



Dear Applicant:

Thank you for your interest in our Single Family Housing (SFH) Direct Home Loan program through Rural Development (RD).

****IMPORTANT:** We understand how important this program is to many people across the country and are working diligently to process new and existing applications. However, due to increased interest in the program, our application processing is encountering significant delays for applicants. Despite the current challenges, RD is working hard every day to help people living in rural areas afford decent, safe housing. We appreciate your understanding, and for updates on funding and information about our other housing programs, please contact the local office identified below.

Prior to submitting your application, you can complete an online self-assessment to determine if you are a good candidate for our SFH Direct Home Loan program. The link for the self-assessment is: <https://tinyurl.com/2v2ajyc6>

Enclosed is the application package to apply for the SFH Direct Home Loan program through Rural Development. (Note: a non-refundable credit report fee is required at the time you submit a complete application. Please be aware the fee will be processed when the application is submitted, however, the credit report will not be ordered until your application is selected for processing which may be an extended period due to processing delays.)

The application package includes the following:

Section 1 – Supplemental guidance for filing an application if you choose to work with a Loan Application Packager

Section 2 – The following forms must be completed, signed and returned to Rural Development:

- Attachment 3-J, Checklist of Items to Accompany the Uniform Residential Loan Application (*fully complete and return all applicable items on this checklist*)
- Form RD 410-4, Uniform Residential Loan Application (*fully complete highlighted sections and return*)
- Form RD 3550-1, Authorization to Release Information (*each applicant to sign/date separate forms and return*)
- Form RD 3550-4, Employment and Asset Certification (*fully complete highlighted sections and return*)

Rural Development

USDA is an equal opportunity provider, employer and lender.

Section 3 – Additional information regarding the SFH Direct Home Loan program:

- Homeownership education information and Agency-approved homeownership providers (*Important – homeownership education is required for first-time homebuyers*)
- SFH Direct Home Loan Fact Sheet (*for your records*)
- Attachment 3-D, Applicant Information Sheet (*for your records*)
- Attachment 3-H, Credit Score Disclosure and Notice to Home Loan Applicant (*for your records*)
- Exhibit 4-4, Indicators of Unacceptable Credit Guidelines (*for your records*)
- SFH Subsidy Recapture Fact Sheet (*for your records*)

To apply, complete all the applicable items in the attached 3-J Checklist of Items to Accompany the Uniform Residential Loan Application and submit the package using **one** of the options below (which are listed in no particular order – you choose the option that works best for you):

Option 1: Work with a loan application packager. See "Working with a Loan Application Packager" located in Section 1 of this application package for more information

Option 2: Return to a local Rural Development office:

Email to: SFHDirect-DE@usda.gov

Mail to: USDA Rural Development
1221 College Park Drive, Suite 200
Dover, DE 19904

To locate a Rural Development Service Center, go to: <https://tinyurl.com/y5saab6h>

IMPORTANT: If any item, information and/or signature is missing, your application is considered incomplete and you will be contacted and asked to provide the missing pieces.

To qualify for the SFH Direct Home Loan program, your household's adjusted annual income must be within our established income limit based on household size and location. The income limits can be found online at: <https://tinyurl.com/49yee4kd>

All properties financed must be in an eligible rural area. Visit the property eligibility website to view eligible rural areas: <https://tinyurl.com/mr7h6x3p>

Final determination of eligibility is made by Rural Development upon receipt of a complete application.

During your loan approval process, you will be instructed to watch the Agency's online applicant orientation video: <https://tinyurl.com/46zy5e9z>

For more information, go to HB-1-3550, Direct Single Family Housing Loans and Grants – Field Office Handbook: <https://tinyurl.com/ycxjk9v6>

Thank you for choosing Rural Development, if you have questions or concerns, please feel free to contact your local Rural Development office.

Section 1

Supplemental guidance for
working with a Loan
Application Packager

Working with a Loan Application Packager

What is a loan application packager?

A loan application packager provides an optional service to an applicant seeking a housing loan by helping to navigate the loan application process. A packager can help determine if the Section 502 Direct Loan Program is a good fit and, if so, help to assemble a complete loan application package and ensure your application is submitted to the Agency via eForms.

Loan application packaging fees can generally be included in the Rural Development loan or can be paid by the seller, builder, or third party. Packagers do not work for or represent Rural Development.

An intermediary is an affordable housing nonprofit, public agency, or State Housing Finance Agency approved by Rural Development to perform quality assurance reviews on loan application packages prepared by certified packagers through their qualified employers. Eligible loan application packagers can either work with or without an approved intermediary. Loan packagers that work with an approved intermediary receive priority processing.

How do I file an application with the guidance of a loan application packager?

For assistance in locating a loan application packager in your area, you can:

1. Select a packager from the attached list of local packagers in your area (if applicable), or
2. Contact an intermediary using the information found on the following website: <https://www.rd.usda.gov/sites/default/files/RD-SFH-IntermediaryMap.pdf>

List of Loan Application Packagers for DELAWARE

If box is checked, our state does not maintain a list of local packagers. Applicants can locate a loan application packager by contacting an intermediary using the information on the following website:
<https://www.rd.usda.gov/sites/default/files/RD-SFH-IntermediaryMap.pdf>.

Entity Name	Contact	Phone	Email	Website	Counties Served
Milford Housing Development Corporation	Office	302-422-8455		www.milfordhousing.com	Kent, Sussex
Neighborgood Partners	Office	302-678-9400		www.neighborgoodpartners.org	Kent, Sussex, New Castle

Section 2

The following forms must be fully completed, signed and returned.

ATTACHMENT 3-J

CHECKLIST OF ITEMS TO ACCOMPANY THE UNIFORM RESIDENTIAL LOAN APPLICATION

You, as the applicant, need to simultaneously submit the applicable items below when applying for a loan. Copies of the verification documents should be submitted. If any item, information, and/or signature is missing, you will be contacted and asked to provide the missing pieces. **If the missing pieces are not provided within 15 days of the request, your incomplete application will be considered voluntary withdrawn from consideration.** To avoid any delay or withdrawal, verify that your loan application is fully complete prior to submission.

- This checklist with the applicable and included items checked.
- Form RD 410-4, Uniform Residential Loan Application: You **must** complete all sections (be sure to provide all applicable information, details, and data) and sign/date pages 5 and 8. <https://forms.sc.gov.usda.gov/efcommon/eFileServices/eForms/RD410-4.PDF>
- Verification of identity: You **must** provide a copy of your Government-issued picture identification (ID) along with evidence of age. Standard verifications are a driver's license or a passport. Contact us if you do not have these standard verifications to discuss possible alternatives.
 - Verification of T-Nonimmigrant Status (including T1, T2, T3, or T4), if applicable, as this status may not be reflected in DHS's United States Citizenship and Immigration Service (USCIS) SAVE database used by the Agency.
- Verification of taxpayer ID number: You **must** provide verification of your full taxpayer ID number (i.e. no numbers are hidden or suppressed) using evidence such as your pay stubs or tax returns. A copy of your social security card is only needed if you do not have any other evidence of your full taxpayer ID number.
- \$30 credit report fee (non-refundable): If the applicant and co-applicant currently reside at separate addresses, the fee is \$30 for each applicant. Remove any credit freeze at the time of application submission and keep it lifted until such time as the Agency pulls a credit report. Indicate an option for payment of the credit report fee:
 - Option 1: I hereby authorize a \$30.00 withdrawal from my bank account for the credit report fee. Enclose a copy of a voided check, savings account deposit slip, or other document from an American Bankers Association (ABA) bank (we cannot process withdrawals from a foreign bank). **The document provided must be an official ABA bank validated record and clearly identify the ABA routing number and account number.** The Agency will use the ABA routing number and account number to collect payment through the Automated Clearing Housing System (ACH). By indicating an amount above and providing a copy of a voided check, deposit slip, or other bank document with the ABA routing number and account number, you are authorizing the deduction from the account by electronic means. Option one is the preferred method as it provides faster processing.

- Option 2: Mail a check, cashier's check or money order that is signed, dated, and made payable to USDA Rural Development. (Note: The applicant's name should be included on the memo line for checks from a third party paying the credit report fee.)

Notice to Customers: If applicants send the Agency a check, it will be converted into an Electronic Funds Transfer (EFT). This means the Agency will copy the check and use the account information on it to electronically debit the applicant's account for the amount of the check. The debit from the applicant's account will usually occur within 24 hours and will be shown on the applicant's regular account statement. Applicants will not receive their original check back.

The Agency will destroy the original check but will keep an image of it. If the EFT cannot be processed for technical reasons, applicants authorize the Agency to process a paper copy of the image in place of the original check.

If the withdrawal cannot be completed because of insufficient funds, the Agency may try to make the transfer up to two additional times and the Agency will charge a one-time fee of \$15, which will also be collected by EFT or ACH.

- If you have late payments, collections, judgments, or other derogatory items in your credit history, provide a written explanation for each credit blemish. If you are unsure what your credit history looks like, obtain a free credit report by calling 1-877-322-8228 or logging into <https://www.annualcreditreport.com>. You are entitled to receive one free credit file disclosure every week from each of the nationwide consumer credit reporting companies – Equifax, Experian and TransUnion. This free report cannot replace the credit report that the Agency will obtain to determine eligibility.
- Form RD 3550-1, Authorization to Release Information: Each adult member of the household **must** sign/date a separate release form.
<https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD3550-1.PDF>
- Form RD 3550-4, Employment and Asset Certification: You **must** check the appropriate blocks, account for the household members' employment and nonretirement assets as instructed, and sign/date the certification.
<https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD3550-4.PDF>
- Your last two signed Federal Income Tax Returns with all applicable tax return schedules. Also provide:
- All W-2s, 1099s, and other forms attached to the returns.
 - If filed electronically, include a copy of the signature page with the Self-Select PIN, confirmation that the return was accepted, or evidence that it was filed by an authorized E-File provider.
 - If you are not required by the IRS to file Federal Income Tax Returns, provide a letter of explanation to that effect for the applicable tax year(s) for which returns are unavailable.
 - Last four consecutive weeks of pay stubs for **all employed adult household members**.
 - If you have an employment history of less than two years or employment gaps in excess of 30 days within the last two years, you should provide a letter of explanation.
-

Recent benefit statements for regular unearned income for **all household members** who receive:

Social Security/Supplemental Security Income

Public assistance

Retirement income

Other

Last 12-month payment history of alimony and/or child support received by **all adult household members** as provided by the court appointed entity responsible for handling payments. If this is not available, provide a copy of the separation agreement or divorce decree. While you can choose to have this income excluded from your repayment income, it must be reported to determine if your household's adjusted income is within the program's income limit.

Two most recent brokerage or bank statements for **all household members** (excluding tax advantaged plans for education, health/medical, and retirement). If you are obtaining this information online, provide the statements as opposed to providing the online transaction histories.

For a household member who is a full-time student and 18 years of age or older, a copy of their school transcript.

Written evidence of childcare expenses for dependents 12 years of age or younger.

If you are 62 years of age or older, are disabled, or have a disabled household member, provide evidence of unreimbursed annual medical expenses if you wish to be considered for a deduction to household income.

List your personal email address(es) below if you authorize the Agency to contact you via email. The Agency password protects emails containing personal identifiable information.

While you are strongly discouraged from identifying a property or entering into a purchase agreement until you receive a Certificate of Eligibility from Rural Development, enter the county you are interested in purchasing a home in below.

If you have already entered into a purchase agreement (which again is strongly discouraged), provide a copy of the agreement.

- If you are experiencing any of the following housing-related hardships, please check all that apply and provide a brief explanation below:
- Current dwelling lacks complete plumbing and/or adequate heating, is dilapidated or structurally unsound, has an overcrowding situation, or is otherwise uninhabitable, unsafe, or poses a health or environmental threat to the occupant or others.
 - Current homeowner in danger of losing a property through foreclosure due to circumstances beyond your control.
 - Other housing-related hardship.

- If you would like the Agency to be able to discuss information about your application with someone other than yourself (family member, realtor, etc.), you and any co-applicant(s) must provide a signed statement including the name(s) of the individual(s), their relationship to you, and their contact information. The Agency may not discuss your application with anyone other than yourself without your written permission. You are not required to grant this permission to anyone, and if you do so it does not authorize the individuals to act on your behalf, it is for general communication purposes only. (Please note this item is different than Form 3550-1, Authorization to Release Information listed above, which allows the Agency to obtain verifications from third parties for income, asset, credit, and other information needed for application processing.)

Applicants who are first-time homebuyers are strongly encouraged to complete a homeownership education training as early in the application process as possible since the training covers the following important topics: preparing for homeownership (readiness to go from rental to homeownership), budgeting (pre- and post-purchase), credit counseling, shopping for a home, obtaining a mortgage, loan closing, and life as a homeowner. There is generally an out-of-pocket fee for the training, which can be reimbursed should the loan request be approved and closed. Attached is a list of Agency-approved education providers. You will be expected to successfully complete this training prior to entering into a contract to purchase or construct a home for maximum benefit.

APPLICATION FOR RURAL ASSISTANCE (NONFARM TRACT) Uniform Residential Loan Application

This application is designed to be completed by the applicant with the lender's assistance. Applicants should complete this form as "Applicant #1" or "Applicant #2", as applicable. All Applicants must provide information (and the appropriate box checked) when the income or assets of a person other than the "Applicant" (including the Applicant's spouse) will be used as a basis for loan qualification or the income or assets of the Applicant's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Applicant resides in a community property state, the security property is located in a community property state, or the Applicant is relying on other property located in a community property state as a basis for repayment of the loan.

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: <input type="checkbox"/> V.A. <input type="checkbox"/> Conventional <input type="checkbox"/> Other:	Agency Case Number	Lender Account Number
<input type="checkbox"/> FHA <input type="checkbox"/> USDA/Rural Housing Service		
Amount \$	Interest Rate %	No. of Months
	Amortization Type: <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (Explain):	<input type="checkbox"/> GPM <input type="checkbox"/> ARM (Type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (Street, City, State, ZIP)	No. of Units
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Legal Description of Subject Property (Attach description if necessary)	Year Built
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Purpose of Loan: <input type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (Explain):	Property will be: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment
<input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent	

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a + b)
	\$	\$	\$	\$	0.00

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements <input type="checkbox"/> Made <input type="checkbox"/> To be made
	\$	\$		Cost: \$

Title will be held in what Name(s)	Manner in which Title will be held	Estate will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (Show expiration date)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (Explain)		

III. APPLICANT INFORMATION

Applicant #1				Applicant #2			
Name (include Jr. or Sr. if applicable)				Name (include Jr. or Sr. if applicable)			

Social Security Number	Home Phone (Incl. Area Code)	DOB mm/dd/yy	Yrs. School	Social Security Number	Home Phone (Incl. Area Code)	DOB mm/dd/yy	Yrs. School
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<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (Include single separated, divorced, widowed)	Dependents (Not listed by Applicant #2) No. Ages	<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (Include single separated, divorced, widowed)	Dependents (Not listed by Applicant #1) No. Ages
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Present Address (Street, City State, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Present Address (Street, City, State, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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Mailing Address if different from Present Address	Mailing Address if different from Present Address
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If residing at present address for less than two years, complete the following:

Former Address (Street, City State, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (Street, City, State, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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According to the Paperwork Reduction Act 1995, an agency may not conduct or sponsor, and a person is not are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 1-1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

IV. EMPLOYMENT INFORMATION

Applicant #1			Applicant #2		
Name & Address of Employer	<input type="checkbox"/> Self-Employed	Yrs./Mos. on the job	Name & Address of Employer	<input type="checkbox"/> Self-Employed	Yrs./Mos. on the job
		Yrs./Mos. employed in this line of work/profession			Yrs./Mos. employed in this line of work/profession
Position/Title/Type of Business	Business Phone (Incl. Area Code)		Position/Title/Type of Business	Business Phone (Incl. Area Code)	

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer	<input type="checkbox"/> Self-Employed	Dates (From > To)	Name & Address of Employer	<input type="checkbox"/> Self-Employed	Dates (From > To)
		Monthly Income			Monthly Income
		\$			\$

Position/Title/Type of Business	Business Phone (Incl. Area Code)		Position/Title/Type of Business	Business Phone (Incl. Area Code)	
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Name & Address of Employer	<input type="checkbox"/> Self-Employed	Dates (From > To)	Name & Address of Employer	<input type="checkbox"/> Self-Employed	Dates (From > To)
		Monthly Income			Monthly Income
		\$			\$

Position/Title/Type of Business	Business Phone (Incl. Area Code)		Position/Title/Type of Business	Business Phone (Incl. Area Code)	
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V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Applicant #1	Applicant #2	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$	\$	\$ 0.00	Rent	\$	
Overtime			0.00	First Mortgage (P&I)		\$
Bonuses			0.00	Other Financing (P&I)		
Commissions			0.00	Hazard Insurance		
Dividends/Interest			0.00	Real Estate Taxes		
Net Rental Income			0.00	Mortgage Insurance		
Other (Before completing see the notice in "describe other income," below			0.00	Homeowner Assn. Dues		
			0.00	Other		
Total	\$ 0.00	\$ 0.00	\$ 0.00	Total	\$ 0.00	\$ 0.00

***Self Employed Applicant may be required to provide additional documentation such as tax returns and financial statements.**

Describe Other Income Notice: *Alimony, child support, or separate maintenance income need not be revealed if the Applicant #1, (A 1) or Applicant #2 (A2) does not choose to have it considered for repaying this loan.*

A1/A2	Describe Other Income	Monthly Amount

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Applicants if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise separate Statements and Schedules are required. If the Applicant #2 section was completed about a spouse, this Statement and supporting schedules must be completed about that spouse also.

Completed Jointly Not Jointly

ASSETS		Cash or Market Value	Liabilities and Pledged Assets. List the creditor's name, address and account number for all outstanding debts, including automobile loans, revolving charge accounts, real estate loans, alimony, child support, stock pledges, etc. Use continuation sheet, if necessary. Indicate by (*) those liabilities which will be satisfied upon sale of real estate owned or upon refinancing of the subject property.		
Description			LIABILITIES	Monthly Payment & Months Left to Pay	Unpaid Balance
Cash deposit toward purchase held by:	\$		Name and Address of Company	\$ Payment/Months	\$
List checking and saving accounts below			Acct. No.		
Name and Address of Bank, S&L, or Credit Union			Name and Address of Company	\$ Payment/Months	\$
Acct. No.	\$		Acct. No.		
Name and Address of Bank, S&L, or Credit Union			Name and Address of Company	\$ Payment/Months	\$
Acct. No.	\$		Acct. No.		
Name and Address of Bank, S&L, or Credit Union			Name and Address of Company	\$ Payment/Months	\$
Acct. No.	\$		Acct. No.		
Name and Address of Bank, S&L, or Credit Union			Name and Address of Company	\$ Payment/Months	\$
Acct. No.	\$		Acct. No.		
Name and Address of Bank, S&L, or Credit Union			Name and Address of Company	\$ Payment/Months	\$
Acct. No.	\$		Acct. No.		
Stocks & Bonds (Company name/number & description)	\$		Name and Address of Company	\$ Payment/Months	\$
	\$		Acct. No.		
	\$		Name and Address of Company	\$ Payment/Months	\$
	\$		Acct. No.		
Life insurance net cash value	\$		Name and Address of Company	\$ Payment/Months	\$
Face amount: \$			Acct. No.		
Subtotal Liquid Assets	\$		Name and Address of Company	\$ Payment/Months	\$
Real estate owned (Enter market value from schedule of real estate owned)	\$		Acct. No.		
Vested interest in retirement fund	\$		Name and Address of Company	\$ Payment/Months	\$
Net worth of business(es) owned (Attach financial statement)	\$		Acct. No.		
Automobiles owned (Make and year)	\$		Name and Address of Company	\$ Payment/Months	\$
	\$		Acct. No.		
	\$		Alimony/Child Support/Separate Maintenance Payments Owed to:	\$	
	\$		Job Related Expense (Child care, union dues, etc.)	\$	
	\$		Total Monthly Payments	\$	
Other Assets (Itemize)	\$				
	\$				
	\$				
	\$				
Total Assets a.	\$		Net Worth (a minus b)		
				Total Liabilities b.	\$

VI. ASSETS AND LIABILITIES (cont.)

Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet.)

Properly Address (Enter S if sold, PS if pending sale or R if rental being held for income) ↓↓	Type of Property	Present Market Value	Amount of Mortgage & Liens	Gross Rental Income	Mortgage Payments	Insurance Maintenance Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
Totals		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternative Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS			
		Applicant #1		Applicant #2	
		Yes	No	Yes	No
a. Purchase price	\$	If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.			
b. Alterations, improvements, repairs					
c. Land (If acquired separately)					
d. Refinance (incl. debts to be paid off)					
e. Estimated prepaid items					
f. Estimated closing costs					
g. PMI, MIP, Funding Fee					
h. Discount (If Borrower will pay)					
i. Total Costs (Add items a through h)	\$ 0 . 00				
j. Subordinate financing					
k. Borrower's closing costs paid by Seller					
l. Other Credits (Explain)					
m. Loan amount (Exclude PMI, MIP Funding Fee financed)					
n. PMI, MIP, Funding Fee financed					
o. Loan amount (Add m & n)	\$ 0 . 00				
p. Cash from/to Borrower (Subtract j, k, l, & o from i)					

IX. ACKNOWLEDGMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, services, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "loan") will be secured by a mortgage or deed of trust on the property described herein, (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated herein; (6) any owner or servicer of the Loan may verify or reverify any information contained in the application from any source named in this application, and Lender, its successors or assigns may retain the original and/or an electronic record of this application, even if the Loan is not approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the owner or servicer of the Loan may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Applicant's Signature X	Date	Applicant's Signature X	Date
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X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may discriminate neither on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation or surname. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be Completed by Interviewer This application was taken by: <input type="checkbox"/> face-to-face interview <input type="checkbox"/> by mail <input type="checkbox"/> by telephone <input type="checkbox"/> Internet	Interviewer's Name (<i>Print or type</i>)		Name and Address of Interviewer's Employer
	Interviewer's Signature	Date	
	Interviewer's Phone Number (<i>Incl. Area Code</i>)		

Continuation For/Residential Loan Application

Use if you need more space to complete the Residential Loan Application Mark A1 for Applicant #1 or A2 for Applicant #2	Applicant #1 (A1)	Agency Account Number:
	Applicant #2 (A2)	Lender Account Number:

Additional Information Required for RHS Assistance

1. Loan Type: Section 502 Section 504 Loan Grant

APPLICANT #1

2. Have you ever obtained a loan/grant from RHS?

Yes No

4. Are you a relative to an RHS Employee or Closing agent/attorney?

Yes No

If yes, who? _____

Relationship _____

6. Are you a Veteran? Yes No

APPLICANT #2

3. Have you ever obtained a loan/grant from RHS?

Yes No

5. Are you a relative to an RHS Employee or Closing agent/attorney?

Yes No

If yes, who? _____

Relationship _____

7. Are you a Veteran? Yes No

8. Complete for all household members.

To be considered eligible for RHS assistance, all household income including any income not shown in Section V of this application, must be disclosed below:

Name	Age	Are you a full time student? y/n	Do you want to be considered for an adjustment from household income because of a disabling condition? y/n	Annual Wage Income	Source of Wage Income (employer)	Annual Non-Wage Income	Source of Non-Wage Income (social security, alimony, child support, separate maintenance, etc.)

9. Child Care (*Minors who are 12 years of age or under for whom you have to hire a babysitter or leave at a child care center*)

Cost per week \$ _____ Cost per month \$ _____

10. Name, Address and Telephone No. of Child care Provider(s).

11. Characteristics of Present Housing

Does the Dwelling:

Lack complete plumbing

Yes

No

Physically deteriorated or structurally unsound

Yes

No

Lack adequate heating

Yes

No

Overcrowded (More than 2 persons per room)

Yes

No

12. Name, Address and Telephone Number of Present Landlord.

If residing at present address for less than two years, complete the following:

Name, Address and Telephone Number of Previous Landlord(s).

13. (*For Section 504 Grants Only*) I certify that as the condition of the grant, I/we will not engage in unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

14. I am aware RHS does not warrant the condition or value of the property.

Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

16. I AM unable to provide the housing I need on my own account, and I am unable to secure the credit necessary for this purpose from other sources upon terms and conditions which I can reasonably fulfill. I certify that the statements made by me in this application are true, complete to the best of my knowledge and belief and are made in good faith to obtain a loan.

SECTION 1001 OF TITLE 18, UNITED STATES CODE PROVIDES: "WHOEVER, IN ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES KNOWINGLY AND WILLFULLY FALSIFIES, CONCEALS OR COVERS UP BY ANY TRICK, SCHEME, OR DEVICE A MATERIAL FACT, OR MAKES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS, OR MAKES OR USES ANY FALSE WRITING OR DOCUMENT KNOWING THE SAME TO CONTAIN ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR ENTRY, SHALL BE FINED UNDER THIS TITLE OR IMPRISONED NOT MORE THAN FIVE YEARS, OR BOTH."

NOTE TO APPLICANT: IF ANY INFORMATION ON THIS APPLICATION IS FOUND TO BE FALSE OR INCOMPLETE, SUCH FINDING, IN ADDITION TO POSSIBLE LIABILITY UNDER CIVIL AND CRIMINAL STATUS, MAY BE GROUNDS FOR DENIAL FOR THE REQUESTED CREDIT AND MAY BE A BASIS FOR DEBARMENT FROM PARTICIPATION IN ALL FEDERAL PROGRAMS UNDER 7 C.F.R. PART 3017.

Date _____ Signature of Applicant _____
X
Date _____ Signature of Applicant _____
X

17. Date	Signature of Loan Approval Official	Determination of Eligibility _____ Eligible _____ Not Eligible	Racial Data Provided by _____ Applicant _____ RHS
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18. Application received on _____
Application completed on _____

19. Credit Report Fee
Date Received: _____ Amount Received: \$ _____
Initial: _____

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION

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Disclosure of information requested is voluntary. However, failure to disclose certain items of information requested, including your Social Security Number or Federal Identification Number, may result in a delay in the processing of an application or its rejection. Information provided may be used outside of the agency for the following purposes:

1. When a record on its face, or in conjunction with other records, indicates a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued pursuant thereto, disclosure may be made to the appropriate agency, whether Federal, foreign, State, local, or tribal, or other public authority responsible for enforcing, investigating or prosecuting such violation or charged with enforcing or implementing the statute, or rule, regulation, or order issued pursuant thereto, if the information disclosed is relevant to any enforcement, regulatory, investigative, or prosecutive responsibility of the receiving entity.
2. A record from this system of records may be disclosed to a Member of Congress or to a congressional staff member in response to an inquiry of the Congressional office made at the written request of the constituent about whom the record is maintained.
3. Rural Development will provide information from this system to the U.S. Department of the Treasury and to other Federal agencies maintaining debt servicing centers, in connection with overdue debts, in order to participate in the Treasury Offset Program as required by the Debt Collection Improvement Act, Pub. L. 104-134, Section 31001.
4. Disclosure of the name, home address, and information concerning default on loan repayment when the default involves a security interest in tribal allotted or trust land. Pursuant to the Cranston-Gonzales National Affordable Housing Act of 1990 (42 U.S.C. 12701 et seq.), liquidation may be pursued only after offering to transfer the account to an eligible tribal member, the tribe, or the Indian Housing Authority serving the tribe(s).
5. Referral of names, home addresses, social security numbers, and financial information to a collection or servicing contractor, financial institution, or a local, State, or Federal agency, when Rural Development determines such referral is appropriate for servicing or collecting the borrower's account or as provided for in contracts with servicing or collection agencies.
6. It shall be a routine use of the records in this system of records to disclose them in a proceeding before a court or adjudicative body, when: (a) the agency or any component thereof; or (b) any employee of the agency in his or her official capacity; or (c) any employee of the agency in his or her individual capacity where the agency has agreed to represent the employee, or (d) the United States is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation, provided; however, that in each case, the agency determines that disclosure of the records is a use of the information contained in the records that is compatible with the purpose for which the agency collected the records.
7. Referral of names, home address, and financial information for selected borrowers to financial consultants, advisors, lending institutions, packagers, agents and private or commercial credit sources, when Rural Development determines such referral is appropriate to encourage the borrower to refinance the Rural Development indebtedness as required by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471), or to assist the borrower in the sale of the property .
8. Referral of legally enforceable debts to the Department of the Treasury, Internal Revenue Service (IRS), to be offset against any tax refund that may become due the debtor for the tax year in which the referral is made, in accordance with the IRS regulations at 26 C.F.R. 301.6402-6T, Offset of Past Due Legally Enforceable Debt Against Overpayment, and under the authority contained in 31 U.S.C. 3720A.
9. Referral of information regarding indebtedness to the Defense Manpower Data Center, Department of Defense, and the United States Postal Service for the purpose of conducting computer matching programs to identify and locate individuals receiving Federal salary or benefit payments and who are delinquent in their repayment of debts owed to the U.S. Government under certain programs administered by Rural Development in order to collect debts under the provisions of the Debt Collection Act of 1982 (5 U.S.C. 5514) by voluntary repayment, administrative or salary offset procedures, or by collection agencies.
10. Referral of names, home addresses, and financial information to lending institutions when Rural Development determines the individual may be financially capable of qualifying for credit with or without a guarantee.
11. Disclosure of names, home addresses, social security numbers, and financial information to lending institutions that have a lien against the same property as Rural Development for the purpose of the collection of the debt. These loans can be under the direct and guaranteed loan programs.
12. Referral to private attorneys under contract with either Rural Development or with the Department of Justice for the purpose of foreclosure and possession actions and collection of past due accounts, in connection with Rural Development.
13. It shall be a routine use of the records in this system of records to disclose them to the Department of Justice when: (a) The agency or any component thereof; or (b) any employee of the agency in his or her official capacity where the Department of Justice has agreed to represent the employee; or (c) the United States Government, is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation and the use of such records by the Department of Justice is therefore deemed by the agency to be for a purpose that is compatible with the purpose for which the agency collected the records.

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION- CONTINUED

14 Referral of names, home addresses, social security numbers, and financial information to the Department of Housing and Urban Development (HUD) as a record of location utilized by Federal agencies for an automatic credit prescreening system.

15. Referral of names, home addresses, social security numbers, and financial information to the Department of Labor, State Wage Information Collection Agencies, and other Federal, State, and local agencies, as well as those responsible for verifying information furnished to qualify for Federal benefits, to conduct wage and benefit matching through manual and/or automated means, for the purpose of determining compliance with Federal regulations and appropriate servicing actions against those not entitled to program benefits, including possible recovery of improper benefits.

16. Referral of names, home addresses, and financial information to financial consultants, advisors, or underwriters, when Rural Development determines such referral is appropriate for developing packaging and marketing strategies involving the sale of Rural Development loan assets.

17. Rural Development, in accordance with 31 U.S.C. 3711(e)(5), will provide to consumer reporting agencies or commercial reporting agencies information from this system indicating that an individual is responsible for a claim that is current.

18. Referral of names, home addresses, home telephone numbers, social security numbers, and financial information to escrow agents (which also could include attorneys and title companies) selected by the applicant or borrower for the purpose of closing the loan.

19. Disclosures pursuant to 5 U.S.C. 552a(b)(12): Disclosures may be made from this system to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 168a(f) or the Federal Claims Collection Act (31U.S.C. 3701(a)(3)).

**United States Department of Agriculture
Rural Development
Rural Housing Service**

AUTHORIZATION TO RELEASE INFORMATION

TO: _____

RE: _____
Account or Other Identifying Number

Name of Customer

I, and/or adults in my household, have applied for or obtained a loan or grant from the Rural Housing Service (RHS), part of the Rural Development mission area of the United States Department of Agriculture. As part of this process or in considering my household for interest credit, payment assistance, or other servicing assistance on such loan, RHS may verify information contained in my request for assistance and in other documents required in connection with the request.

I, or another adult in my household, authorize you to provide to RHS for verification purposes the following applicable information:

- Past and present employment or income records.
- Bank account, stock holdings, and any other asset balances.
- Past and present landlord references
- Other consumer credit references.

If the request is for a new loan or grant, I further authorize RHS to order a consumer credit report and verify other credit information.

I understand that under the Right to Financial Privacy Act of 1978, 12 U.S.C. 3401, *et seq.*, RHS is authorized to access my financial records held by financial institutions in connection with the consideration or administration of assistance to me. I also understand that financial records involving my loan and loan application will be available to RHS without further notice or authorization, but will not be disclosed or released by RHS to another Government agency or department or used for another purpose without my consent except as required or permitted by law.

This authorization is valid for the life of the loan.

The recipient of this form may rely on the Government's representation that the loan is still in existence.

The information RHS obtains is only to be used to process my request for a loan or grant, interest credit, payment assistance, or other servicing assistance. I acknowledge that I have received a copy of the Notice to Applicant Regarding Privacy Act Information. I understand that if I have requested interest credit or payment assistance, this authorization to release information will cover any future requests for such assistance and that I will not be renotified of the Privacy Act information unless the Privacy Act information has changed concerning use of such information.

A copy of this authorization may be accepted as an original.

Your prompt reply is appreciated.

Signature (*Applicant or Adult Household Member*)

Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless as displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

RHS Is An Equal Opportunity Lender

SEE ATTACHED PRIVACY ACT NOTICE

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2. A record from this system of records may be disclosed to a Member of Congress or to a Congressional staff member in response to an inquiry of the Congressional office made at the written request of the constituent about whom the record is maintained.
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6. It shall be a routine use of the records in this system of records to disclose them in a proceeding before a court or adjudicative body, when: (a) the agency or any component thereof; or (b) any employee of the agency in his or her official capacity; or (c) any employee of the agency in his or her individual capacity where the agency has agreed to represent the employee, or (d) the United States is a party to litigation or has an interest in such litigation, and by careful review, the agency determines that the records are both relevant and necessary to the litigation, provided; however, that in each case, the agency determines that disclosure of the records is a use of the information contained in the records that is compatible with the purpose for which the agency collected the records.
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Date

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NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION- CONTINUED

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16. Referral of names, home addresses, and financial information to financial consultants, advisors, or underwriters, when Rural Development determines such referral is appropriate for developing packaging and marketing strategies involving the sale of Rural Development loan assets.

17. Rural Development, in accordance with 31 U.S.C. 3711(e)(5), will provide to consumer reporting agencies or commercial reporting agencies information from this system indicating that an individual is responsible for a claim that is current.

18. Referral of names, home addresses, home telephone numbers, social security numbers, and financial information to escrow agents (which also could include attorneys and title companies) selected by the applicant or borrower for the purpose of closing the loan.

19. Disclosures pursuant to 5 U.S.C. 552a(b)(12): Disclosures may be made from this system to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 168a(f) or the Federal Claims Collection Act (31 U.S.C. 3701(a)(3)).

United States Department of Agriculture
Rural Housing Service

EMPLOYMENT AND ASSET CERTIFICATION

EMPLOYMENT CERTIFICATION

Check the appropriate blocks and account for all adult household members by listing their or your name under the applicable statement:

- I hereby certify that the following adult household members are not presently employed and do not intend to resume employment in the foreseeable future:

- I hereby certify that the following adult household members are not presently employed but are actively seeking employment. I agree to notify RHS immediately when they become reemployed:

- I hereby certify that the following adult household members are currently employed. I agree to notify RHS should their employment status change:

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0172. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

ASSET CERTIFICATION

I hereby certify that all nonretirement assets of all household members (adults and children) are listed below. Nonretirement assets include, but are not limited to, savings accounts, stocks, bonds, Treasury bills, savings certifications, money market funds, investment accounts, equity in real property, revocable trust funds that are available to the household, lump-sum receipts, and personal property held as an investment.

The nonretirement asset levels are as follows:

Household Member	Nonretirement Asset(s) Total (in \$)

APPLICANT

DATE

APPLICANT

DATE

APPLICANT

DATE

SECTION 1001 OF TITLE 18, UNITED STATES CODE PROVIDES: "WHOEVER, IN ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES KNOWINGLY AND WILLFULLY FALSIFIES, CONCEALS OR COVERS UP BY ANY TRICK, SCHEME, OR DEVICE A MATERIAL FACT, OR MAKES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS, OR MAKES OR USES ANY FALSE WRITING OR DOCUMENT KNOWING THE SAME TO CONTAIN ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR ENTRY, SHALL BE FINED UNDER THIS TITLE OR IMPRISONED NOT MORE THAN FIVE YEARS, OR BOTH."

Section 3

Additional information regarding the
SFH Direct Home Loan Program.

(Important - homeownership education is required for first-time homebuyers.)

HOMEOWNERSHIP EDUCATION

Please be advised that Rural Development has a homeownership education requirement for first-time homebuyers. Attached is a list of Agency-approved homeownership education providers. You are expected to successfully complete homeownership education from an Agency-approved provider prior to entering into a sales contract to purchase or construct a home, since the training prepares you for shopping, buying, financing, and owning a home.

An alternative option to meet the homeownership education requirement is to complete one of the three nationally approved online homeownership education courses:

- **eHome America** - <https://ehomeamerica.org/usda> (cost \$75),
- **Framework** - <https://www.frameworkhomeownership.org/> (cost \$75), and
- **Utah State University** - <https://extension.learn.usu.edu/> (select Home Buyer Education)(cost \$70 for the applicant and \$5 for a co-applicant).

Upon completion of the course, you must provide documentation that you have successfully completed the course by submitting a certificate of completion or letter from the certified provider. There is generally an out-of-pocket fee for the training, which can be reimbursed should the loan request be approved and closed. Please be advised if you do not close on your loan, you are responsible for the homeownership education fee.

(Important - homeownership education is required for first-time homebuyers.)

APPROVED HOMEOWNERSHIP EDUCATION PROVIDERS

Provider Name	Phone, Email, Website	Address	Languages	Cost	Counties Served

Single Family Housing Direct Home Loans

What does this program do?

This program offers mortgage financing to help eligible, low- and very-low-income applicants buy, build, improve, or repair a rural home as their primary residence. The Single Family Housing Direct Loan Program also provides payment assistance – a temporary subsidy – to help increase a borrower’s repayment ability.



QR code: SFH Direct Home Loan Program webpage

Who can apply?

Your adjusted income must be at or below the low-income limit for the area in which you wish to buy a house, and the property must be located in an eligible rural area. Our Income and Property Eligibility website is available at this link: tinyurl.com/RDEligibility.

What are some requirements?

Among other requirements, you must:

- Be without decent, safe housing
- Be unable to get a loan with reasonable terms and conditions from other resources
- Agree to live in the home as your primary residence
- Meet U.S. citizenship or noncitizen requirements

Additionally, properties must:

- Be considered modest for the area
- Not have a market value higher than the area loan limit

- The typical loan payback period is 33 years (38 years for very-low-income applicants unable to afford a 33-year loan term).
- With payment assistance, a monthly mortgage payment can be reduced to as low as a 1-percent interest rate.
- You must repay all or part of any payment assistance you receive over the life of the loan when the property title transfers or you no longer live in the dwelling. You can learn more about subsidy recapture at this link: tinyurl.com/RHS-subsidy.

How do we get started?

Applications are accepted year-round through your local USDA Rural Development office. A list of state offices is available at this link: tinyurl.com/RDStateOffices.

How can funds be used?

Funds can be used to buy, build, repair, renovate, or relocate a home, or to purchase and prepare home sites.

What are some other program terms?

- Down payments typically are not required.
- The maximum loan amount depends on factors such as income, assets, debts, and the amount of payment assistance for which you are eligible.
- Interest rates are fixed and based on current market rates at loan approval or closing, whichever is lower.

What governs this program?

- The Housing Act of 1949, amended; 7 CFR Part 3550 (available at this link: go.usa.gov/xzcvG)
- The Single Family Housing Direct Program Field Office Handbook is available at this link: tinyurl.com/RHS-guides.

NOTE: Because information changes, always consult official program instructions or contact your local Rural Development office for help. A list is available at this link: go.usa.gov/xJHPE. You will find additional resources, forms, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

Last revised September 2024

ATTACHMENT 3-D

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 typically include open country and places with a population of 10,000 or less and, under certain conditions, towns and cities between 10,000 and 20,000 population.

For detailed information on income limits and eligible areas, visit:
<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>.

The property must be in good repair or placed in good repair with loan funds. For an existing property, a whole house inspection performed by a qualified inspector is needed. The buyer and seller should discuss who will cover the cost of the whole house inspection and address this item in the purchase agreement.

All who apply get equal consideration without regard to race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity.

To apply, complete all the applicable items in the attached checklist of items to accompany the uniform residential loan application and submit the package using one of the options below:

- Through a loan application packager. To locate an application packager, please visit <https://www.rd.usda.gov/sites/default/files/RD-SFH-IntermediaryMap.pdf>.
- Apply online after registering to obtain a USDA eAuthentication identification and password. <https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home>
- Return to the Rural Development office using the address(es) below. If an email address is listed below, password protect the email to protect personal identifiable information.

1221 College Park Drive
Suite 200
Dover, DE 19904

A loan application packager provides an optional service to an applicant seeking a housing loan by helping to navigate the loan application process. A packager can help determine if the Section 502 Direct Loan Program is a good fit and, if so, help to assemble a complete loan application package. Loan application packaging fees can generally be included in the Rural Development loan or can be paid by the seller, builder, or third party. Packagers do not work for or represent Rural Development. Eligible loan application packagers can either work with or without an approved intermediary. An intermediary is an affordable housing nonprofit, public agency, or State Housing Finance Agency approved by Rural Development to perform quality assurance reviews on loan application packages. Loan application packages funneled through an approved intermediary receive priority processing.

Priority status may also include applications for:

- Agency borrowers requesting subsequent loans to correct health and safety hazards
- Applicants interested in obtaining loans for Real Estate Owned property or related to the transfer and assumption of property owned by a program borrower
- Applicants facing housing-related hardships (please identify any housing-related hardships you may be experiencing on the Attachment 3-J of this Chapter, which is completed as part of the standardized application package).

Loan applications which do not qualify for priority consideration will be selected for processing after all applications with priority status have been processed.

Please contact a loan application packager or the above Rural Development office if you have questions regarding what needs to be in your application package or if would like assistance in completing a form. To determine if you qualify, review these frequently asked questions:

“CAN I ASSESS MY ELIGIBILITY PRIOR TO APPLYING?”

Using the [Single Family Housing Direct Self-Assessment tool](#), potential applicants may enter information online to determine if the Section 502 Direct Loan Program is a good fit for them prior to applying. The tool will provide a preliminary review after a potential applicant enters information on their general household composition, monthly income, monthly debts, property location, estimated property taxes, and estimated hazard insurance.

To access the tool, visit <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do> and click on the Single Family Housing Direct tab.

Potential applicants are welcome to submit a complete application for an official determination by Rural Development regardless of the self-assessment results. Upon receipt of a complete application, Rural Development will determine the applicant’s eligibility using verified information and the applicant’s maximum loan amount based on their repayment ability and the [area loan limit](#) for the county in which the property is located.

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

RHS will look at your monthly obligations and 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?”

Consider applying with a co-applicant if there is another member of your household willing and able to be a note signer. RHS will then look at your combined income and credit when determining repayment ability. You may also consider a co-signer. A co-signer is an individual who will not reside in the dwelling, but who is willing to be responsible for the debt. You may also consider applying for down payment assistance programs in your area which provide affordable housing products. Many areas have Housing Finance Agencies, Housing Authorities, or Nonprofit Agencies which administer these programs. Funding from these sources can be combined with Rural Development loan funds.

“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 or a stable source of income may have an impact on the Agency's decision. Experience has shown that applicants with stable jobs and income sources are more likely to repay the loan.

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

Yes. Your credit 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 determine if you can repay the loan. If you are unsure what your credit history contains, you can obtain a free credit report by calling 1-877-322-8228 or logging into <https://www.annualcreditreport.com>. By law, individuals are entitled to receive one free credit file disclosure every 12 months from each of the nationwide consumer credit reporting companies – Equifax, Experian and TransUnion. Furthermore, the three nationwide credit reporting agencies have [permanently extended a program](#) which provides free weekly online credit reports.

This free report cannot replace the credit report that the Agency will obtain to determine eligibility.

“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 120 days of filing a complete application. However, depending on the availability of Government funding, this timeframe may be extended. The applicant is periodically advised regarding the status of their application when there is lack of funding.

Applications will be processed based on the following priorities: 1) subsequent loans to correct health and safety hazards, 2) loans to purchase homes owned by RHS and loans to transfer and assume (or purchase with new loan funds) properties owned by RHS borrowers, 3) hardships as defined by RHS, 4) loans that bring in additional resources as defined by RHS, including loan application packages funneled through an approved intermediary, and 5) applications that do not qualify for priorities 1 - 4. Within each priority category, veterans' preference will be given to applicants who were discharged or released (except for a dishonorable discharge) from the U.S. active forces (regardless of the position held – administrative support, combat, mechanics, medical, transportation, etc.) and who actively served during eligible periods.

“HOW MUCH MONEY WILL I NEED FOR A DOWN PAYMENT?”

A down payment is generally 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 typically needed unless you exceed applicable asset thresholds for elderly and non-elderly households.

“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 upfront. The first year's hazard insurance premium and whole house inspection report fee are paid prior to closing unless included in the loan amount. 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 loan application packager, a real estate agent, or a closing agent. Failure to provide information timely results in delayed decisions and other actions.

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.
4. Be a U.S. citizen, a U.S. noncitizen national, or a qualified alien and provide acceptable evidence of qualified alien status.

“WHAT ARE THE TERMS OF THE LOAN?”

The maximum repayment period is 33 years and, under certain conditions, 38 years if the applicant is income eligible and the longer term is necessary to show repayment ability. Rural Development staff can work with you if you are determined eligible, to determine whether a 38-year term is appropriate. The maximum repayment period for manufactured homes is 30 years.

“WHERE MAY HOUSES BE LOCATED?”

Houses must be located in a rural area, 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 or a homeowner’s association.

“WHAT ABOUT THE FEATURES OF THE HOME AND SITE?”

While cost and features vary in different areas of the country, the home and site must be modest. A modest site generally cannot be subdivided under local zoning laws, does not include land or structures that will be used principally for income-producing purposes, and complies with local zoning requirements. An existing home with an in-ground swimming pool may be considered modest; however, in-ground swimming pools with new construction or with properties that are purchased new are prohibited. Under certain conditions, an exception to these standards may be granted on a case-by-case basis. 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 hiring a qualified inspector to conduct a whole house inspection on an existing property and for making inspections necessary to protect their interests. While a Rural Development staff member or designee may inspect a property during and/or following construction or repair, these inspections do not create or imply a warranty or guarantee on the condition of the property.

“WHERE MAY I APPLY?”

Applications are made at the local Rural Development office or through an application packager serving the area where the house will be located. To locate your nearest Rural Development office, please visit: <https://www.rd.usda.gov/find-your-local-area-office>. To locate an application packager, please visit <https://www.rd.usda.gov/sites/default/files/RD-SFH-IntermediaryMap.pdf>.

ATTACHMENT 3-H

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 tri-merge credit report, a copy of which will be provided to you upon request. The range of possible scores is from 300 to 850. The Agency may also obtain and consider other credit scores in making its decision on your application.

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 tri-merge credit report from which the scores were computed, you can contact the credit bureau at the address listed below.

**Equifax Mortgage Solutions
4300 Westown Parkway, Suite 200
West Des Moines, IA 50266
(800) 333-0037**

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 tri-merge 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 tri-merge 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 DISCLOSURE HAS BEEN PROVIDED TO THE 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 TRI-MERGE CREDIT REPORT BY MAKING A WRITTEN REQUEST TO THE RURAL DEVELOPMENT OFFICE HANDLING MY LOAN APPLICATION.

Note: To be eligible for a Section 502 Direct loan, applicants must demonstrate that they are reasonably able and willing to repay an Agency loan. An applicant's credit record does not have to be perfect; a few instances of credit problems can be acceptable if an applicant's overall credit record demonstrates an ability and willingness to repay obligations. (An applicant with an outstanding judgment obtained by the United States in a Federal court, other than the United States Tax court, is not eligible for a Section 502 loan. This requirement is statutory and cannot be waived.)

Exhibit 4-4

Indicators of Unacceptable Credit

- Little or no credit history. The lack of credit history on the credit report may be mitigated if the applicant can document a willingness to pay recurring debts through other acceptable means such as third-party verifications or canceled checks. Due to impartiality issues, third party verifications from relatives of household members are not permissible.
- Payments on any installment account, (on a per account basis, not cumulative of any and all of these account types), where the amount of the delinquency exceeded one installment for more than 30 days within the last 12 months.
- Payments on any revolving account, (on a per account basis, not cumulative of any and all of these account types), which was delinquent for more than 30 days on two or more occasions within the last 12 months.
- A foreclosure that has been completed within the last 36 months.
- An outstanding Internal Revenue Service (IRS) tax lien or any other outstanding tax liens with no satisfactory arrangement for payment.
- Two or more rent or mortgage payments paid 30 or more days late within the last 2 years. If the applicant has experienced no other credit problems in the past 2 years, only 1 year of rent history will be evaluated. This requirement may be waived if the program loan will reduce shelter costs significantly and contribute to improved repayment ability.
- Outstanding collection accounts with a record of irregular payments with no satisfactory arrangements for repayment, or collection accounts that were paid in full within the last 6 months, unless the applicant had been making regular payments previously.
- Non-Agency debts written off within the last 36 months, unless the debt was paid in full at least 12 months ago.
- Agency debts that were debt settled within the past 36 months or are being considered for debt settlement.
- Delinquency on a federal debt.
- A court-created or court-affirmed obligation or judgment caused by nonpayment that is currently outstanding (see Paragraph 8.5 regarding required clearance or approval upon closing), or has been outstanding within the last 12 months, except:
 - ❖ A bankruptcy in which:
 - ❖ Debts were discharged more than 36 months prior to the date of application; or
 - ❖ Where an applicant successfully completed a bankruptcy debt restructuring plan and has demonstrated a willingness to meet obligations when due for the 12 months prior to the date of application.
 - ❖ A judgment satisfied more than 12 months before the date of application.

An applicant with an outstanding judgment obtained by the United States in a Federal court, other than the United States Tax Court, is not eligible for a Section 502 loan. This requirement is statutory and cannot be waived.

Subsidy Recapture Single Family Housing (Direct Loans)

What is subsidy recapture?

Payment assistance – also called “subsidy” – is offered to eligible homeowners with USDA Rural Development Single Family Housing Direct-financed mortgages. This assistance reduces eligible customers’ required monthly payments based on their household income. At loan closing, borrowers sign a subsidy repayment agreement which defines their loan repayment terms, including the circumstances under which all – or a portion of – the subsidy must be repaid (known as “subsidy recapture.”)

How do I know if I will have to pay subsidy recapture?

If you have ever received payment subsidy, the subsidy is subject to recapture.

The mortgage or deed of trust on a property categorizes the subsidy as a lien against that property. The lien will not be released - and that means the property cannot be sold - until subsidy recapture is paid in full.

When is subsidy recapture repaid?

The borrower must pay subsidy recapture when they:

- Sell the property
- No longer live on the property (NOTE: Subsidy is also recaptured following the death of a borrower.)
- Pay the loan in full
 - If a borrower pays their loan in full and continues to occupy the property, subsidy recapture can be deferred until they move or transfer the property title to someone else.
 - As an incentive to encourage early repayment, Rural Development will offer eligible borrowers a 25-percent discount on their subsidy recapture if it is repaid at the same time the loan itself is paid in full.
 - In the event of a loan default (a foreclosure or deed in lieu of foreclosure) the amount of subsidy recapture due is equal to the amount of subsidy received over the life of the loan.

- In certain circumstances, the subsidy recapture amount may be refinanced. Call the Servicing and Asset Management Office (hereafter: Servicing Office) at 800-414-1226 to learn more about this possible option.

How is subsidy recapture calculated?

Under the current formula, the maximum subsidy recapture amount is calculated at 50 percent of the property’s value appreciation or the total dollar amount of subsidy the borrower received – whichever is less.

Other factors – such as the loan term, average interest rate, percentage of outstanding balance(s) on other open loans, and whether other loans subject to recapture are being paid off – also are considered when the subsidy capture is calculated.

How can I find out how much subsidy recapture I must repay?

You can get a verbal loan payoff estimate – including subsidy recapture – by calling USDA Rural Development’s Servicing Office Interactive Voice Response system at (800) 414-1226. Choose the “payoff information” option. Be ready to provide an estimate of the current market value of the property, along with an estimate of any closing costs that may be result from selling or refinancing.

A sample subsidy recapture worksheet is available at this link: <https://go.usa.gov/xtTke>.

NOTE: Because information is subject to change, always consult official program instructions or contact your local Rural Development office for help. You will find additional resources, forms, and program information at this link: <https://rd.usda.gov>. USDA is an equal opportunity provider, employer, and lender.

Single Family Housing Subsidy Recapture (Direct Loans) Worksheet

Subsidy Recapture Example – Sale of Home

Part 1. Calculating Value Appreciation		Amount
1	Current market value of property	\$200,000.00
2	(less) Original amounts of prior liens and subordinate affordable housing products	\$2,000.00
3	(less) Rural Development (RD) loans being paid off	\$150,000.00
4	(less) Equity recapture due from Farm Program (FP) loan	\$0.00
5	(less) Closing costs	\$5,500.00
6	(less) Principal reduction (note rate) on RD loan being paid off	\$1,200.00
7	(less) Principal Reduction Attributed to Subsidy (PRAS) on loan being paid off	\$0.00
8	(less) Original equity	\$0.00
9	(less) Capital improvement credit	\$0.00
10	Value appreciation (Line 1 minus the total of Lines 2–9) (If \$0 or less, enter \$0 and complete Part II; if more than \$0, complete Part III.)	\$41,300.00
Part II. Amount Due if There is No Value Appreciation		Amount
11	Rural Development loans being paid off (Line 3)	n/a
12	Equity recapture from FP loan to be collected	n/a
13	PRAS to be collected	n/a
14	Amount due (Lines 11 + 12 + 13) (If negative, stop here. If positive continue to Part III.)	n/a
Part III. Percentage of Total Debt Subject to Recapture to be Paid Off		Amount
15	Rural Development loans being paid off which are subject to recapture (Line 3)	\$150,000.00
16	Outstanding balance of all RD loans and the balance of prior non-RD liens and subordinate affordable housing products being paid off [In this example, at the time of payoff, the prior non-RD liens and subordinate affordable housing products were already paid in full.]	\$150,000.00
17	RD loans being paid off as a percentage of all mortgage loans (Line 15/Line 16)	100.00%
Part IV. Value Appreciation Subject to Recapture		Amount
18	Amount of value appreciation attributable to loans subject to recapture (Line 10; or if Part III was completed, Line 10 × Line 17)	\$41,300.00
19	Recapture percentage (the lesser of 50% or the percentage contained in the Subsidy Recapture Agreement) [For the purposes of this example, 50% is used.]	50.00%
20	Value appreciation reduced by recapture percentage (Line 18 × Line 19)	\$20,650.00
21	Percentage of original equity (from Subsidy Repayment Agreement)	0.00%
22	Value appreciation, reduced by recapture percentage, attributable to original equity (Line 20 × Line 21)	\$0.00
23	Value appreciation subject to recapture (Line 20 – Line 22)	\$20,650.00
Part V. Amount Due if There is Value Appreciation		Amount
24	Amount of payment subsidy received	\$30,000.00
25	Recapture amount (Line 7 + the lesser of Line 23 or Line 24)	\$20,650.00
26	Discounted recapture amount, if applicable (Line 25 × 75%)	n/a
27	Final payoff amount (Line 3 + Line 4 + Line 25 or Line 26 as appropriate)	\$170,650.00

NOTE: Because information is subject to change, always consult official program instructions or contact your local Rural Development office for help. You will find additional resources, forms, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

Dear Applicant,

This is the end of the Single Family Housing Direct Home Loan application package.

Prior to submitting your application, please check the following items:

1. Check that all sections on all forms are fully completed.
2. Check that all forms are signed and dated.
3. Make sure all applicable items listed on Attachment 3-J, Checklist of Items to Accompany the Uniform Residential Application are provided with the application package.

IMPORTANT: If any item, information and/or signature is missing, your application is considered incomplete and you will be contacted and asked to provide the missing pieces.

Please forward the entire application package to one of the options listed on the cover page.

Thank you for choosing USDA Rural Development for your home loan.

Respectfully,

USDA Rural Development