



USDA Rural Development State Office
 Single Family Housing Division
 3727 Government Street
 Alexandria, Louisiana 71302

Committed to the future of rural communities.

Contact the USDA Rural Development Office or any participating guaranteed lender for more information:

Alexandria GRH Office(318) 473-7910
 Louisiana State Office(318) 473-7630
 TDD(318) 473-7655

Debbie Redfern, Single Family Housing Program Director, Telephone: (318) 473-7630

Guaranteed loans help make homeownership a reality.

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Rev. 10/18/2010

USDA Rural Development



Guaranteed
 Rural Housing
 Loan Program

Bridging the Gap Between
 Government and Private Mortgage Lending



Committed to the future of rural communities.

100% Home Financing!

No Down Payment!

Advantages for the HOMEOWNER

- **New Construction** - Loans can be used for new construction in rural areas, including the purchase of new manufactured homes, and can also include the purchase of an adequate homesite.
- **Existing Homes** - Loans can be used for the purchase of existing homes in rural areas.
- No down payment requirement.
- Loans may include closing costs, guarantee fee, legal fees, title service, cost of establishing an escrow account, and other prepaid items.
- No monthly mortgage insurance premium.
- 30-year fixed rate at market interest rates.
- No maximum loan amount.
- Refinancing of Direct and Guaranteed USDA Rural Development housing loans allowed.
- Guarantee fee may be tax deductible.

New Income Limits!

Effective June 2, 2010

Applicants for Guaranteed Rural Housing Loans must meet area income limits for Louisiana as defined below.

Moderate Income Limits Adjusted Income Limits

(All Parishes EXCEPT Orleans)

1-4 Person Household	5-8 Person Household*
\$74,050	\$97,750

*Add 8 percent of 1-4 person income limit for each person in excess of 8 persons.

Moderate income is defined as the greater of 115 percent of the average of the state non-metropolitan and the statewide median family incomes, 115/80ths of the area low-income limit, or 115 percent of the U.S. median family income.

Guaranteed Rural Housing loans are processed by the lender, guaranteed by the United States Government, and may be sold into the secondary market.

Guaranteed Rural Housing Loan Program

USDA Rural Development guarantees home loans made by banks, savings and loans, mortgage companies and other approved lending institutions.

Funds can be used to build, purchase existing dwellings, repair, or purchase and prepare sites, including providing water and sewage facilities.

The Guaranteed Rural Housing Program was designed to bridge the gap between government and private mortgage lending, which had existed in many rural areas.

Since the inception of this program in 1991, the program level has grown nationally to over \$16 billion annually, with an ever-increasing demand and interest from potential customers and private lenders.

With over 2,000 lenders currently participating, this private/public partnership is a proven success story.

This program fills a tremendous need for thousands of rural Louisiana families who have the income, but lack the down payment ability.

New Construction

Existing Homes

No Down Payment

Advantages for the LENDER

- Forms-Lender can use their forms to develop each loan and Rural Development loans can be closed using conventional type loan documents.
- 103.5 percent LTV-Total loan can exceed the appraised value only by the portion of the guarantee fee being financed, not to exceed 103.5 percent LTV.
- Ratios-29 percent and 41 percent; compensating factors and ratio waivers may be considered.
- Seller contributions-no limits.
- Guarantee fee:
 - Purchase loan - 3.5 percent of the total loan amount.
 - Refinance loan - 1 percent of the total loan amount.
- Loan Guarantee-90% of the principal amount of loan.
- Loans are accepted by Fannie Mae, Freddie Mac, and Ginnie Mae Pools.
- Assists lender in meeting CRA requirements.
- Commitments issued within 48 hours from receipt of a complete application.
- GUS - Automated underwriting.



Check the Facts

Visit our Income and Property Eligibility website:

<http://eligibility.sc.egov.usda.gov>

Find out if a property is eligible, calculate adjusted household income, and compare it to current income limits.

For information on approved Guaranteed Rural Housing lenders, contact the following:

Alexandria GRH Office: (318) 473-7910
Louisiana State Office: (318) 473-7630
TDD: (318) 473-7655

Check out **GUS**
 Guaranteed Underwriting System

Guaranteed Underwriting System (GUS)

GUS, an automated underwriting system, is available in Louisiana for all approved lenders. To learn more about GUS, go to GUS Lender Advanced Training at:

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

Approved lenders interested in using GUS in Louisiana should send an e-mail to Scott Pousson at scott.pousson@la.usda.gov or call (318) 473-7630.

For information on becoming an approved lender, contact the following:

Alexandria GRH Office: (318) 473-7910
Louisiana State Office: (318) 473-7630
TDD: (318) 473-7655