



## BASIC REQUIREMENTS FOR RURAL DEVELOPMENT HOUSING LOANS

1. Adjusted income must be at or below the low amount set for family size as shown below. (Adjusted income is gross wages minus \$480 for each minor child living at home).

### INCOME LEVELS FOR OAKLAND, MACOMB, MONROE, AND WAYNE COUNTIES

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low	23,300	26,600	29,950	33,250	35,900	38,550	41,250	43,900
Low	36,750	42,000	47,250	52,500	56,700	60,900	65,100	69,300

### INCOME LEVELS FOR LIVINGSTON, LENA WEE, AND WASHTENAW COUNTIES

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low	25,050	28,650	32,200	35,800	38,650	41,550	44,400	47,250
Low	36,750	42,000	47,250	52,500	56,700	60,900	65,100	69,300

### INCOME LEVELS FOR JACKSON COUNTY

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low	17,650	20,150	22,700	25,200	27,200	29,250	31,250	33,250
Low	28,200	32,250	36,300	40,300	43,550	46,750	50,000	53,200

### INCOME LEVELS FOR HILLSDALE COUNTY

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low	16,300	18,600	20,950	23,250	25,100	26,950	28,850	30,700
Low	26,050	29,750	33,500	37,200	40,150	43,150	46,150	49,100

### INCOME LEVELS FOR INGHAM COUNTY

Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Very Low	19,800	22,650	25,450	28,300	30,550	32,850	35,100	37,350
Low	31,700	36,200	40,750	45,300	48,900	52,500	56,150	59,750

2. All income will be verified including, but not limited to, all employment, child support, social security, social services, and pensions.

3. All loans are required to be leveraged with a participating lender unless extenuating circumstances dictates consideration for a waiver of this requirement in accordance with USDA policies and procedures. Leveraged loans have funding priority.

4. Applicant must be unable to obtain financing from any other source.

5. Applicant must have good credit, a stable income and a \*moderate debt load. \*Applicant must have sufficient income with which to adequately repay a mortgage in addition to other obligations including taxes, insurance, and essential family expenses.

6. Adjusted low to very low income applicants (see #1 income charts) may be eligible for a subsidized interest rate (not lower than 1%), which is subject to recapture by the Government.

(6/01) SEE NEXT PAGE FOR MORE IMPORTANT INFORMATION

*Rural Development is an Equal Opportunity provider and employer. To file a complaint of discrimination, write:  
USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14<sup>th</sup> and Independence Avenue, SW,  
Washington, D.C. 20250-9410 or call (202)720-5964 (voice and TDD)*

**Requirements of Rural Development Loans (continued)**

7. The mortgage is for 33 years, the payment reciprocal figure for the current interest rate of 6.875 is .00640 (Note Rate) and .00297 for 1.000% (Lowest possible subsidized payment). Example: \$80,000.00 x .00640 = \$512.00 monthly payment. Your actual monthly payment will be based on your income and reflect an interest rate between the note rate and one percent. Subsidized accounts are reviewed annually.
8. There is currently no waiting list for applicants. Leveraged loans, assumptions, and hardships have funding priority. Assumptions are homes that are currently financed through this agency of which the borrower is selling. In order to purchase these homes, you would assume the underlying debt and an equity loan would be provided by a participating lender or by this agency. Periodically, funding may be exhausted. However, hardships may have funding priority. Complete documentation of hardship situation is required. Please contact this office for further information on hardship status.
9. Taxes and Insurance will be escrowed by the agency or the leveraged lender and will be a part of your monthly payment.
10. This program is geared toward giving the opportunity to people to start a home for themselves; after some time Rural Development may require you to refinance if you are able to do so.
11. All homes financed through this program must be of modest design and meet standard safety and building requirements.
12. Closing fees: Leveraged Lender fee (\$500 - \$1,500); Title Company fee (\$500 - \$900); Pro-rated share of taxes (varies depending on area and time of sale); Pre-paid Taxes and Insurance necessary to establish escrow fund (varies depending on area and time of sale. Both pro-rated and pre-paid taxes and insurance will be approximately one year worth of taxes and insurance; Homeowners Insurance (\$250 - \$500); Mortgage Survey (\$150); Appraisal Fee (\$325); Tax service fee (\$95.00).
13. Loans are subject to the following HUD maximum loan limits for each respective county:

<b>HILLSDALE.....\$ 86,317</b>	<b>MACOMB..... \$128,550</b>
<b>INGHAM.....\$104,500</b>	<b>MONROE.....\$116,850</b>
<b>JACKSON..... \$ 86,317</b>	<b>OAKLAND.....\$134,900</b>
<b>LENAWEE.....\$126,350</b>	<b>WASHTENAW .....\$135,800</b>
<b>LIVINGSTON .....\$140,600</b>	<b>WAYNE.....\$123,150</b>

ELIGIBLE AREAS COVERED BY THIS OFFICE INCLUDE ALL OF HILLSDALE AND LIVINGSTON COUNTIES AND PORTIONS OF OAKLAND, MACOMB, JACKSON, WASHTENAW, LENAWE, MONROE, INGHAM, AND WAYNE COUNTIES (eligibility maps are available upon request).

PLEASE SPECIFY WHICH COUNTY YOU WISH TO PURCHASE A HOME IN ON YOUR PREQUALIFICATION FORM. If no County is specified the County of current residence will be used.

ATTACHED IS A PREQUALIFICATION FORM. PLEASE COMPLETE ALL AREAS OF THE FORM APPLICABLE TO YOUR SITUATION AND SIGN WHERE INDICATED. INCOMPLETE FORMS WILL NOT BE ACCEPTED. **YOU MAY FAX, MAIL, OR PERSONALLY DELIVER THE PREQUALIFICATION FORM TO THIS OFFICE.** THIS OFFICE WILL RETRIEVE AN "IN-FILE" CREDIT REPORT AT NO COST TO THE APPLICANT AND EVALUATE OTHER PRELIMINARY DATA IN ORDER TO MAKE A PRE-ELIGIBILITY DETERMINATION. GENERALLY, THIS DETERMINATION CAN BE MADE WITHIN 24-48 HOURS UPON RECEIPT OF A COMPLETE PREQUALIFICATION WORKSHEET. FREE CREDIT COUNSELING IS AVAILABLE TO ALL APPLICANTS.

If you are having difficulty completing the form or have questions about our services, please feel free to contact our office.

# RURAL DEVELOPMENT PREQUALIFICATION WORKSHEET

## RURAL DEVELOPMENT LOCAL OFFICE

3469 E Grand River

Howell, MI 48843

T: (517) 548-1550 ext 4      FAX: (517) 548-0533

Real Estate Agent/Contractor		Address					
Phone Number		Fax Number		E-mail Address			
<b>Applicant #1</b>				<b>Applicant #2</b>			
Name (Include Jr. or Sr. if applicable)				Name (include Jr. or Sr. if applicable)			
Social Security Number	Home Phone (Include Area Code)	Age	Yrs. School	Social Security Number	Home Phone (Include Area Code)	Age	Yrs. School
<input type="radio"/> Married <input type="radio"/> Unmarried, (Include single, divorced, widowed)		Dependents (Not listed by App. #2) No.      Ages		<input type="radio"/> Married <input type="radio"/> Unmarried (Include single, divorced, widowed)		Dependents (Not listed by App. #1) No.      Ages	
Present Address (Street, City, State, ZIP) <input type="radio"/> Own <input type="radio"/> Rent      No. Yrs.				Present Address (Street, City, State, ZIP) <input type="radio"/> Own <input type="radio"/> Rent      No. Yrs.			
Daytime phone # -							

### MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

GROSS MONTHLY INCOME	APPLICANT# 1	APPLICANT# 2	OTHER**	TOTAL	MONTHLY DEBTS	TOTAL	HOUSE TO BE PURCHASED/CONSTRUCTED
Base Empl. Income	\$	\$	\$	\$	Child Care	\$	Purchase Price/Cost
Overtime & Bonuses					Credit Cards		Property Insurance
SS/SSI					Car Payments		Real Estate Taxes
Commissions					Bank Loan		Current Rent Payment
Dividends/Interest					Student Loan		(ABOVE IF KNOWN)
Net Business or Rental Inc.					Child Support		
Child Support					Alimony		
Other					Other		Unreimbursed Medical Exp
<b>TOTAL</b>	\$	\$	\$	\$	<b>TOTAL</b>	\$	Unreimbursed Disability Exp

Handicapped/Disabled    YES    NO

YOUR PROPOSED HOUSE WILL BE LOCATED IN \_\_\_\_\_ COUNTY

OWN PROPERTY ( ) yes ( ) no

\*\* OTHER ADULTS IN HOUSEHOLD - NAME \_\_\_\_\_ AGE \_\_\_\_\_

PROPERTY VALUE \$ \_\_\_\_\_

**Certification:** I certify that the information provided in this application is true and correct as of the date set forth opposite my signature on this application and acknowledge my understanding that any intentional or negligent misrepresentation of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, and liability for monetary damages to the Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I have made on this application.

### AUTHORIZATION TO RELEASE INFORMATION

I have applied for a loan or grant from Rural Housing Services (RHS), United States Department of Agriculture. As part of the process, RHS may verify information contained in my request for assistance and in other documents required in connection with the request.

I authorize you to provide to RHS for verification purposes the following applicable information:

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

I authorize the release of information from my application file to my real estate agent, contractor or lender.

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 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.

The information RHS obtains is only to be used in the processing of my request for assistance. Your prompt reply is appreciated.

Applicant's Signature	Date	Applicant's Signature	Date
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