

USDA 502 Direct Loans



We offer a loan from the good old days

- **100% Financing**
No down payment requirements, we can finance closing costs (conditions apply) ask us how!
- **No Minimum Credit Score**
We can do loans for borrowers with no credit scores. Bad credit? Tell us about it.
- **38 year loan term**
Some applicants will qualify for our extended loan terms. Ask us how!
- **1% interest rates**
Most applicants will qualify for our low subsidized rates. Ask us how!

Are you offering your clients every possible option?

Are you tired of turning away potential clients? Have traditional lender guidelines prevented you from servicing your challenged customers? Let USDA help. We have a loan program that is designed for low and very low income borrowers in rural areas. We can do things that your other lenders have never dreamed of. Give us an opportunity to show you how easy it is to offer financing to clients you never thought possible. Contact one of our area offices today!

Area Office Contacts:

Corvallis- 541.750.7126 Serving

Clackamas, Clatsop, Columbia, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill, Benton, Lane, Linn & Lincoln Counties

Redmond- 541.923.4358 Serving Crook,

Deschutes, Harney, Hood River, Jefferson, Sherman, Wasco, Klamath & Lake Counties

Roseburg- 541.673.6071 Serving Coos,

Curry, Douglas, Jackson, & Josephine Counties

Pendleton- 541.278.8049 Serving Baker,

Gilliam, Malheur, Morrow, Umatilla, Union, Wallowa, & Wheeler Counties.

1201 NE Lloyd Blvd. Suite 801 Portland, OR 97232

Tel 503.414.3395

Fax 503.414.3394

WWW.RURDEV.USDA.GOV/OR



USDA 504 Grants & Loans

Helping Restore Your Most Precious Asset



In these tough times, coming up with the money to repair and maintain your home can be difficult. If you or someone you know is in need of critical home repairs, such as a damaged roof or sewer connection, USDA Rural Development might be able to help. Our loans and grants are designed for very low income households in rural areas. We can help make your most precious asset a home again. Please contact your USDA Rural Development Area Office to find more information and apply.

USDA Rural Development Area Offices:

Corvallis - 541.750.7126 Serving Clackamas, Clatsop, Columbia, Marion, Multnomah, Polk, Tillamook, Washington, Yamhill, Benton, Lane, Linn & Lincoln Counties

Redmond - 541.923.4358 Serving Crook, Deschutes, Harney, Hood River, Jefferson, Sherman, Wasco, Klamath & Lake Counties

Roseburg - 541.673.6071 Serving Coos, Curry, Douglas, Jackson & Josephine Counties

La Grande - 541.963.4178 Serving Baker, Gilliam, Malheur, Morrow, Umatilla, Union, Wallowa & Wheeler Counties.



<http://www.rurdev.usda.gov/or/>

USDA is an equal opportunity provider, employer and lender. If you wish to file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

USDA 502 Guaranteed Housing Loans: FULLY FUNDED

On July 29th President Obama signed into law House Bill 4899. This new legislation gave USDA the authority to charge a guarantee fee of 3.5 percent. This new fee structure will keep our program funded and ready to serve you and your customers.

We are excited to announce that we remain one of the last 100 percent financing options for your clients. Our guidelines have remained consistent while other lending programs have made drastic changes as the credit market has fluctuated in the last several months.

Get in contact with your preferred lenders today and make sure they are offering USDA Guaranteed Loans to your buyers, and find out how easy it is to work with USDA Rural Development.

For program-specific questions, please contact your local Area Office today:

Area Office Contacts

Corvallis - 541.750.7126

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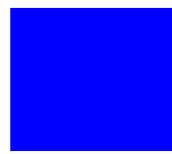
<http://www.rurdev.usda.gov/or/>



USDA Rural Development

Committed to the future of rural communities

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Committed to the future of rural communities.

“Rural” Opportunity!

USDA Rural Development Guaranteed Loan Program

100% financing increases affordable homeownership opportunities!

Guaranteed Rural Housing Loans offer 100% financing designed to bridge the gap between government and private mortgage lending which exists in many rural areas. Guaranteed loans fill a tremendous need for thousands of rural individuals and families who have the income, but lack the downpayment ability, or face other homeownership challenges.

When participating banks, savings and loans, credit unions, mortgage companies, mortgage brokers, and other participating institutions choose 100% financing through the Guaranteed program for their clients—*everyone wins!*

Guaranteed loans offer lenders exceptional flexibility and creative financing solutions to say “YES” to more homebuyers. 100% financing with Guaranteed loans provide superior affordable mortgage terms to homebuyers **and** reduced risk to the lender.

Do you serve:

- | | |
|--|--|
| <ul style="list-style-type: none"> • First time homebuyers • Move-up homebuyers • Low and moderate income buyers • High cost area homebuyers | <ul style="list-style-type: none"> • Elderly, fixed income homebuyers • Emerging market demographic homebuyers with no or nontraditional credit histories • Other special need homebuyers |
|--|--|

100% financing: Guaranteed loan benefits:

- | | |
|---|---|
| <ul style="list-style-type: none"> • No downpayment • No monthly mortgage insurance = lower payment • No maximum loan amount • Flexible credit guidelines • Expanded qualifying ratios | <ul style="list-style-type: none"> • Buydowns, MCC’s, gift, and grant funds, seller concessions allowed • Existing homes • New construction, modular and manufactured homes allowed including purchase of site • Loans may include closing costs, guarantee fee, legal fees, cost to establish an escrow account, and other eligible pre-paid items |
|---|---|

Please see reverse side for more details .



100% financing: Guaranteed loan benefits for lenders:

- Lenders use their own customary loan application, tri-merged credit reports, etc.
- **100% percent loan to value:** The maximum loan limit is 100 percent of the appraised value. The guarantee fee may be rolled in above the appraised value.
- **No downpayment** or contribution from borrower funds is necessary
- **No monthly mortgage insurance**, clients enjoy lower monthly payments
- **Expanded qualifying ratios** of 29 / 41. Lenders may exceed these ratios to accommodate qualified homebuyers upon request
- **Flexible credit guidelines:**
 - * Streamline documentation for scores 620 and above
 - * Nontraditional credit histories accepted
 - * Utilities, rent history, cell phone, car/renters insurance are acceptable nontraditional credit sources
 - * Bankruptcies and foreclosures discharged less than 3 years **may** not affect eligibility
- **30 year competitive fixed rates**
- Moderate income limits apply, however eligible deductions assist more homebuyers to qualify
- 2-1-0 buydowns allowed, qualify homebuyer at first year rate
- Permanent buydowns allowed
- Low income applicants (80% of HUD median income level or below) may qualify to finance the cost of a permanent buydown into their loan.
- Mortgage Credit Certificates, gift, and grant funds allowed
- Homes must be located in eligible rural areas
- Existing, new construction, modular, and new manufactured homes are eligible
- Condominiums, duplexes, and townhouses are eligible (check legal description for your area)
- Lender is insured up to 90% of the original loan amount in the event of a loss.
- Secondary market options available include but are not limited to Fannie Mae, Freddie Mac, and Ginnie Mae pools.
- Service retained or service released options are available per approved lenders.
- Many state housing finance agencies participate
- HUD goals rich, including CRA credits
- Approved lenders underwrite and approve loans
- Loan commitments are issued within 48 hours from receipt of a complete file to USDA Rural Development
- Free training available for lenders, underwriters, processors, real estate professionals, appraisers, home inspectors, and other finance professionals upon request
- Free access to all websites, servicing software, forms, and program updates

Visit our website: www.rurdev.usda.gov/rhs

Income & Property Eligibility: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

For more information contact:

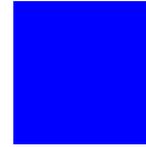
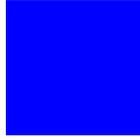
Rod Hansen: 503-414-3353 rod.hansen@or.usda.gov
866-923-5626, ext. 1



Committed to the future of rural communities.



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Working with USDA Rural Development Becoming an approved lender and loan file flow

Lender Approval Process:

Please contact the National Office for national or multiple state approval: USDA Rural Development Guaranteed Loan Division, Room 2250-S, 1400 Independence Ave., S.W., Washington, DC 20250-0784.

Lenders please submit:

- RD 1980-16, "Agreement for Participation in SFH Guaranteed Loan Program"
- Tax Identification number
- Verification of approval by Fannie Mae, Freddie Mac, FHA, VA, or HUD
- Names, titles, and responsibilities of principal loan officers.
- Contact person for SFHGLP guarantees; name, phone, email, and fax
- Outline of internal underwriting criteria for credit and repayment histories
- Quality control plan for monitoring loan production and servicing
- Agreement to use HUD approved forms such as those created by Fannie Mae, Freddie Mac, FHA, etc.

Guarantee Application Process:

- Lender submits an underwritten, and approved loan package to Rural Development, including a complete 1980-21 "Request for SFH Loan Note Guarantee"
- Rural Development will reserve funding and review the request for program eligibility only. If the applicant(s) meet the loan and eligibility criteria then a 1980-18 "Conditional Commitment for a Rural Development Loan Guarantee will be issued to the field. ***The lender determines that applicants, loan, and property meet Rural Development eligibility requirements, and underwrites the loan.***
- Lender will close the loan and certify that any conditions listed on the 1980-18 have been met which include sending in post closing documents such as promissory note and 3.5% guarantee fee or 2.25% refinance guarantee fee.
- Rural Development will issue a 1980-17 "Loan Note Guarantee" to the lender.
- Lender will submit a 1980-11 "Guaranteed Rural Housing Lender Record Change" **if** the loan is sold or transferred post closing.

FREE TRAINING AND SUPPORT AVAILABLE!

For more information please visit our website: www.rurdev.usda.gov/rhs

Property & income eligibility: <http://eligibility.sc.egov.usda.gov/eligibility.welcomeAction.do>