea.glploan@hi.usda.gov</a>	<a href="mailto:ra.hiaiea.glploan@hi.usda.gov">ra.hiaiea.glploan@hi.usda.gov</a>	99-193 Aiea Heights Drive Suite 156 Aiea, HI 96701
<b>ID</b>	<a href="mailto:GRHLoanRequests@id.usda.gov">GRHLoanRequests@id.usda.gov</a>	<a href="mailto:GRHLoanClosings@id.usda.gov">GRHLoanClosings@id.usda.gov</a>	USDA Rural Development 9173 W. Barnes Dr, Suite A1 Boise, ID 83709
<b>IL</b>	<a href="mailto:Champaign-GRH@il.usda.gov">Champaign-GRH@il.usda.gov</a>	<a href="mailto:Champaign-GRH@il.usda.gov">Champaign-GRH@il.usda.gov</a>	USDA Rural Development Attn: GRH 2118 West Park Court, Suite A Champaign, IL 61821
<b>IN</b>	<a href="mailto:grh-loans@in.usda.gov">grh-loans@in.usda.gov</a>	<a href="mailto:grh-loans@in.usda.gov">grh-loans@in.usda.gov</a>	USDA Rural Development 104 CR 70 E Suite C Bloomfield, IN 47424-8730
<b>IA</b>	<a href="mailto:RD-GRHIA@ia.usda.gov">RD-GRHIA@ia.usda.gov</a>	<a href="mailto:RD-GRHIA@ia.usda.gov">RD-GRHIA@ia.usda.gov</a>	USDA Rural Development 840 Brooks Rd. Iowa Falls, IA 50126-8008
<b>KS</b>	<a href="mailto:Kansas-GRH@ks.usda.gov">Kansas-GRH@ks.usda.gov</a>	<a href="mailto:Kansas-GRH@ks.usda.gov">Kansas-GRH@ks.usda.gov</a>	USDA Rural Development 2715 Canterbury Drive Hays, KS 67601
<b>KY</b>	<a href="mailto:sfhguaranteed@ky.usda.gov">sfhguaranteed@ky.usda.gov</a>	<a href="mailto:sfhguaranteedclosings@ky.usda.gov">sfhguaranteedclosings@ky.usda.gov</a>	USDA Rural Development 771 Corporate Dr., Suite. 200 Lexington, KY 40503

<b>LA</b>	<a href="mailto:LA-RDGRH@la.usda.gov">LA-RDGRH@la.usda.gov</a>	<a href="mailto:LA-RDGRH-CLOSING@la.usda.gov">LA-RDGRH-CLOSING@la.usda.gov</a>	USDA Rural Development Single Family Housing 3727 Government Street Alexandria, LA 71302
<b>ME</b>	<a href="mailto:glpc@me.usda.gov">glpc@me.usda.gov</a>	<a href="mailto:rd.glpcclosings@me.usda.gov">rd.glpcclosings@me.usda.gov</a>	USDA Rural Development Guaranteed Loan Processing Center 1423 Broadway, Suite 3 Bangor, ME 04401
<b>MD</b>	<a href="mailto:sfgdemd@de.usda.gov">sfgdemd@de.usda.gov</a>	<a href="mailto:demdclosings@de.usda.gov">demdclosings@de.usda.gov</a>	1221 College Park Drive Suite 200 Dover, DE 19904
<b>MA</b>	<a href="mailto:MAGR@ma.usda.gov">MAGR@ma.usda.gov</a>	<a href="mailto:MAGR@ma.usda.gov">MAGR@ma.usda.gov</a>	USDA Rural Development 15 Cranberry Highway West Wareham, MA 02576
<b>MI</b>	<a href="mailto:Mimason.loan@mi.usda.gov">Mimason.loan@mi.usda.gov</a>	<a href="mailto:Mimason.closing@mi.usda.gov">Mimason.closing@mi.usda.gov</a>	Mason Area Office 525 N Okemos Road Ste B Mason, MI 48854
<b>MI</b>	<a href="mailto:traverse.loan@mi.usda.gov">traverse.loan@mi.usda.gov</a>	<a href="mailto:traverse.loan@mi.usda.gov">traverse.loan@mi.usda.gov</a>	Traverse City Office 1501 Cass Street Ste A Traverse City, Mi 49684
<b>MN</b>	<a href="mailto:gsfh@mn.usda.gov">gsfh@mn.usda.gov</a>	<a href="mailto:gsfhng@mn.usda.gov">gsfhng@mn.usda.gov</a>	USDA Rural Development Attn: Guaranteed Single-Family Housing 375 Jackson St, Suite 410 St. Paul, MN 55101
<b>MS</b>	<a href="mailto:MS-GRH@MS.USDA.GOV">MS-GRH@MS.USDA.GOV</a>	<a href="mailto:MS-GRH@MS.USDA.GOV">MS-GRH@MS.USDA.GOV</a>	USDA, Rural Development 100 W. Capitol Street Ste. 831, McCoy Federal Bld. Jackson, MS 39269-0898
<b>MO</b>	<a href="mailto:ra.grhorigins@mo.usda.gov">ra.grhorigins@mo.usda.gov</a>	<a href="mailto:ra.grhclosings@mo.usda.gov">ra.grhclosings@mo.usda.gov</a>	USDA Rural Development 120 W. 19 <sup>th</sup> Street, Suite 103 Higginsville, MO 64037

<b>MT</b>	<a href="mailto:RDsubmission@mt.usda.gov">RDsubmission@mt.usda.gov</a>	<a href="mailto:RDclosing@mt.usda.gov">RDclosing@mt.usda.gov</a>	USDA Rural Development 3550 Mullan Road, Suite 106 Missoula, MT 59808 406.829.3395 x105
<b>NE</b>	<a href="mailto:RD-GRHNE@ne.usda.gov">RD-GRHNE@ne.usda.gov</a>	<a href="mailto:GRHclosings@ne.usda.gov">GRHclosings@ne.usda.gov</a>	USDA Rural Development Attn: Single Family Housing 100 Centennial Mall N, Suite 308 Lincoln, NE 68508
<b>NV</b>	<a href="mailto:NVGuarantee@nv.usda.gov">NVGuarantee@nv.usda.gov</a>	<a href="mailto:NVGuarantee@nv.usda.gov">NVGuarantee@nv.usda.gov</a>	US Department of Agriculture Attn: Rural Housing 1390 S. Curry St. Carson City, NV 89703
<b>NH</b>	<a href="mailto:GRH@nh.usda.gov">GRH@nh.usda.gov</a>	<a href="mailto:GRH@nh.usda.gov">GRH@nh.usda.gov</a>	USDA Rural Development 10 Ferry St, Suite 218 Concord, NH 03301 603.223.6035 x 2039 Attn: Colleen Ladew
<b>NJ</b>	<a href="mailto:NJ.Originations@nj.usda.gov">NJ.Originations@nj.usda.gov</a>	<a href="mailto:NJ.Closings@nj.usda.gov">NJ.Closings@nj.usda.gov</a>	TBD
<b>NM</b>	<a href="mailto:RD.GRH@nm.usda.gov">RD.GRH@nm.usda.gov</a>	<a href="mailto:RD.GRH@nm.usda.gov">RD.GRH@nm.usda.gov</a>	USDA Rural Development 6200 Jefferson NE RM 255 Albuquerque NM, 87103-3434
<b>NY</b>	<a href="mailto:NY.RD.GRH@ny.usda.gov">NY.RD.GRH@ny.usda.gov</a>	<a href="mailto:NY.RD.GRH@ny.usda.gov">NY.RD.GRH@ny.usda.gov</a>	USDA Rural Development 441 South Salina Street, Suite 357 Syracuse, NY 13202-2425
<b>NC</b>	<a href="mailto:nc-rdgrhSO@nc.usda.gov">nc-rdgrhSO@nc.usda.gov</a>	<a href="mailto:nc-ncgrhclosing@nc.usda.gov">nc-ncgrhclosing@nc.usda.gov</a>	USDA Rural Development State Office 4405 Bland Road, Suite 260 Raleigh, NC 27609
<b>ND</b>	<a href="mailto:GRH@nd.usda.gov">GRH@nd.usda.gov</a>	<a href="mailto:GRH@nd.usda.gov">GRH@nd.usda.gov</a>	USDA Rural Development 916 E. Interstate Avenue, Suite 3 Bismarck, ND 58503-0548

<b>OH</b>	<a href="mailto:rd.grh@oh.usda.gov">rd.grh@oh.usda.gov</a>	<a href="mailto:rd.grh2@oh.usda.gov">rd.grh2@oh.usda.gov</a>	USDA Rural Development Federal Building, room 507 200 North High Street Columbus, OH 43215-2418
<b>OK</b>	<a href="mailto:Oklahoma-GRH@ok.usda.gov">Oklahoma-GRH@ok.usda.gov</a>	<a href="mailto:Oklahoma-GRH@ok.usda.gov">Oklahoma-GRH@ok.usda.gov</a>	USDA Rural Development 100 USDA Suite 108 Stillwater, OK 74074
<b>OR</b>	<a href="mailto:guarantee.apps@or.usda.gov">guarantee.apps@or.usda.gov</a>	<a href="mailto:guarantee.closings@or.usda.gov">guarantee.closings@or.usda.gov</a>	USDA-RD Single Family Housing 1201 NE Lloyd Blvd Suite 801 Portland, OR 97232
<b>PA</b>	<a href="mailto:pagrh@pa.usda.gov">pagrh@pa.usda.gov</a>	<a href="mailto:pagrh@pa.usda.gov">pagrh@pa.usda.gov</a>	USDA Rural Development Attn: Guaranteed Housing One Credit Union Place, Ste 330 Harrisburg PA 17110
<b>PR</b>	<a href="mailto:RA.prsanjuan.rd.origination@pr.usda.gov">RA.prsanjuan.rd.origination@pr.usda.gov</a>	<a href="mailto:RA.prsanjuan.rd.postclosing@pr.usda.gov">RA.prsanjuan.rd.postclosing@pr.usda.gov</a>	USDA Rural Development Edif 654 Plaza 654 Ave Munoz Rivera Ste 601 San Juan, PR 00918-4129
<b>RI</b>	<a href="mailto:grh.warwick@ri.usda.gov">grh.warwick@ri.usda.gov</a>	<a href="mailto:grh.warwick@ri.usda.gov">grh.warwick@ri.usda.gov</a>	USDA Rural Development 60 Quaker Lane Suite #44 Warwick, RI 02886
<b>SC</b>	<a href="mailto:GRHLoans5@sc.usda.gov">GRHLoans5@sc.usda.gov</a>	<a href="mailto:GRHLoans5@sc.usda.gov">GRHLoans5@sc.usda.gov</a>	USDA, Rural Development 1835 Assembly Street, Room 1007 Columbia, SC 29201
<b>SD</b>	<a href="mailto:sd-rdgrh@sd.usda.gov">sd-rdgrh@sd.usda.gov</a>	<a href="mailto:sd-rdgrhclosings@sd.usda.gov">sd-rdgrhclosings@sd.usda.gov</a>	USDA Rural Development South Dakota State Office 200 4 <sup>th</sup> St SW, Suite 210 Huron, SD 57350-2461 Telephone (605) 352-1139
<b>TN</b>	<a href="mailto:rd.grh2@tn.usda.gov">rd.grh2@tn.usda.gov</a>	<a href="mailto:rd-grh2@tn.usda.gov">rd-grh2@tn.usda.gov</a>	USDA Rural Development-TN GRH Program 3322 West End Avenue, Suite 300 Nashville, TN 37203

<b>TX</b>	<a href="mailto:txgrh1@tx.usda.gov">txgrh1@tx.usda.gov</a>	<a href="mailto:txclosing1@tx.usda.gov">txclosing1@tx.usda.gov</a>	USDA RD Texas State Office Housing Programs 101 South Main, Suite 102 Temple, TX 76501 Telephone: 254.742.9770
<b>TX</b>	<a href="mailto:txgrh2@tx.usda.gov">txgrh2@tx.usda.gov</a>	<a href="mailto:txgrh2@tx.usda.gov">txgrh2@tx.usda.gov</a>	USDA RD Texas State Office Housing Programs 101 South Main, Suite 102 Temple, TX 76501 Telephone: 254.742.9770
<b>UT</b>	<a href="mailto:usdaloansubmissions@ut.usda.gov">usdaloansubmissions@ut.usda.gov</a>	<a href="mailto:usdaloansubmissions@ut.usda.gov">usdaloansubmissions@ut.usda.gov</a>	USDA Rural Development 125 South State Street, Room 4301 Salt Lake City, UT 84138
<b>VT</b>	<a href="mailto:GRH@vt.usda.gov">GRH@vt.usda.gov</a>	<a href="mailto:GRH@vt.usda.gov">GRH@vt.usda.gov</a>	USDA Rural Development Attn: Rita Weisburgh City Center 3 <sup>rd</sup> Floor 89 Main St Montpelier, VT 05602
<b>VA</b>	<a href="mailto:RD.VAGRHintake@va.usda.gov">RD.VAGRHintake@va.usda.gov</a>	<a href="mailto:RD.Culpeper@va.usda.gov">RD.Culpeper@va.usda.gov</a>	USDA Rural Development 351 Lakeside Drive Culpeper, VA 22701
<b>VI</b>	<a href="mailto:RA.Flgainesv2.RD.origination@fl.usda.gov">RA.Flgainesv2.RD.origination@fl.usda.gov</a>	<a href="mailto:RA.Flgainesv2.RD.postclosing@fl.usda.gov">RA.Flgainesv2.RD.postclosing@fl.usda.gov</a>	Rural Development, USDA Suite 204 – 1 2441 N.E. 3 <sup>rd</sup> Street Ocala, FL 34470-8289
<b>WA</b>	<a href="mailto:wa-grh@wa.usda.gov">wa-grh@wa.usda.gov</a>	<a href="mailto:wa-grh@wa.usda.gov">wa-grh@wa.usda.gov</a>	USDA Rural Development Attn: Guaranteed Housing Programs 1835 Black Lake Blvd, Suite B Olympia, WA 98512
<b>WI</b>	<a href="mailto:Wisconsin-GRH@wi.usda.gov">Wisconsin-GRH@wi.usda.gov</a>	<a href="mailto:Wisconsin-GRH@wi.usda.gov">Wisconsin-GRH@wi.usda.gov</a>	USDA Rural Development 5417 Clem's Way Stevens Point, WI 54482

<b>WV</b>	<a href="mailto:ra.wvmorgant2.rd.application@wv.usda.gov">ra.wvmorgant2.rd.application@wv.usda.gov</a>	<a href="mailto:ra.wvmorgant2.rd.closing@wv.usda.gov">ra.wvmorgant2.rd.closing@wv.usda.gov</a>	USDA Rural Development Earl Core Road, Suite 101 Attn ; Rural Housing Morgantown, WV 26505
<b>WP</b>	<a href="mailto:rdmailbox@pb.usda.gov">rdmailbox@pb.usda.gov</a>	<a href="mailto:rdmailbox@pb.usda.gov">rdmailbox@pb.usda.gov</a>	USDA Rural Development 770 East Sunset Blvd., Suite 280 Tiyan, GU 96913-1505
<b>WY</b>	<a href="mailto:WYStateOfficeHousing@wy.usda.gov">WYStateOfficeHousing@wy.usda.gov</a>	<a href="mailto:WYStateOfficeHousing@wy.usda.gov">WYStateOfficeHousing@wy.usda.gov</a>	USDA Rural Development 508 North Broadway Riverton, WY 82501-3597

## How to Improve Your Experience with Rural Development – A Lender’s Guide to Effective File Flow

### General

- Disburse/share this information with all branches, processors, loan underwriters within your organization.
- Loan processing times are currently longer nationwide due to reduced staff. A large number of USDA Rural Development employees retired at the end of 2011, followed by additional retirements at the end of 2012 and beginning of 2013. Due to Congressionally mandated reductions to salary and expenses, Rural Development offices have not been allowed to fill any of the vacancies created by the retirements. Each state will communicate current processing timeframes to participating lenders. Lenders are expected to account for any delay conveyed when planning rate locks and loan closings.
- Keep calls and email to a minimum due to reduced staff to respond. Interruptions can delay response times further.
- Electronic delivery is the preferred method of delivery. See Attachment E to this AN for information on electronic delivery by state. Do not also send the file by hard copy when delivery is electronic.
- Identify in the subject line of an electronic delivery the purpose of your request. Example:
  - **Loan Origination:** Borrower Last Name, First Name
  - **Loan Closing:** Borrower Last Name, First Name
- Secure the personally identifiable information of the applicants for electronic delivery.
- Complete applications will be considered in the date order received from lenders authorized to participate in the program.
- Prequalification requests cannot be processed.
- To ensure your request is processed timely, include complete information. See Attachments C and D to this AN for documentation to process your request.
- Submit only the identified documents in Attachment C and D to this AN.
- Submit the identified documents in Attachment C and D to this AN in the order noted, with the first document being the Attachment.
- Condense the size of the electronic document to ensure the file size does not exceed 30 mg. The appraisal may be separate to the loan package.
- Ensure the security permissions on a .pdf document are not restricted to “read only.”
- Incomplete requests will be returned in accordance with regulatory

	<p>timeframes. See <a href="#">7 CFR 1980.354(b)</a> for additional guidance.</p> <ul style="list-style-type: none"> <li>• The preferred method is through use of the Guaranteed Underwriting System (GUS). Eligible lenders may electronically submit their requests by completing an agreement found at: <a href="https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do">https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</a>. Scroll to “Guaranteed Underwriting System.”</li> <li>• Need additional training on GUS? Scroll to “Guaranteed Underwriting System” at: <a href="https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do">https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</a>.</li> <li>• Need additional training regarding the SFHGLP? Scroll to “New Lender Training” at: <a href="https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do">https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</a>.</li> <li>• Loans <u>cannot be closed</u> until Form RD 1980-18; “Conditional Commitment for Single Family Housing Loan Guarantee” is issued by the Agency. See <a href="#">7 CFR 1980.355(a)</a> for additional guidance.</li> <li>• Modifications that would increase the loan amount authorized on Form RD 1980-18 and/or adversely affect the loan presented at commitment issuance should be amended prior to loan closing. See <a href="#">7 CFR 1980.355(a)</a> for additional guidance.</li> <li>• An escrow change representing less than a 2% ratio change after issuance of Form RD 1980-18 does not require a modification in GUS. See the “Gaining Access to GUS” User Guide at <a href="https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do">https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</a></li> <li>• Loan Note Guarantees cannot be issued for loans closed in excess of the committed loan amount on Form RD 1980-18. See <a href="#">7 CFR 1980.355(a)</a> for additional guidance.</li> <li>• Modification of GUS is not required if the loan is not adversely affected with a proposed change occurring after issuance of Form RD 1980-18. See the “Gaining Access to GUS” User Guide at <a href="https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do">https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</a></li> <li>• A streamlined refinance (excluding the pilot refinance pilot) <u>cannot</u> include accrued interest in the new loan amount. See additional guidance published regarding the refinance feature at <a href="http://www.rurdev.usda.gov/rd-an_list.html">http://www.rurdev.usda.gov/rd-an_list.html</a>.</li> <li>• Conditions will not be “cleared” by the Agency. This remains the underwriter’s responsibility.</li> <li>• States who are unable to deliver a decision to the lender within the regulatory time frames will notify them of their response time. See <a href="#">7 CFR 1980.354</a>.</li> </ul>
<b>Origination</b>	<ul style="list-style-type: none"> <li>• Verify, calculate and document eligible <u>household</u> income for the SFHGLP. See Attachment A and <a href="#">7 CFR 1980.347 and 348</a> for additional guidance.</li> <li>• Verify, calculate and document the <u>applicant’s</u> repayment income to qualify the loan. See Attachment A <a href="#">7 CFR 1980.345(b) and (c)</a> for</li> </ul>

	<p>guidance.</p> <ul style="list-style-type: none"> <li>• Include only the documents identified on the standardized checklist.</li> <li>• Stack documents in the order noted for a quick, complete review without encountering delays.</li> <li>• Include documentation supporting decisions that may be questioned. Example: applicant has a 20% down payment, yet fails to meet the test for conventional financing. Identify/document your basis for your decision. Underwriters may utilize the FNMA 1008 Underwriting Analysis to document their conclusion.</li> <li>• When sending electronically, do not also send the file by hard copy.</li> </ul>
<p><b>Loan Closing</b></p>	<ul style="list-style-type: none"> <li>• A loan guarantee request from the lender is due within 60 days of loan closing. See <a href="#">7 CFR 1980.363</a> for additional guidance.</li> <li>• Paper checks will be mailed to the location noted on Attachment E. Include a copy of Page 1 of Form RD 1980-19 to identify the applicant(s).</li> <li>• Include only the documents identified on the standardized checklist.</li> <li>• Stack documents in the order noted for a quick, complete review without encountering delays.</li> <li>• When sending electronically, do not also send the file by hard copy.</li> </ul>