

CHAPTER 3: APPLICATION PROCESSING

3.1 INTRODUCTION

This chapter describes the process of accepting and managing applications, up to the point that an applicant is selected for processing. This includes pre-qualifying applicants, taking and reviewing applications, and selecting applications for processing.

SECTION 1: PRE-QUALIFICATION

3.2 OVERVIEW

Pre-qualification involves using unverified information to evaluate the likelihood that a potential applicant would be able to obtain a loan. The results of pre-qualification are not binding. An applicant who is told that funding is unlikely may submit an application, and an applicant who is told that funding is likely is not guaranteed that a loan will be made.

Pre-qualification serves as an opportunity to:

- Explain the program and the application process;
- Determine the likelihood of eligibility based on income and other factors; and
- Calculate the likely maximum loan amount.
- Encourage the early completion of homeownership education for maximum benefit.

The Loan Originator should never refuse to take an application, regardless of the outcome of the pre-qualification screening.

3.3 PROCEDURES FOR PRE-QUALIFICATION

The Loan Originator should provide consistent pre-qualification counseling for all potential applicants. It can be done face-to-face when a potential applicant comes into the Field Office or by telephone when someone calls to inquire about the



program. Refer to Attachment 3-F for guidance on phone inquiries. Although pre-qualification is not required, it is strongly encouraged because it can eliminate unnecessary work for both the potential applicant and the Loan Originator. The prequalification process does not apply when a *Form RD 410-4, Uniform Residential Loan Application*, has been received. The Loan Originator should proceed directly to the application processing stage.

A. Describe the Program

During the course of the pre-qualification review, the Loan Originator should provide as much information as possible about the way the Section 502 program works. Although this information will be repeated during the course of the application and loan approval processes, it is important for the potential applicant to begin to understand how the program works and the steps that will be required to obtain a loan.

B. Gathering Basic Eligibility and Financial Information

Pre-qualification provides an opportunity to consider whether the potential applicant appears to meet the basic eligibility requirements described in detail in Chapter 4. The Loan Originator should enter into UniFi information provided by the potential applicant and counsel the potential applicant about the following requirements and restrictions.

- **Credit qualifications.** While some late payments and other indicators of credit problems may be acceptable, the Loan Originator may be able to advise potential applicants who report an irregular credit history about areas to improve before applying. The Loan Originator may order an in-file credit report at the time of pre-qualification if the applicant has signed *Form RD 3550-1, Authorization to Release Information*, and the report would be advantageous in counseling the applicant. The Loan Originator may also check the HUD CAIVRS and the CUS/ARE/SOC screen at the time a signed *Form RD-3550-1* is received. This is, however, not required at the pre-qualification stage. Regardless of the outcome of the in-file credit report, the Loan Originator must not discourage an applicant from submitting an application. Furthermore, whenever an in-file credit report is ordered, the Equal Credit Opportunity Act requirements must be adhered to. The Loan Originator must ensure that the race, gender, ethnic group and marital status information, when a visual observation can be made, is input into the UniFi system. This information is critical for reporting purposes.
- **Citizen or qualified alien.** The Loan Originator can ask potential applicants about their citizenship status and, for qualified aliens, inform them of the documentation that will be required when an application is submitted.

Paragraph 3.3 Procedures for Pre-Qualification

- **Identity Information.** The loan Originator should explain to potential applicants the documentation required for identification when an application is submitted. Potential applicants must provide picture identification, evidence of age, and evidence of a taxpayer identification number for each person who will sign the promissory note.
- **Requirement to occupy the dwelling.** The Loan Originator can explain that the dwelling must serve as a borrower’s residence, and confirm that the potential applicant intends to use the loan for this purpose.
- **Financial information.** The potential applicant should provide information about household members, income, expenses, and debt to enable the Loan Originator to make a preliminary determination of income eligibility and repayment ability.


C. Using UniFi to Calculate the Maximum Loan Amount

Once pre-qualification data is entered, UniFi computes the maximum loan amount for which the potential applicant would qualify using standard loan terms, and using any adjustments to the standard terms for which the potential applicant appears to qualify. (See Paragraph 6.16 B. for a full discussion of adjustments to the standard terms.)

The Loan Originator will use UniFi to calculate the maximum allowable loan the applicant could receive. An applicant may be a candidate for a leveraged loan because they are working with or have already completed an application to another funding source prior to coming to the Agency for a loan. The Loan Originator should also refer the applicant to entities offering affordable housing products, such as grants, forgivable loans, deferred payment loans and below-market interest rate loans when such funding sources are available in the local area. In order to receive the benefits of a leveraged loan, the loan must meet the provisions set forth in Chapter 10 which provides detailed information about leveraged loans.

D. Discussing Pre-Qualification Results

When all pre-qualification information has been obtained, the Loan Originator can generate the Eligibility Summary from UniFi to assist in the discussion with the potential applicant. The Loan Originator should always emphasize that the results of the pre-qualification review are unofficial and that the outcome may change when estimated information is verified. For potential applicants in the following 4 categories, additional counseling is appropriate.

	<p>Pre-Qualification Review</p> <p>Regardless of the outcome of the pre-qualification review, all potential applicants must be offered an opportunity to complete an application.</p>
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1. *Over-income Applicants*

Applicants with incomes above the low-income limit are not eligible for a Section 502 loan unless funding is available for moderate-income applicants. (Field offices should check with their State Office if they are unsure whether moderate-income funds are available.) Regardless of the availability of funding, a moderate-income applicant may be considered for an assumed loan, purchase of a REO property, or encouraged to seek credit from a private lender or the Guaranteed Rural Housing (GRH) program by sending *Handbook Letter 1(3550), Moderate Income Options*. The attachment to the letter offers the applicant 15 days from the date of the letter to request an informal meeting to discuss the decision with the Loan Approval Official.

2. *Applicants with Low Estimated Maximum Loan Amounts*

If the loan amount for which the household appears to qualify is below an amount that is likely to be required to obtain housing that is acceptable to the Agency, the Loan Originator should counsel the potential applicant about the need for additional resources, such as other sources of subsidized funds, increased household income, or reduced household debt. See Paragraph 4.24 for a detailed discussion of working with applicants with low maximum loan amounts.

3. *Candidates for Financing with Private Credit*

If the credit history, income, and assets of potential applicants indicate that they should be able to qualify for 100 percent private financing, the Loan Originator should ask whether an attempt to obtain private financing has been made. If not, potential applicants should be informed that they should attempt to obtain private financing.

4. *Applicants with Less than Acceptable Credit or Lack Repayment Ability*

If an applicant's credit appears unacceptable based on an in-file credit report or from information supplied by the applicant or it appears the applicant lacks repayment ability for a loan, the Loan Originator should counsel the applicant. If the pre-qualification was not conducted face-to-face or over the telephone, the Loan Originator should use *Handbook Letter 19, Pre-qualification Review*, as a way to prompt the opportunity to counsel the applicant in ways to correct these problems. The Loan Originator may encourage the applicant to seek credit counseling or a homeownership education course but should **NEVER** discourage the applicant from submitting an application.

SECTION 2: HOMEOWNER EDUCATION

3.4 HOMEOWNER EDUCATION REQUIREMENT

The Agency requires that applicants who are first time homebuyers complete homeowner education training prior to closing on their loan. The goal of this requirement is to have first time homeowners financed under the Section 502 Direct program be well prepared for homeownership by assuring that they receive homeownership education.

A. State Director Assessment of Homeowner Education [7CFR 3550.11]

The State Director will make an initial area by area assessment of the availability of certified homeownership education in their respective states. A current and ongoing list of providers will be maintained by the State Office, including the reasonable costs, if any, to the participant.

The order of preference for homeownership education formats is as follows:

- Classroom, one-on-one counseling, or interactive video conference.
- Interactive home-study or interactive telephone counseling of at least four hours duration.
- On-line counseling (only when sources listed above are not available).

In order to be included on the list, the provider must have a certificate of completion process and homeownership education counselors that are certified by any of the following:

- The Department of Housing and Urban Development (HUD);
- NeighborWorks America (NWA) ;
- The National Federation of Housing Counselors (NFHC);
- National American Indian Housing Council (NAIHC); or
- The State Housing Finance Agency or other qualified organization approved by the State Director.

In addition, the State Director may include homeowner education provided by USDA Cooperative Extension System staff.

In order to ensure consistency, on-line homeownership education courses offered and accessible on a national, non-state specific basis, will be reviewed and approved by the National Office. This is not intended to endorse a particular on-line course but to have a process by which these types of on-line courses will be evaluated in a uniform manner for usage by the States.

Where there is a fee charged to the applicant for homeownership education, the State will also assess commonly used resources of funding for the applicant to pay for their homeownership education. In addition, organizations that provide free homeownership education will be identified, and applicants will be referred to the free training first in all States.

The provider will issue a letter or certificate of completion to document that the applicant has satisfactory knowledge of these minimum topics:

- Preparing for Homeownership (evaluate readiness to go from rental to homeownership)
- Budgeting (Pre and Post-Purchase)
- Credit Counseling
- Shopping for a home
- Lender Differences (predatory lending)
- Obtaining a mortgage (mortgage process, different types of mortgages)
- Loan closing (closing process, documentation, closing costs)
- Post-occupancy counseling (delinquency and foreclosure prevention)
- Life as a homeowner (homeowner warranties, maintenance and repairs)


Generally speaking, a valid letter or certificate of completion of homeownership education that is less than 1 year old at date of loan closing will be considered acceptable. When appropriate, the provider may tailor the homeownership education training to the needs of the applicants, while ensuring satisfactory knowledge of the minimum required homeowner education topics. For example, if an applicant has already executed a purchase and sale agreement on a house, the provider may decide after conference with the applicant, to condense or omit the homeownership education section on “shopping for a home”.

Paragraph 3.4 Homeowner Education Requirement

B. Providing Homeownership Education Information to the Applicant

The Loan Originator must ensure that early in the application process the applicant understands that a certificate of completion is a prerequisite to loan closing and must be submitted to the Loan Originator prior to closing on the applicant’s loan. In addition, the Loan Originator must assist the applicant by providing the list of approved local homeowner education providers to the applicant.

The applicant must be informed that should there be a fee for the homeowner education course selected and there are no other sources for payment, the fee may be added to the loan amount at loan closing. (See Paragraph 6.4 Fees and Related Costs). The applicant should be advised that if they do not close on their loan, they will still be responsible for the homeownership education fee.

	<p>Consistency Is Key</p> <p>Be sure to use consistent procedures when providing information to ALL applicants.</p>
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C. Exception Provision

The State Director may grant an exception to the homeownership education requirement for individuals in geographic areas where certified homeownership education is not reasonably available in the local area. However, a conservative approach to the exception provision is recommended, as generally, all efforts are encouraged to have applicants undertake homeownership education early in the homeownership process to gain maximum benefit. Whether such homeownership education is “reasonably available” will be determined based on an assessment of factors including, but not limited to: distance, travel time, geographic obstacles, and cost. On a case-by-case basis, the State Director may grant an exception to the homeownership education requirement, provided the applicant documents a special need such as a disability that would impede completing a homeownership course in the above mentioned formats listed in Paragraph 3.4A.

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SECTION 3: APPLICATIONS [7 CFR 3550.55]

3.5 DISTRIBUTING APPLICATIONS

A. Individual Applicants

An individual applicant can request that the Agency mail an application or can obtain one in person at any Field Office. Whenever someone requests an application, the Loan Originator should determine whether the potential applicant has gone through the pre-qualification process, and if not, attempt to pre-qualify them, as described in Section 1 of this chapter.

Whenever possible, the Loan Originator should explain the basic application process and the contents of the application package to the applicant. The application package should include:

- An information sheet explaining the application process, time frames, credit check procedure, fees, and other applicant responsibilities similar to Attachment 3-D;
- *Form RD 410-4, Application for Rural Housing Assistance (Nonfarm Tract), Uniform Residential Loan Application* (referred to throughout this document as *Uniform Residential Loan Application*);
- *Form RD 3550-1, Authorization to Release Information* (copies for each adult household member);
- Any other documents the Field Office uses to help gather and verify information.

B. Application Packagers

Those wishing to package applications to submit on behalf of an applicant should follow the instructions in Attachment 3-A. All packagers are required to comply with the civil rights requirements contained in of RD Instruction 1901-E, including the Equal Credit Opportunity Act and, if the packager assembles packages for 5 or more applicants, requirements for an Affirmative Fair Housing Marketing Plan. At least 5 percent of all applications submitted by a packager will be reviewed by the next level supervisor. The applications reviewed will be randomly selected in accordance with RD Instruction 2006-M. Any incidence of unethical activity by a packager must be reported promptly to the State Director.



3.6 APPLICATION REVIEW

Applications must be date stamped when they are received, and reviewed for required documents within 3 days. The date the application is *received* should be recorded immediately on the last page of the application.


A. Required Documents

An application may be accepted only if:

- *Form RD 410-4, Uniform Residential Loan Application* is signed and dated on pages 5 and 8;
- All applicable information on *Form RD 410-4* has been provided; and
- A signed *Form RD 3550-1, Authorization to Release Information* is submitted *for each* adult member of the household.
- The applications will be input into the UniFi system on the date when all the required documentation is received.

B. Missing Required Documents

Ideally, the Loan Originator will be available at the time the applicant brings the application to the Field Office, and can review it with the applicant to identify and correct any missing information. If the review cannot happen in person, the Loan Originator should contact the applicant by telephone immediately after reviewing the application to obtain any missing information or to make specific arrangements for the applicant to provide it through a return call, fax, or mail. During the telephone call, the Loan Originator must inform the applicant that their application cannot be considered for continued processing until all required documents have been received.

	Consistency Is Key Be sure to use consistent procedures to obtain missing information from all applicants.
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The Loan Originator can update the application (with the exception of the applicant's signature) to reflect any information provided by the applicant. If arrangements are made for the applicant to provide information at a later time, the Loan Originator should send a follow up letter as a reminder of the information needed. The letter should clearly state that the application is inactive until the requested information is received, and that the application will be withdrawn if the missing information is not received within 30 days. A copy of this letter should be placed with the application in the inactive file.

Paragraph 3.6 Application Review

If the missing information is not provided within 30 days, the application must be withdrawn. If the applicant wishes to provide the missing information at a later time, a new application must be submitted.

C. Processing Applications

For applications that contain all the required documents, the Loan Originator should take the following steps to ensure that the relevant information is properly recorded.

- **Date the application.** Once the application is accepted, the Loan Originator should date stamp the appropriate line. The date an application is considered accepted is the day all required information is received, regardless of when the application is actually reviewed by the Loan Originator. It is important that this date be correct because it is used to track priority for processing.
- **Enter data.** Information from the application should be entered into UniFi as soon as all the required documentation is received. If an applicant went through pre-qualification, much of the information from the application will already be in the system. If the information provided on the application is different from the information provided at pre-qualification, the appropriate UniFi fields should be updated.
- **Establish case file.** The applicant's case file should be established according to RD Instruction 2033-A. For subsequent loans, the new documentation should be added to the existing case file. 
- **Begin Single Family Housing Checklist.** Attachment 3-G, 502 Single Family Housing Checklist, or Attachment 12-C, 504 Single Family Housing Loan & Grant Checklist, will be used for processing all Section 502/504 SFH applications. States may add additional page(s) as needed to meet state requirements. The checklists are required and intended as a processing aid for field staff.
- **Send Truth in Lending Act and Real Estate Settlement Procedures Act (RESPA) Documents.** Within 3 business days, the Loan Originator must send the applicant *Form RD 1940-41, Truth in Lending Statement, Form RD 440-58, Estimate of Settlement Costs, and the Buying Your Home - Settlement Costs and Helpful Information*. Since an actual loan amount, interest rate, and term are not known at this point in the process, *Form RD 1940-41* should be an estimate based on a typical transaction for the area. If the annual percentage rate varies by more than one-eighth

of one percent at loan closing, redisclosure must be made and the Truth in Lending Statement must be re-issued using the actual terms of the transaction. **Section 504 loan transactions are not subject to the RESPA.**

- **Credit Score Disclosure.** Attachment 3-H, Credit Score Disclosure, should be sent to the applicant simultaneously with the Truth in Lending documents. Page 2 of Attachment 3-H must be signed by the applicant and returned to the Rural Development Office via a postage paid, pre-addressed envelope. States will insert the appropriate credit bureau address on page one of the document and not make any revisions to this attachment.

The application is a working document. Whenever revised or verified information is received, the appropriate UniFi field should be updated. At loan closing, a revised copy of the application will be generated to reflect the updated information gathered during the course of the loan approval process.

3.7 INFORMING THE APPLICANT

Within 3 business days of receiving a completed application the Loan Originator will provide the applicant with *Form RD 440-58*, which gives a preliminary indication of the amount of escrow required. However, it does not explain the concept of escrow.

During the applicant orientation, the Loan Originator must explain what escrow is and outline the Agency's specific requirements. The Loan Originator should explain that the initial deposit can be financed, even if it raises the total loan amount over the market value or the section 203(b) limit. The applicant's decision about financing the cost of the initial deposit or paying the cost out of pocket must be documented on *Form RD 3550-23, Applicant Orientation Guide*.

In accordance with the Fair and Accurate Credit Transactions Act of 2003, the Agency is also required to disclose to the applicant, upon request, the score that a credit bureau distributed and was used in connection with their loan. In addition, we are required to disclose the key factors affecting the applicant's credit scores. Therefore, Attachment 3-H, Credit Score Disclosure, must be provided to the applicant as stated above. Page 2 of Attachment 3-H must be signed by the applicant and returned to the Rural Development office via a postage paid, pre-addressed envelope. It must be explained to the applicant that the credit score will not be used to determine loan approval but only to presume acceptable credit in lieu of other credit underwriting practices.

3.8 OBTAINING ADDITIONAL INFORMATION

Form RD 410-4, Uniform Residential Loan Application is a tool for gathering the basic information needed for loan-making purposes. However, some follow up may be necessary to

Paragraph 3.8 Obtaining Additional Information

ensure that the Loan Originator has enough detail to assess loan-making factors, such as processing priority and deductions for calculating adjusted income. Attachment 3-B provides guidance about the types of follow up questions the Loan Originator may need to ask in order to have a complete picture of the household's circumstances.

3.9 WITHDRAWING AND REJECTING APPLICATIONS



An applicant can withdraw an application at any time by writing or calling the Field Office. The Agency may withdraw the application if the applicant fails to respond to the Agency's written request for information in a timely fashion. All letters to applicants requesting information must clearly indicate that the application will be withdrawn if the appropriate information is not provided within the specified time frame.

When an applicant is rejected, they must be informed, in writing, of the adverse decision and their review and appeal rights. The basis for the rejection must be clearly documented. Applicants who are over-income and must seek credit from other sources should be provided with information about the GRH program and other area lenders.

Once an application has been withdrawn or rejected, an applicant who wishes to reapply must complete a new application form, and priority for processing will be based on the new application date. The Loan Originator should record in UniFi that the application has been withdrawn or rejected. The case file should be placed in the inactive file. Only in the following situations can an application be reopened:

- If the National Appeals Division has overturned the rejection of an application;
or
- The Loan Originator has reviewed and reconsidered the rejection of an application.

In these situations, Attachment 3-E must be completed and forwarded to the Centralized Servicing Center, Field Support Services, for processing.

3.10 PRELIMINARY DETERMINATION OF ELIGIBILITY

Once all of the applicant's information has been received, the Loan Originator must review it within 30 days to determine whether, based on the unverified information available, the applicant appears to be eligible for the program.

To make this assessment, the Loan Originator should determine whether the applicant has income at or below the applicable low-income limit and whether the applicant appears to meet the other eligibility requirements listed in Chapter 4. If the answer to either of the questions is

no, the Loan Originator should ask follow up questions to ensure that the preliminary determination is accurate. If further inquiry confirms the accuracy of the determination, notify the applicant in writing that they do not qualify for the program using the appropriate Handbook Letter along with Attachment 1-B or 1-C, whichever is applicable. If the answer to both questions is yes, the Loan Originator should process the application, as described in Section 4 of this chapter. If the applicant's credit history as reported on an in-file credit report appears to be unacceptable, the Loan Originator should counsel the applicant, but should not withdraw the application unless requested to do so by the applicant.

SECTION 4: SELECTION FOR PROCESSING

3.11 OVERVIEW

In general, applications are selected for processing on a first-come, first-served basis. If available funding is not sufficient for all applications received, the Loan Originator selects applications for processing using the priorities described in Paragraph 3.14. This section discusses the appropriate actions to take to notify applicants of their status and select applications for processing in the proper order.

3.12 DETERMINING WHETHER FUNDS ARE AVAILABLE

The Loan Originator must determine whether funds are available before proceeding with further processing. Loan Originators will review the number of applications on hand in UniFi at least quarterly. A sufficient number of applications will be reviewed for eligibility and Certificates of Eligibility will be issued, as appropriate, based on expected funding availability over the next 90 days. Loan Approval officials may use historical data, but generally the number of outstanding Certificates of Eligibility will not exceed 150% of the expected funding. State Directors will issue State Supplements to provide guidance about how many applications should be processed based on available funding levels.




A. Regular Funding

Nationwide, at least 40 percent of Section 502 loan funds must be allocated to very low-income households. Since each State meets this goal in different ways, Loan Originators also may have to consider the guidance provided through State Supplements in determining whether funds are available for a low-income applicant.

In rare situations, the funds available may be less than the amount for which the applicant is eligible. If this occurs, it is important to follow consistent procedures. An example of a possible procedure is provided in Exhibit 3-1.

Exhibit 3-1

 **Procedures if Funds are Inadequate
for the Next Applicant on the Waiting List**

Applicant A is next on the waiting list and qualifies for a \$75,000 loan. Applicant B is eligible for a \$40,000 loan. The funds available are \$45,000.

- Call State Office to ask for more funds.
- Document the results of this conversation.
- If no more money is available, offer Applicant A \$45,000.
- If Applicant A accepts, proceed.
- If Applicant A does not accept, go to Applicant B and keep Applicant A at the top of the waiting list for the next available funds.

B. Special Funding

Each year the National Office may designate funds to address special high-priority needs identified by the Agency. If an applicant falls into one of those high-priority needs areas and funds are available, the application can be processed immediately. For example, in a year in which funds have been set aside to target a particular geographic area, an application from a household willing to seek a property in that area could be processed ahead of other applications.

Information about funds available for high-priority needs are distributed to Field Offices through State Supplements, based on guidance from the National Office through RD Instruction 1940-L.



3.13 IF FUNDING IS NOT AVAILABLE

If the applicant does not qualify for funds that are available, the Loan Originator should notify the applicant using *Handbook Letter 2(3550), Pre-eligible* that they appear to be eligible, but that funding is not currently available. The letter should indicate the expected waiting time before funding will become available to the applicant, given the applicant's priority status. The

3.13 If Funding is not Available




Loan Originator also must indicate in the letter any purposes for which funding *is* available. Should the applicant modify the application to match one of these purposes -- for example, agreeing to seek a property in a targeted geographic area when funds are set aside for that purpose -- the application may be processed immediately.

3.14 SELECTING APPLICATIONS FOR PROCESSING

If funding is available, applicants must be selected for processing in the proper order, and notified of the actions they must take.

A. Selection Procedures

If a Field Office has a backlog of unprocessed applications, when funding becomes available, a list of unprocessed applications should be generated from UniFi. The Loan Originator must select applications for processing based on each applicant's priority and the date a completed application was submitted. The number of applications selected will be determined based on guidance from the State Director.

	<p>Documenting Proper Selection Procedures</p> <p>Always retain a hard copy of the waiting list when applicants are selected for processing.</p>
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Whenever applicants are selected for processing, a hard copy of the waiting list should be printed and placed in an operational file to document that the applications were processed in the correct order. This is important because the electronic files will be overwritten, leaving no documentation to verify that proper procedures were followed.

B. Processing Priorities

When funding is not sufficient to fund all applications, a priority system is used to ensure that applicants who meet the priorities established for the program are selected for processing first. The priority system is used only to determine the order in which applications will be processed. Once applicants are selected for processing, the order in which they actually receive funding will depend on how long it takes to conduct all required verifications and how long it takes the household to locate a property. Attachment 3-C provides a case study that illustrates the use of priorities in selecting applicants for processing.

The Agency gives processing priority to applicants who have an especially serious need for immediate assistance and for loans that are to the Agency's benefit. Applicants with higher priorities must be processed before those with lower priorities. Applicants who do not qualify for any priority should be processed only when no applications with a priority remain unprocessed. Within each priority category, applications should be processed in the order they were received. The types of priorities are described below.

1. *First Priority: Subsequent Loans to Correct Health and Safety Hazards*

Current Agency borrowers who request subsequent loans to correct health and safety hazards will be selected for processing first.

2. *Second Priority: Loans in the Agency's Interest*

Applicants interested in obtaining loans for purposes that are in the Agency's interest, but that do not directly involve removing hazards in a security property, will receive second priority for processing. This would include loans related to the sale of Real Estate Owned (REO) property and loans related to the transfer and assumption of property owned by a program borrower.

3. *Third Priority: Hardships*

Applicants facing housing-related hardships will receive third priority for processing. Hardship circumstances include living in deficient housing for more than 6 months. Deficient housing is defined as a dwelling that lacks complete plumbing, lacks adequate heating, is dilapidated or structurally unsound, has an overcrowding situation that will be corrected with loan funds, or is otherwise uninhabitable, unsafe, or poses a health or environmental threat to the occupant or others. Other hardship circumstances include current homeowners in danger of losing a property through foreclosure due to circumstances beyond their control, and other circumstances determined appropriate by the State Director on a case-by-case basis.



4. *Fourth Priority: Loans that Bring in Additional Resources*

In order to use the Agency's limited resources most effectively, applicants who will obtain part of their funding elsewhere through a leveraging agreement, or who will contribute sweat equity through an Agency-approved Mutual Self-Help project, will receive fourth priority.

C. Veteran's Preference

If applicants with equivalent priority status apply for assistance on the same day, applicants qualifying for a veteran's preference will receive priority processing. Applicants are eligible for a veteran's preference if they were discharged or released (except for a dishonorable discharge) from the active forces of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard **and** served in active duty during one of the periods listed in Exhibit 3-2, or are the family of a service person who died in service during any of those periods.

Exhibit 3-2

Service Dates for Veteran's Preference

- April 6, 1917 through March 31, 1921
- December 7, 1941 through December 31, 1946
- June 27, 1950 through January 31, 1955
- A period of more than 180 days, any part of which occurred after January 31, 1955, but on or before May 7, 1975
- August 2, 1990 through January 2, 1992
- Any other prescribed by Presidential proclamation or law

D. Notifying Applicants Who Are Selected for Processing

When funds are available, applicants who are selected for processing must be notified by sending Handbook Letter 11(3550), *Selected for Processing/Request Information* that the Loan Originator has made a preliminary determination of eligibility, but that all information must be verified. The letter will indicate that the applicant has 30 days to submit the credit report fee (\$25 for each individual credit report and \$34 for each joint credit report), and to provide any information requested by the Loan Originator in the letter. The Loan Originator should determine what additional verification information may be needed from the applicant by reviewing *Form RD 410-4, Uniform Residential Loan Application* and follow up responses obtained from the applicant. The Loan Originator is responsible for notifying the applicant of our paper check processing through electronic funds transfer (EFT) as required by Check 21. This will be accomplished through (1) a sign on the office wall, (2) use of Handbook Letter 11 (3550), and (3) *Form RD 3550-23, Applicant Orientation Guide*.



Common information to be requested at this point includes documentation of income from sources such as social security or child support payments, and verification of expenses such as medical costs or childcare payments. Whenever possible, the Loan Originator should provide

the applicant with a certification form to use in verifying information. Paragraph 4.3 E. describes the required verifications in detail. If an applicant fails to provide the credit report fee or needed information within 30 days, the application will be withdrawn.

Applicants who provide the required information and credit report fee, but cannot be funded that quarter, should be notified that they will be selected again when the next quarterly allotment becomes available. When funds become available in the subsequent quarter, the Loan Originator should contact the applicant to determine whether the household has experienced any changes in circumstances that might require new verifications before processing.

3.15 PURGING THE WAITING LIST

The waiting list should be purged periodically to ensure that the Agency's records are not burdened with applications from households that are no longer interested in the program. Once every 6 months, the Loan Originator must determine how soon funding will be available to process applications, and generate *Handbook Letter 3(3550), Waiting Period* for each unprocessed application on file. This letter notifies applicants that in order to keep their application active, they must return the response form attached to the letter. If an applicant does not respond within 30 days of the date of the letter, the application should be withdrawn.

3.16 VERIFICATIONS

Once the applicant has been notified of this selection, the Loan Originator should begin processing the verification forms that must be initiated by the Agency. When verification forms are sent to a respondent to verify an applicant's information, they should be accompanied by *Form RD 3550-1, Authorization to Release Information*, and a pre-addressed, pre-stamped envelope. If the respondent does not return the verification form within 14 days, the Loan Originator must place a reminder telephone call. If a respondent returns an incomplete verification form or if additional information is needed, the Loan Originator should contact the respondent.

An applicant should not be penalized if a respondent refuses to provide the requested information. Instead, the Loan Originator should use alternative methods of verifying the information. All conversations and follow up actions for obtaining verifications should be documented carefully. Detailed procedures for assessing the results of these verifications are provided in Paragraph 4.3 E.



A. Types of Verifications

1. Written Third-Party Verifications

Whenever possible, applicant information should be confirmed by written third-party verifications. Correspondence should take place directly between the third party and the Agency, using Agency forms if possible. Faxed verifications are acceptable.

2. Oral Third-Party Verifications

Oral verifications may be used if written verifications are not feasible, but should be carefully documented. Situations where oral verification is acceptable include when:



- The respondent refuses to complete the written verification;
- The respondent will not complete the written verification without a fee, but will provide the information over the phone;
- Written documentation has been obtained but is over or 120 days old and the oral verification serves as a reverification; or
- A preliminary verification of a change in the applicant's status (for example, change of employment or new family members) is needed for timely loan processing, and a written copy is to follow.

3. Other Written Verification

Other written verifications can be appropriate in circumstances where a third-party verification is not feasible. For example, if an applicant is self-employed or has an employer who will not complete the verification form, some alternative mechanism for documenting income is needed. This might include examining paycheck stubs, certified copies of tax returns, or bank statements. *IRS Form 4506-T, Request for Transcript of Tax Return*, may be used to obtain a copy of transcript of tax return(s) if the applicant cannot provide copies of actual returns filed.

B. Evaluating Verified Information

All verifications should be checked for completeness and for discrepancies from information provided by the applicant. Any discrepancies should be discussed with the applicant and clarifications should be documented carefully. Verification sources may be contacted directly, if necessary, to clarify information.



ATTACHMENT 3-A

PACKAGING APPLICATIONS

Packagers can facilitate the application process by helping applicants submit complete applications to the Agency. Packagers save the Agency time by prescreening applicants, making preliminary determinations of eligibility, ensuring that the application is complete, and helping the applicant understand the program.

Application packagers are required to comply with the Equal Credit Opportunity Act and the civil rights requirements contained in RD Instruction 1901-E, including the requirement regarding Affirmative Fair Housing Marketing plans.

A summary of the steps a packager should follow is provided below.

Step 1: Check with the Agency to see if funds are available.

The Loan Originator can inform packagers about the availability of funds and application backlogs. When funds are available, the packager can submit completed applications for applicants with specific properties in mind for immediate review. When no funds are available, the packager should act to put their prescreened applications on the waiting list so that the applicants can be served expediently when funds become available.

Step 2: Meet with the applicant and make a preliminary determination of eligibility.

The packager should determine whether the applicant meets the Agency's requirements for assets, credit history, repayment ability, and other requirements. If not, the packager should work with the applicant to improve deficient areas before submitting an application.

If the applicant appears to have sufficient income to obtain 100 percent private financing or leveraged financing, the packager must instruct the applicant to seek at least partial financing elsewhere. Any letters of rejection from alternate sources of financing should be included with the application.

Step 3: For applicants who appear to qualify for the program, collect appropriate information.

The packager should have the applicant complete and sign all of the forms listed on *Form RD 1944-12, Rural Housing Loan Application Package*. The packager should review all information to reconfirm the applicant's eligibility.

Step 4: Submit the completed application package to the Agency.

The packager may send any 3rd party verification forms to the source. However, any verification documents must pass directly from the source to the Agency unless the packager is a Mutual Self-Help Housing grantee packaging a loan under the Self-Help Program.

When all appropriate information has been collected, the packager should package it in the order listed on *Form RD 1944-12* and submit it to the Agency.

The fee is paid by the party who arranged for the packager's assistance (e.g., the builder, real estate broker, or applicant) and can be financed, as long as the loan amount remains within the required limits and is within the applicant's repayment ability.

Step 5: Packaging Fee

Public agencies and private nonprofit organizations that are tax exempt under the Internal Revenue Code of 1986 are permitted to receive fees for packaging loan applications. The fee must be reasonable considering the services provided and the cost of similar services in the same or a similar rural area. The fee cannot exceed the maximum fee established by the Agency in Exhibit B of RD Instruction 1944-B.

Fees are not permitted if the applicant selects a Real Estate Owned (REO) property, or for Mutual Self-Help Housing grantees, or recipients of Housing Application Packaging Grants.

ATTACHMENT 3-B

FOLLOW UP QUESTIONS FOR FORM RD 410-4, UNIFORM RESIDENTIAL LOAN APPLICATION

Form RD 410-4, Uniform Residential Loan Application is designed to obtain a broad range of applicant information. To accurately process an Agency loan, however, the Loan Originator must review the application carefully and ask follow-up questions to ensure that all relevant information has been obtained. This attachment provides a list of questions that may be useful for each section of the application. Not all questions will be needed for all applicants, and additional information may be needed in some cases.

I. Type of Mortgage and Terms of Loan

- None.

II. Property Information and Purpose of Loan

- Determine whether the applicant intends to purchase a Real Estate Owned (REO) property or assume a loan from a program borrower.
- Determine whether the applicant is interested in a leveraged loan.
- If the applicant wishes to refinance, obtain detail about the reasons. The Agency will refinance loans only in limited circumstances.
- If the applicant will not reside in the property, confirm that the applicant wishes to obtain a nonprogram loan.
- If the applicant is requesting a subsequent loan to improve the property, determine whether the repairs are necessary to maintain the security, or to meet the family's housing needs.

III. Borrower Information

- Name, age, and relationship of all household members.
- Confirm number and ages of dependents.
- Any foster children or foster adults?

- Any full-time students?
- Any household members with disabilities?
- Any elderly household members?
- If the household qualifies as an elderly household, does the household have extensive medical expenses?

IV. Employment Information

- If there is an adult household member who has recently changed jobs, determine the reason for the job change.
- If there is an adult household member for whom no employer information has been provided, determine whether the person is employed.
- If any adult household member is unemployed, determine for how long.

V. Monthly Income and Combined Housing Expense Information

- Verify that income listed is comprised of all sources of income, including income from applicants, spouses of applicants (even if the spouse is a minor), and any other adult household members.

VI. Assets and Liabilities

- If the household reports owning real estate, discuss the type of property owned to verify that the reported market value is reasonable.

VII. Details of Transaction

- If completed by applicant, review information to confirm accuracy.

VIII. Declarations

- If the applicant reports any judgments, bankruptcies, lawsuits, foreclosures or deeds in lieu of foreclosure, or delinquencies on a Federal debt or any other obligations, determine the particular circumstances.

- If the applicant reports any alimony, child support, or separate maintenance obligations, verify that it is included as a liability in Section VI of *Form RD 410-4*.
- If the applicant has applied for a nonprogram loan, determine whether any part of a proposed down payment will be borrowed, since other debt will affect repayment ability.
- If the applicant is not a U.S. citizen, verify that he or she is a qualified alien.
- If the applicant does not intend to occupy the property, verify that the applicant intends to obtain a nonprogram loan.
- If the applicant has had ownership interest in a property, determine how that interest was disposed of to ensure that it was not disposed of at below market value.

IX. Acknowledgment and Agreement

- None.

X. Information For Government Monitoring Purposes

- None.

Additional Information Required for Agency Assistance

- If the applicant has received prior assistance, determine whether there were any repayment problems, and in the case of a Section 504 loan or grant, whether the assistance limit has been reached.
- If the applicant is a veteran, or family of a deceased service person, determine the dates of service, the type of discharge received, and the date of death, if deceased.
- If the applicant lists a household member as disabled, determine whether the household may be entitled to a deduction for the costs of dependent care to allow a household member to further their education or to work, and whether any reasonable accommodations may be required.

- If the applicant lists child care costs, determine whether child care is needed to allow a household member to further their education or to work (if it is to allow the applicant to work, determine whether the salary the applicant receives is equal to or greater than the cost of child care and the age of the child for which care is being provided).
 - If the applicant indicates that the present dwelling has physical problems or is overcrowded, obtain details about the nature and duration of the problem.
 - If the applicant did not include alimony, child support, or separate maintenance information in Section V of *Form RD 410-4*, make sure the information is provided.
-

ATTACHMENT 3-C

CASE STUDY - PROCESSING PRIORITIES

The Field Office currently has funds available only for borrowers in Big Gap County which has been designated as a high-priority needs area for which the Agency has a special set-aside. The Loan Originator must review the following applications to process any that can take advantage of the set-aside funds and to select applications for processing in anticipation of additional funding not designated for set-asides that will be available soon. Part I provides information on the applicants, their current situations, and the dates of the applications. Part II illustrates the analysis and ranks the applications in the order of selection.

Part I. Applicants

Date of Application	Applicant	Description
9/5	De Moura	Ms. De Moura has owned her home, which was financed by a local lender for 3 years. Last year, she was laid off from her job but has found a new position that pays only half the salary. As a result, she is behind in her loan payments and the lender has accelerated her loan. Ms. De Moura would like to refinance with Agency funds.
9/6	Sapienza	The Sapienzas used a Section 502 loan to purchase an existing home. They are requesting a subsequent 502 loan to install a retaining wall because of erosion in the backyard.
9/7	Yao	The Yaos wish to purchase a newly-built house. They would like to obtain a Section 502 loan and are seeking a leveraged loan.
9/8	Jones	The Joneses moved into the area 4 months ago and would like to purchase an existing house using Section 502 funds because the rental unit the family occupies is too small for the family and has an inadequate heating system.
9/9	Garcia	The Garcias would like to purchase a home from Greenes who have been paying regularly on their Section 502 loan but are now transferring out of State.
9/9	Olsen	The Olsens wish to purchase a Real Estate Owned (REO) property using Section 502 funds. In addition, Mr. Olsen served in active military duty between June 27, 1950 and January 31, 1955.

Date of Application	Applicant	Description
9/14	Brown	The Browns used a Section 502 loan to purchase an existing home. Their septic system no longer works properly and needs significant repairs and they are requesting a subsequent 502 loan to repair it. They are 2 payments behind on their initial loan.
9/15	Johnson	The Johnsons would like to purchase a home from a current Agency borrower but have income well above the low-income limit.
9/16	Smith	The Smiths would like to build a home on a site in Big Gap County.
9/21	Pawlikowski	The Pawlikowskis have been without adequate plumbing for 8 months. They would like to purchase a newly built house using Section 502 funds.
9/21	Deitrich	The Deitrichs would like to build a new house because they feel their current 3 bedroom home is too small to accommodate Mr. and Mrs. Deitrich, their 3 children, and his Aunt Greta, who has recently moved in. They wish to fund the construction through a Section 502 loan.
9/23	Whitfield	The Whitfields wish to purchase a home from an Agency borrower who has an accelerated account.

Part II. Establishing Priorities

Selection Order	Applicant	Date of Application	Priority	Priority Status
N/A	Johnson	9/15	N/A	Although the Johnsons are not program-eligible, they may purchase the home under nonprogram terms. No additional funds are required because a nonprogram borrower can only assume the outstanding balance at new rates and terms. Processing need not be delayed until additional funds are available.
N/A	Smith	9/16	N/A	The Smiths receive funding immediately from the set-aside.
1	Brown	9/14	1	The Browns receive first-priority processing for new funds because they are requesting a subsequent loan to remove health and safety hazards. The Loan Originator should counsel the Browns to contact the Centralized Servicing Center (CSC) to resolve the delinquency. The Loan Originator may need to coordinate with CSC about whether a loan or protective advance is most appropriate.

Selection Order	Applicant	Date of Application	Priority	Priority Status
2	Olsen	9/9	2	Since the Olsens are purchasing an REO property, the Agency gives second-priority processing to their request.
3	Garcia	9/9	2	The Garcias receive second-priority processing because they are assuming a home from an Agency borrower. Although their application was received on the same day as the Olsens', the Olsens receive priority because Mr. Olsen qualifies for a veteran's preference.
4	Whitfield	9/23	2	The Whitfields receive second-priority processing because they are assuming a loan from an existing Agency borrower. Purchasing a home from a borrower who has an accelerated account does not give the Whitfields processing priority over the Garcias who also are assuming a loan from a current borrower. Within priority categories applications are selected by application date.
5	De Moura	9/5	3	Ms. De Moura receives third-priority processing because she is in danger of losing her home through foreclosure due to circumstances beyond her control.
6	Pawlikowski	9/21	3	Since the Pawlikowskis have been living in deficient housing for at least 6 months, they receive third-priority processing.
7	Yao	9/7	4	The Yaos receive fourth-priority processing because they are seeking a leveraged loan to fund the purchase of their home.
8	Sapienza	9/6	No Priority	The Sapienzas do not receive priority processing; they are requesting a subsequent loan to make needed repairs for a condition that, at this time, does not constitute a health and safety hazard. The Sapienzas application will be processed after all applicants with priorities have been processed.

Selection Order	Applicant	Date of Application	Priority	Priority Status
9	Jones	9/8	No Priority	The Joneses do not receive priority processing. Although they have been living in deficient housing for 4 months, they are currently 2 months short of receiving second-priority processing. If within 2 months funding is still not available, the Joneses would receive second-priority processing, and would be processed before the Olsens.
10	Deitrich	9/21	No Priority	The Deitrichs do not receive priority processing. The application will be processed after all applicants with priorities have been processed. Although the family believes the house is too small, it is not sufficiently overcrowded to be considered deficient.



UNITED STATES DEPARTMENT
OF AGRICULTURE

RURAL DEVELOPMENT

RURAL HOUSING SERVICE

“Applicant Information Sheet” - Single Family Housing

The Rural Housing Service (RHS) provides loans in rural areas to eligible low- and very low-income applicants. The loan may be to purchase existing housing, purchase and repair existing housing, purchase a building site and construct a dwelling, or purchase new housing. Rural areas include open country and places with population of 10,000 or less and, under certain conditions, towns and cities between 10,000 and 25,000 population.

The property must be in good repair or placed in good repair with loan funds and must be energy efficient. Third-party inspections are required for electrical, heating, plumbing, water and wastewater disposal systems, if applicable, and termite inspections. These third-party inspections must be performed by a qualified inspector. The payments for costs associated with the inspections will be agreed upon between the buyer and the seller and should be discussed prior to signing a purchase agreement.

All who apply get equal consideration without regard to race, color, religion, sex, marital status, age, disability, or national origin.

The following documents are attached and may be completed and returned to your local Rural Development office located at the following address:



1. Form RD 410-4, “Uniform Residential Loan Application”
Please contact the above Rural Development office if you have questions or would like assistance in completing this form.
2. Form RD 3550-1, “Authorization to Release Information”
3. Qualifying income limits
4. Map of eligible rural areas

To determine if you qualify, review these frequently asked questions:

“DOES IT MATTER HOW MANY OTHER BILLS I HAVE TO PAY?”

RHS will look at how much you currently owe to others. We’ll want to know if paying back the proposed loan on top of your other payments will be difficult for you.

“WHAT IF I THINK MY INCOME IS TOO LOW?”

Having enough income to repay your loan is an important part of getting a loan; however, the RHS loan may be subsidized. A subsidized loan is based on the applicant repaying a percentage of their income toward the housing payment, taxes, and insurance. The percentage is generally 24 percent of the applicant’s household income.

“WHAT CAN I DO IF MY INCOME IS TOO LOW?”

The easiest thing you can do is consider a co-applicant to apply with you. RHS will then look at the combined credit histories and income. That can do a lot to improve your chances for approval. If you want a co-borrower, be sure to have the person complete the Co-Applicant section of the application form and sign his or her name next to yours.

“HOW CAN I DETERMINE IF MY INCOME IS ADEQUATE TO REPAY A LOAN?”

The amount of your proposed monthly house payment, real estate taxes, insurance, and other credit debts cannot exceed 41 percent of your gross monthly income. If you have questions regarding how this determination is made, you may contact the local Rural Development Office shown on the front cover.

“CAN I GET A LOAN IF I’M UNEMPLOYED?”

A steady source of income is very important to getting a loan. An applicant must show sufficient resources to repay the housing loan. Not having a job may have an impact on the Agency’s decision. Experience has show that applicants with stable jobs are more likely to repay the loan.

“WILL YOU FIND OUT ABOUT OTHER CREDIT I’VE HAD?”

Yes. Your credit bureau report provides information on your payment history including any difficulty you have had repaying other loans or credit cards. That information will be used to see if you can easily repay the loan.

“HOW CAN I FIND OUT IF I’M ELIGIBLE FOR A LOAN?”

A Rural Development employee is available to discuss eligibility requirements with you on an individual basis by phone or in person during regular office hours. Any interested person may make written application at the local Rural Development office.

“WILL I KNOW RIGHT AWAY IF I QUALIFY FOR A LOAN?”

Rural Development staff can pre-qualify the applicant with unverified information provided by the applicant by phone or in person. However, a final eligibility determination will not be made until a written application is filed, household income is verified, and a mortgage credit report is obtained.

“WILL I NEED TO GET PART OF MY FINANCING FROM ANOTHER SOURCE?”

Applicants who demonstrate the ability to obtain a portion of the needed funds from outside sources (i.e. conventional lenders, housing authorities, etc.) must do so. These loans are referred to as leverage loans. Requiring supplemental funding from outside sources allows applicants to establish relationships with private lenders and helps Rural Development assist more families in buying their own homes. Please note that leveraged loans receive processing priority.

“HOW LONG WILL IT BE BEFORE I CAN MOVE INTO MY NEW HOME?”

Typically, applicant eligibility, loan approval, and loan closing may be accomplished within approximately 90 days of filing of the written application. However, depending on the availability of Government funding, this time-frame may be extended. The applicant is periodically advised regarding the status of his or her application when there is lack of funding.

“HOW MUCH MONEY WILL I NEED FOR A DOWNPAYMENT?”

A down payment is not required. Loans may be made for up to 100 percent of the market (appraised) value. Simply put, this means if the sales price of the property is equal to or less than the appraised value, no down payment is needed.

“DOES THIS MEAN I WON’T NEED ANY CASH TO GET A LOAN?”

Generally, the applicant will need some cash available. There are costs associated with the credit report, appraisal report, escrow, and other related closing costs. The credit report fee is always paid by the applicant. Costs pertaining to the appraisal, escrow, and loan closing may be included in the loan amount. You may also negotiate with the seller to contribute a percentage toward closing costs. Any agreement with the seller should be entered into prior to signing, and documented in, the purchase agreement or sales contract.

“DOES THE APPLICANT HAVE OTHER RESPONSIBILITIES?”

Yes. Rural Development staff are available to assist the applicant from the application to loan closing. The applicant is responsible for providing requested information timely. The information may be requested by Rural Development staff, a real estate agent, or a closing agent. Failure to provide information timely results in delayed decisions and other actions.

“ARE THERE OTHER ELIGIBILITY REQUIREMENTS?”

Yes. The applicant must:

1. Be without decent, safe, and sanitary housing.
2. Be unable to obtain a loan from other resources on terms and conditions that they can reasonably be expected to meet.
3. Possess the legal capacity to incur the loan obligation.

“WHAT ARE THE TERMS OF THE LOAN?”

The maximum repayment period is 33 years and, under certain conditions, 38 years. The maximum repayment period for manufactured homes is 30 years.

“WHERE MAY HOUSES BE LOCATED?”

Houses must be located on desirable sites with an adequate supply of safe drinking water and suitable arrangements for sewage disposal. Streets must have an all-weather surface and be maintained by a public body.

“WHAT ABOUT THE SIZE AND DESIGN OF THE HOME?”

Cost and design vary in different areas of the country. The value of a dwelling may not exceed the Area Loan Limit for the area in which the applicant is requesting financing.

WHO IS RESPONSIBLE FOR INSPECTING THE HOME?

The applicant/borrower is responsible for making inspections necessary to protect their interests. Rural Development (RD) also performs its own inspections for the dual purpose of determining that RD has adequate security for its loan and is achieving the statutory goal of providing adequate housing. Rural Development inspections are not conducted to guarantee that the house is built in accordance with the plans and specifications. RD inspections create or imply no duty or obligation to the applicant/borrower.

“WHERE MAY I APPLY?”

Applications are made at the local Rural Development office serving the area in which the house will be located. Anyone unable to locate Rural Development in the local telephone directory may write to Rural Development, U.S. Department of Agriculture, Washington, DC 20250.

Request to Re-open Rejected Applications in MortgageServ

Application Number: _____

Name of Applicant: _____ Name of Co-Applicant: _____

Reason for Request (check only one):

_____ National Appeals Division (NAD) overturned the rejection of the application.

_____ The Community Development Manager (CDM) reviewed and reconsidered the rejection and recommends reinstatement.

Please **PRINT** name of requesting official: _____

Signature of requesting official: _____ Date: _____

Title of requesting official: _____

FOR STATE OFFICE USE ONLY:

*Request Approved: _____ **Request Denied: _____

Please **PRINT** name of State Office Official: _____

Signature of State Office official: _____ Date: _____

Title of State Office official: _____

*If approved, the State Office should fax form to Field Support Services (FSS) at 314-206-2794 and notify the Field Office of the approval.

**If denied, fax form back to originating office to place in applicant's case file.

HOW TO ADDRESS NEGATIVE PRE-QUALIFICATION RESULTS

The purpose of this attachment is to instruct the RHS staff on how to handle discussions concerning negative pre-qualification results. Since pre-qualifications are based on unverified information and infile credit reports, the results are not binding. To avoid implying that the results are official, the following scripts are to be used in each given situation:

Situation 1: The applicant has credit blemishes (be it bankruptcy, collections, etc.) on their infile credit report.

Proper Response:

Let the applicant know that their credit record does not have to be perfect to be eligible for a loan. Inform the applicant that past credit blemishes can be acceptable if their overall credit record demonstrates an ability and willingness to repay obligations or if their credit blemishes occurred as a result of circumstances beyond their control. Counsel the applicant on how to correct the credit blemishes before they pay the required fee for a residential mortgage credit report; share with the applicant the credit standards as outlined in HB-1-3550, Chapter 4. Be sure to explain to the applicant that an eligibility determination cannot be made based on an infile credit report and that fulfilling suggestions provided by the RHS staff will improve their chances of qualifying for a loan, but not guarantee loan approval.

Unacceptable Responses:

Informing the applicant that based on the results of the infile credit report, they do not meet our credit standards and would not qualify for a Section 502 direct loan.

Asking the applicant to either withdraw their application or provide the necessary credit report fee so that RHS may reject their application based on poor credit.

Situation 2: The applicant does not appear to qualify for an amount sufficient to purchase a decent, safe, and sanitary dwelling.

Proper Response

Counsel the applicant on ways to improve their financial status (i.e. paying off small debts, debt consolidation, increasing their income, etc.) and inform the applicant that a qualifying co-signer may be added to the application to compensate for their lack of adequate repayment ability. Also refer the applicant to State and non-profit agencies that might be willing to extend forgivable loans and/or grants.

Unacceptable Response:

Telling the applicant that they do not qualify for a loan due to a lack of repayment ability.

Situation 3: The applicant presently owns a home.

Proper Response:

Let the applicant know that if their dwelling is structurally unsound, functionally inadequate, or too small to accommodate the needs of the household, RHS may be able to provide financing to improve the existing dwelling or to purchase a new one. In addition, let the applicant know that RHS may be able to refinance the property under certain circumstances (refer to HB-1-3550, Chapter 6.5).

Unacceptable Response:

Informing the applicant that the Section 502 direct loan program is designed for first-time homebuyers only.

Situation 4: The household's adjusted annual income appears to be over the income limit.

Proper Response:

Inform the applicant that to qualify for a Section 502 direct loan, their household's adjusted annual income must be within our established income limit based on household size and location. Let the applicant know that a final determination will not be made until all sources of household income are properly verified and all possible deductions are made. Also let the applicant know that if they should exceed the income limit for the direct loan program other options are available (refer to Handbook Letter 1).

Unacceptable Response:

Informing the applicant that they do not qualify for a Section 502 direct loan because it appears as though they are over income based on the unverified income information.

502 SINGLE FAMILY HOUSING CHECKLIST

“THIS CHECKLIST DOES NOT REPLACE THE RUNNING RECORD!”
(This document should be filed in position 1)

Applicant: _____ Co-Applicant: _____

Processing Priority: 1 ___ 2 ___ 3 ___ 4 ___ 5 ___

POS DATE

PRE-QUALIFICATION

- 3 _____ **Enter pre-qualification information from potential applicant into UniFi & Registration Screen (Use Requested Product Code 999 if no actual application).**
- 3 _____ **Use Pre-Qual Worksheets/Maximum Loan Amount to evaluate potential applicant**
- 3 _____ **RD 3550-1, Authorization to Release Information** – signed by each adult member of household. Attach copy to any verification that does not have applicant’s signature. **(HB-1, 3.3)** (Although not required at pre-qual, the preliminary credit check described in HB-1, 4.11 may be completed when a signed RD 3550-1 is received)
- 3 _____ **Infile Credit Report (HB-1, 3.3, 4.11)**
- 4 _____ **HB Letter 19 (3550)** as applicable to counsel the customer (should only be used for pre-qualifications when an application is not received) Document pre-qual discussion in running record **(HB-1, 3.3)**
- 3 _____ **Print out Eligibility Summary from pre-qual** – sign and date - must be in file prior to rejection, withdrawal or approval

Review application for completeness within 3 business days of receipt. Call or write the applicant to request any missing information. Follow up with a letter advising applicant of a 30-day deadline for submission or the application will be withdrawn. Mark file as inactive until complete. (HB-1, 3.6)

POS DATE

APPLICATION PROCESSING

- 3 _____ **RD 410-4, Uniform Residential Loan Application**, include information sheet similar to Attachment 3-D and **RD 3550-1, Authorization to Release Information** (if not completed at pre-qual) **(HB-1, 3.5)**
- 3 _____ **Infile Credit Report** (if not completed at pre-qual) **(HB-1, 3.3, 4.11)**
_____ **Within 3 business days of receipt of a complete application, forward to applicant (HB-1, 3.6):**
Settlement Cost Booklet – (1940-I)
- 2 _____ **RD 1940-41, Truth in Lending Statement** – (printed from UniFi) **date returned** _____
- 5 _____ **RD 440-58, Estimate of Settlement Costs** – (printed from UniFi)
- 3 _____ **Credit Score Disclosure** – (date Attachment 3-H, page 2 returned _____)
- 3 _____ **Check on-line HUD CAIVRS, print pages and file in applicant file** (if not completed at Pre-qual) **(HB-1, 3.3, 4.11)**
- 3 _____ **Check MortgageServ CUS/XRE/SOC screens** (if not completed at pre-qual) **(HB-1, 3.3, 4.11)**
- 4 _____ **Funds Available; send HB Letter 11 (3550), Selected for Processing/Request Information (HB-1, 3.14)**
- 4 _____ **Funds Not Available; send HB Letter 2 (3550), Pre-eligible (HB-1, 3.13)**
- 3 _____ **Underwriting** – enter ‘pre-qual’ and ‘application complete’ dates on Stage Updating Screen - Be sure to enter actual purchase price, if known

(01-23-03) SPECIAL PN

Revised (07-16-08) PN 421

POS DATE

ELIGIBILITY PROCESSING

INCOME

3 _____ **RD 1910-5, Request for Verification of Employment** – If alternative verification source is used, document justification in running record (**HB-1, 4.3**):

- _____ 1) if no response in 14 days, call and document carefully
- _____ 2) if respondent will not complete written verification, obtain oral documentation
- _____ 3) if VOE is over 120 days old, update by phone & document to extend another 60 days

3 _____ **Other Income/Asset documentation (HB-1, 4.3, 4.5):**

- _____ Public Assistance/AFDC
- _____ Self-employment income
- _____ Child Support/Alimony
- _____ Social Security/VA Benefits
- _____ Unemployment Benefits
- _____ Pensions/Annuities
- _____ Latest filed & signed Federal Income Taxes
- _____ Other
- _____ Employment and Asset Certification (RD 3550-4) – If applicant self certifies that their household’s combined net assets exceed \$5,000, verify assets as outlined in HB-1, 4.3.

3 _____ **Attachment 4-A, Sample Worksheet for Computing Income (HB-1, 4.2)**

DEDUCTIONS

3 _____ **Deduction documentation (HB-1, 4.4):**

- _____ Child Care
- _____ Educational Assistance Expenses
- _____ Elderly/Disabled (**RD 1944-4, if applicable**)
- _____ Full-time Student status
- _____ Medical Expenses
- _____ Minor Dependent
- _____ Other

3 _____ **Separation/Divorce/Paternity/Property Settlement Agreement, if applicable**

CREDIT

3 _____ **Residential Mortgage Credit Report (RMCR) documentation (HB-1, 4.12):**

- _____ Fee: Requested _____ Received _____
- _____ Report: Requested _____ Received _____
- _____ Document in item 19 of RD 410-4
- _____ Participating Lender Ordered
- _____ Credit Scores: Applicant _____ Co-Applicant _____

3 _____ **Credit score is less than 640 (HB-1, 4.12 & 4.13):**

- _____ Applicant Reference Letter (**RD 410-8**)
- _____ Landlord’s Verification (**RD 1944-60**) if not on credit report and must cover 2 years
- _____ Credit History Worksheet (**1944-61**)

OTHER

3 _____ **RD-3550, Verification of Debt Proposed for Refinancing, for a non-Agency debt (HB-1, 6.5)**

3 _____ **Document Applicant has adequate funds for Closing Cost/Down Payment - if applicable**

3 _____ **RD 3550-2, Request for Verification of Gift/Gift Letter, if applicable - (HB-1, 4.3 & 6.15)**

3 _____ **If not a citizen, see Attachment 4-D (S.A.V.E.) (HB-1, 4.20)**

3 _____ **Photographic Identification (HB-1, 4.21)**

3 _____ **Projected Payment Shock: _____ (HB-1, 4.25)**

3 _____ **RD 1944-59, Certificate of Eligibility, if property has not been selected. Valid for 45 days without leveraging or 60 days with leveraging. Two (2) 30-day extensions may be granted (**HB-1, 4.25**)**

3 _____ **Document Eligibility on originally submitted RD 410-4, item 17. Update UniFi/Stage Updating, print and sign Eligibility Summary**

4 _____ **NOTE! Application to be withdrawn at the end of all Certificate of Eligibility extensions**

POS DATE

PROPERTY ELIGIBILITY

- 5 _____ **Sales Contract or Form RD 3550-34, Option to Purchase Real Property, (HB-1, 5.1)** Review all pages of and attachments to Purchase Agreement: **Legal Description** _____ **Location Map** _____
- 3 _____ **Discuss closing date** - with seller, buyer, and realtors if it appears RD is unable to close loan by Purchase Agreement date
- 6 _____ **Verify eligibility of subject property. (HB-1, 5.1)**
<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- 5 _____ **Visit property within 7 days of receipt of contract (HB-1, 5.26)**
Maximum loan limit for _____ county, \$ _____
- 6 _____ **Complete Attachment 5-A and 5-B for existing dwellings and Attachment 5-B only for new construction**
- 2 _____ **Recalculate eligibility summary with actual loan amounts, if different from original, print for file**
- 8 _____ **Appraisal Report** or document Statement of Value if appraisal is not required (HB-1, 5.16)
- 8 _____ **RD 1922-15, Administrative Appraisal Review for Single Family Housing** - within 7 days of appraisal (HB-1, 5.21); **Reviewed and Accepted** _____ (initial and date)
- 4 _____ **Notify Applicant of appraisal results and requirements.** If making an adverse decision on the appraisal, send either **HB Letter 17** or **HB Letter 18**, as applicable.
- 6 _____ **Lead Based Paint (LBP) Compliance Key and Print Out (houses built prior to 1978)**
http://teamrd.usda.gov/rd/rhs/PSS/Lead_Paint/lead_based_paint_key.htm
- 3 _____ **RD 1940-22, Environmental Checklist for Categorical Exclusions** (must be completed prior Issue of a Conditional Commitment, if applicable) or **RD 1940-21 “Environmental Assessment for Class I Action”**, as applicable (1940-G & HB-1, 5.8)
- 6 _____ **FEMA 81-93, Standard Flood Hazard Determination** (<http://www.LATFnet.com>) (HB-1, 5.1)
- 3 _____ **RD 3550-6, Notice of Special Flood Hazards, Flood Insurance Purchase Requirements, and Availability of Federal Disaster Relief Assistance**, as applicable (HB-1, 5.1)
- 6 _____ **Certifications/inspections required for existing housing (7CFR 3550.57 & HB-1, 5.7)**
_____ Septic _____ Well
_____ Plumbing _____ Electrical
_____ Heating/Cooling _____ Termite/Other Wood Destroying Pests
_____ Other – Structural Soundness
- 5 _____ **Survey (if applicable) (HB-1, 5.7)**

POS DATE

NEW CONSTRUCTION

- 6 _____ **RD 1924-2, Description of Materials** (must be approved by RD, Buyer & Builder)
- 6 _____ **RD 1924-25, Plan Certification (HB-1, Appendix. 7, State Supplement)**
- 6 _____ **House Plans/Drawings and Plot Plans** (must be approved by RD, Buyer & Builder)
- 6 _____ **Manufactured Home built to HUD code** - verify dealer/contractor has been approved

POS DATE

NEW CONSTRUCTION (CONTINUED)

- 6 _____ **Existing Newly Constructed Homes - “Spec Homes” (HB-1, 5.23A) - Proof of Construction Quality (90% - 100% of appraised value if no warranty) (HB-1, 6.7)**
_____ Plans & Specs _____ Plans & Specs
_____ 10-yr Warranty (HB-1, 5.27) **OR** _____ Inspection Reports (HB-1, 5.26)
_____ Certificate of Occupancy _____ Builder’s Warranty (1924-19)
_____ RD Final Inspection _____ RD Final Inspection
- 3 _____ **RD 1944-36, Application for Conditional Commitment** with fee. Refund fee if Conditional Commitment cannot be issued, order appraisal (now fee cannot be refunded), return fee to Contractor at closing. (HB-1, 9.2)

POS DATE

CONSTRUCTION CONTRACT

- 6 _____ **RD 1924-6, Construction Contract** (Send Exhibit C, RD Instruction 1901-E within 10 days) (HB-1, 5.25) DOL web site (<http://www.dol.gov/esa/contacts/ofccp/ofcpkeyp.htm>)
- 6 _____ **RD 1924-16, Record of Pre-Construction Conference** or other documentation (HB-1, 5.25)
- 6 _____ **“400 Series” (400-1, 400-3, 400-6, posters and Exhibit C of 1901-E,)**, as applicable (<http://www.dol.gov/esa/contacts/ofccp/ofcpkeyp.htm>) (HB-1, 5.25)
- 5 _____ **AD 1048, Certification Regarding Debarment ...** - lower tier (signed by builder)
- 7 _____ **Builder’s Risk Insurance policy**
- 6 _____ **RD 1924-1, Development Plan**
- 2 _____ **RD 402-1, Deposit Agreement & RD 402-2, Statement of Deposits and Withdrawals**
- 6 _____ **RD 1924-7, Contract Change Order** and updated **RD 1924-25, Plan Certification**, if applicable
- 6 _____ **RD 1924-12, Inspection Report - Minimum of;** (footer) _____ (rough-in) _____ (final) _____
- 6 _____ **RD 1924-9, Certificate of Contractor’s Release & RD 1924-10, Release by Claimants**, if applicable
- 6 _____ **RD 1924-19, Builder’s Warranty** or 10-year warranty per RD Instruction 1924-A, Exhibit L (NOTE: If 10-year warranty, must have policy or binder before final payment to builder)
- *Loan must be approved/rejected within 30 days after completed docket (HB-1, 8.2)*
 - *Make sure loan does not exceed applicable area loan limits (HB-1, 6.6)*
 - *Verify loan-to-value ratio for existing dwellings does not exceed 100% (HB-1, 6.7)*
 - *Loan terms cannot exceed maximum allowed (HB-1, 6.8) or approval authorities (1901-A)*
 - *Attachment 6-A, Documentation Required Prior to Approving Loan. Chapter 6 of HB-1 gives additional guidelines.*

POS DATE

UNDERWRITING/LOAN APPROVAL

- 3 _____ **Reverify income** - if over 120 days old (HB-1, 8.6)
- 3 _____ **Update Eligibility Summary with correct information, print, sign and date** – must be in file at rejection/approval (HB-1, 6.17)
- 2 _____ **Verify UniFi Program Type Code** (must match income type)
- 2 _____ **Update MortgageServ screens before uploading file; check Display History Screen for correct loan amount.**
-

POS DATE UNDERWRITING/LOAN APPROVAL (CONTINUED)

- 4 _____ **If rejected, send HB Letter 15, Standardized Adverse Decision Letter** with review and appeal rights (HB-1, 1.9 & 8.2)
- 2 _____ **RD 3550-7, Funding Commitment and Notification of Loan Closing-** issued day of approval/obligation in MortgageServ (if not signed and returned in 15 days, must de-obligate) (HB-1, 8.2)
- 2 _____ **RD 3550-23, Applicant Orientation Guide** (Include documentation on applicant's decision on payment of initial deposit and escrow costs) (HB-1, 8.6)
- 2 _____ **RD 1940-41, Truth in Lending Statement** - send if Interest Rate has changed 1/8%/AAs/Credit Sales/Lev. Loan (HB-1, Attachment 8-A)
- 2 _____ **Obligate through MortgageServ** (HB-1, 8.7)

POS DATE CLOSING

- 5 _____ **RD 1927-4, Transmittal of Title Information** (HB-1, 8.4)
- 5 _____ **RD 1927-9, Preliminary Title Opinion** (if using Attorney) (HB-1, 8.4)
- 3 _____ **Reverify income** - if over 120 days old (HB-1, 8.6)
- 5 _____ **Review Title Insurance Binder/Preliminary Title Opinion and verify legal description is correct-**
(if exceptions noted affect the security value, loan cannot be closed).
- 5 _____ **RD 3550-25, Loan Closing Instructions and Loan Closing Statement** (HB-1, 8.11 & 1927-B)
- 5 _____ **Re-verify Closing Agent's account numbers**
- 5 _____ **IN-1 Closing Select/Add Agent Screen**
- 7 _____ **Hazard/Flood Insurance Binder & Receipt for 1st year premium** (HB-1, Attachment 7-C)
- 5 _____ **Verify completion of a Homeownership Education Course** (Certificate of Completion) (HB-1, 3.2)
- 7 _____ **RD 3550-15, Tax Information** (HB-1, 7.10), **Calculate RE taxes that should be paid at closing** (60 days of due date); **collect prorated taxes from Seller** (refer to Purchase Agreement) (HB-1, 7.4)
- 5 _____ **RD 3550-9, Initial Escrow Account Disclosure Statement** (HB-1, 7.5)
- 2 _____ **RD 3550-17, Funds Transmittal Report** for tax service & appraisal fees, escrow funds, etc. (copy in Collections Operational File) (1951-B, if applicable)
- 5 _____ **RD 3550-19, Transmittal-Closing Documents & Attachments** – as applicable (HB-1, 8.11)
- 3 _____ **RD 410-4, Uniform Residential Loan Application** PRINTED FROM UniFi
- 3 _____ **Check EPLS for all parties** (<http://epls.arnet.gov>) – print hard copies for file (1940-M)
- 5 _____ **RD 1927-5, Affidavit Regarding Work of Improvement** (if required by State Supplement) send blank to closing (1927-B, 1927.58)
- 2 _____ **RD 1940-16, Promissory Note** (original in safe) (HB-1, 8.9 and FMI)
- 5 _____ **RD 1940-59, Settlement Statement** (send blank) or **HUD 1** (HB-1, 8.5)
- 2 _____ **RD 1940-43, Notice of Right to Cancel** - for junior liens if mortgage taken and non-purchase (HB-1, 8.6)
- 2 _____ **RD 1944-14, Payment Assistance/Deferred Mortgage Assistance Agreement or RD 1944-6, Interest Credit Agreement** (as applicable)
- 5 _____ **RD 1955-49, Quitclaim Deed or Warranty Deed** (as applicable)
- 5 _____ **RD 3550-10, Condominium Rider** (if applicable)
- 5 _____ **RD 3550-11, Planned Unit Development Rider** (if applicable)

POS DATE

CLOSING (CONTINUED)

- 2 _____ **RD 3550-12, Subsidy Repayment Agreement** (original in safe attached to note) **(HB-1, Att. 8-A)**
- 5 _____ **RD 3550-14, Real Estate Mortgage or Deed of Trust for (State)** - send blank
- 5 _____ **RD 1927-8, Agreement with Prior Lienholder** - if leveraged loan **(HB-1, 8.6)**
- 2 _____ **RD 3550-22, Assumption Agreement Single Family Housing** - if applicable (original attached to original note in safe) **(HB-1, 8.6)**
- 2 _____ **RD 3550-16, Release from Personal Liability** - if applicable **(HB-1, 8.6)**
- 5 _____ **RD 3550-29, Document Errors and Omissions Agreement** **(HB-1. Attachment. 8-A)**

POS DATE

POST CLOSING

- 5 _____ **Verify closing documents faxed to CSC in required time frame (HB-1, 8.11)**
 - _____ Verify proper lien position.
 - _____ Post 1 month follow-up for recorded Real Estate Mortgage.
 - _____ Post follow-up for Title Insurance Policy **(60 days)** or Final Title Opinion **(14 days)**.
(If not received, contact Closing Agent by mail with a copy of the letter to the insurance company.)
 - 2 _____ **Activate loan/payment assistance in MortgageServ WITHIN 1 DAY OF CLOSING.**
 - 6 _____ **Send Compensation for Construction Defects letter**, if new construction **(Guide Letter 1924-1)**
 - 5 _____ **RD 3550-25 – Loan Approval Official approves after all forms are returned, reviewed, and correct (HB-1, 8.11)**
 - 2 _____ **Delinquent/Lienholder Screen – complete MortgageServ screen for each leveraged partner**
 - 6 _____ **Verify correct address of subject property is listed in UniFi – address must received a code 1 or 2 to be valid or must research and document discrepancy (HB-1, 5.1)**
<http://eligibility.sc.egov.usda.gov/eligibility/addressVerification>
 - 2 _____ **Post Conversion of new loan closing in MortgageServ (print screen) and Warranty Follow-ups**
 - 2 _____ **Collect Escrow Funds**
 - 2 _____ **Modify Promissory Note and have borrower(s) initial changes**
_____ **Submit copies to CSC**
-

CREDIT SCORE DISCLOSURE

In accordance with the Fair and Accurate Credit Transactions Act of 2003 (FACT Act) and in connection with your application for a Rural Development Single Family Housing (hereafter referred to as “the Agency”) home loan, the Agency, upon request, must disclose to you the score that a credit bureau distributes to users and will be used by the Agency in connection with your home loan as well as the key factors affecting your credit scores.

While the Agency does not consider credit scores in determining adverse credit decisions, we may use them to presume acceptable credit in lieu of other credit underwriting practices. Credit scores assist lenders in evaluating your credit history in a more expedient and objective manner. Your credit scores are found on your residential mortgage credit report, a copy of which will be provided to you upon request. The range of possible scores is from 0 to 850. The Agency may also obtain and consider other credit scores in making its decision on your application from the credit bureaus listed below.

In addition to the credit scores, your credit report lists the key factors related to why your scores were less than the maximum possible score. Please keep in mind that the factors are only indicators of why you received less than the maximum score possible. The listing of these factors does not by itself indicate that you would not be approved for the loan you have requested. Rural Development considers many factors in addition to your credit scores in making a decision on your application. If your application is not approved, you will receive a separate notice stating the specific reason(s) for that action which may or may not relate to your credit scores.

The Agency did not calculate your credit scores or develop the scoring models. If you have any questions about your credit scores or the information in the residential mortgage credit report from which the scores were computed, you can contact the credit bureau at the address listed below.

Trans Union
P. O. Box 1000
Chester, PA 19022
(800) 888-4213
www.transunion.com

NOTICE TO HOME LOAN APPLICANT

Pursuant to FACT Act, Section 212.

In connection with your application for a home loan, Rural Development must disclose to you the score that a credit bureau distributed to the Agency and was used in connection with your home loan, as well as key factors affecting your residential mortgage credit score.

The credit score is a computer-generated summary calculated at the time of the request and based on the information a credit bureau has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the Agency in determining whether you will obtain a loan. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit scoring technologies change.

Because the score is based on information in your residential mortgage credit history, it is very important that you review the credit-related information to make sure it is accurate. Credit records may vary from one company to another.

If you have any questions, about your score or the credit information that is furnished to you, contact the credit bureau at the address and telephone number provided with this notice. The credit bureaus play no part in the decision to take any action on the loan application and are unable to provide you with specific reasons for the decision on the loan application.

If you have any questions concerning the terms of the loan, contact Rural Development.

THIS CERTIFIES THAT THIS DISCLOSURE HAS BEEN PROVIDED TO THE ELIGIBLE APPLICANT(S) PURSUANT TO SECTION 212 OF THE FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003. I UNDERSTAND THAT I MAY RECEIVE A COPY OF MY RESIDENTIAL MORTGAGE CREDIT REPORT BY MAKING A WRITTEN REQUEST TO THE RURAL DEVELOPMENT OFFICE HANDLING MY LOAN APPLICATION.

I/We have received a copy of this disclosure.

Applicant

Date

Co-Applicant

Date