



Florida/Virgin Islands
3434 Hancock Bridge Pkwy
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N. Ft. Myers Local Office
Telephone: (239)997-7331
FAX: (239) 997-7557
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www.rurdev.usda.gov/fl

The USDA, Rural Development (RD) is authorized to make loans to eligible low-income persons to buy, build, or repair modest homes in rural areas. The homes financed by the Agency must be modest in size, design and cost and be situated on a minimum adequate site, normally less than 1 acre. All construction must meet the State of Florida Building Codes.

To be eligible for a low-income housing loan, an applicant must meet various eligibility requirements. One of these requirements is that the applicant must have sufficient and dependable available income to pay normal living expenses, present debts, real estate taxes, property taxes, property insurance, utility and maintenance costs, as well as the rural housing loan payments. Income eligibility is based on an adjusted income not to exceed the low-income limit for the county where the property is located. Please see the enclosed list of income limits for the five county area that our office covers.

We currently work with SHIP Programs in Sarasota, Collier, Hendry, Lee Charlotte and Glades Counties to further assist our applicants with down payment and/or closing costs. Our goal to keep the lender fees as low as possible to assist our borrowers. The current interest rate for this type of loan is a fixed rate of 5.75 percent for 33 years. However, depending on the income of the borrower, the interest rate may be reduced to as low as 1 percent and the loan payments may be reduced if the applicant is eligible to receive subsidy. There are no lender origination fees and mortgage insurance is not required. The borrower must pay a \$113.00 tax service fee and \$325.00 for the home appraisal. Other than providing funds for the initial escrow account deposit, those are the only fixed fees the borrower must pay at closing. Generally, these fees are paid for by the County programs.

USDA, Rural Development is dedicated to assisting low and very-low income individuals and families to become homeowners at the lowest rates and terms available.

Committed to the future of rural communities

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



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ELIGIBILITY REQUIREMENTS FOR RH 502 LOANS
(NEW CONSTRUCTION AND EXISTING HOUSES)

1. Adjusted gross income must be under the low income section (see attachment) according to the number of persons in the household. Income from all adults in the household must be included. Adjusted gross income is figured as follows: gross income less \$480.00 for each child under 18 living in the household, less verified child care costs, less \$400.00 for elderly (over 62) and/or handicapped.
2. A proven history of job stability is also required. Generally, applicants must have been employed for a minimum of six (6) months prior to filing an application.
3. An applicant's credit history does not have to be perfect to be eligible for a loan. A few instances of credit problems can be acceptable if an applicant's overall credit record demonstrates an ability and willingness to repay obligations. In some instances, prior adverse credit may be waived as long as a reasonable and acceptable explanation is provided in writing.
4. Eligible applicants must possess repayment ability for the requested loan based on procedural ratio requirements. These ratios include projected housing costs; i.e., payment, taxes, insurance and current debt load to other creditors. For participation loans, projected lender payment will be included in the ratios.
5. All homes financed must be located in a designated rural area as determined by the U.S. Census Bureau, and must be MODEST in size, design and cost. The dwelling must be located on a paved county maintained road.

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DWELLING REQUIREMENTS

1. Modest house: Dwellings financed must provide decent, safe, and sanitary housing be modest in size, design, and cost, and not exceed the housing needs of the applicant. Housing needs will be determined by the Rural Development Manager, based on the number and composition of the household, along with consideration of special needs, such as facilities for the elderly, disabled, or handicapped.
2. Garage: Garages are limited to 350-400 square feet.
3. Modest sites: Modest sites are defined by their size, value, and the presence of any outbuildings. The requirements listed below must be met:
 - a. Size: The site must not be large enough to be subdivided under local subdivision regulations.
 - b. Value: The value of the site must not exceed 30 percent of the as-improved market value of the property.
 - c. Farm Bldgs: The property must not include farm service buildings (although smaller outbuildings such as storage sheds are allowed), or must be readily salable with the farm buildings.



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Dear Rural Development Applicant: You must bring the following information with you when you come in for a "Pre-Qualification" interview. **Please do not send this information in the mail.** Call our office to schedule an appointment for a "Pre-Qualification" interview:

1. A copy of your 2 most recent Income Tax returns and W-2 forms. (Collier 3 years)
2. A copy of 3 of your most recent pay stubs indicating deductions for withholding, FICA, insurance, etc.
3. Please provide for all persons in the household as applicable:
 - a. Verification of AFDC, S.S.I, retirement, disability, child support, or workers compensation. Documentation of any other income, i.e., pensions, annuities, mutual funds, 401-K, etc.
 - b. Copies of all divorce decrees showing child support orders and property settlement agreements.
 - c. Verification of Social Security benefits for all persons in the household for the current year.
4. A money order or check made payable to Rural Development in the amount of \$25.00 for a single applicant credit report, or \$34.00 for a joint married credit report. If applicant and co-applicant are not married, the fee is \$50.00.
5. Statements pertaining to all debts, i.e., loans, credit cards, store accounts, etc., which indicate the balance owed, account number, address where payments is sent and the estimated amount of your monthly payment.
6. Landlord information for the past two years including the landlord's name, address and phone number.
7. Employment information for the past two years including the salary earned, title or position held, name, address and phone number of the employer.
8. Bank account information including the account number, balance, name, address and telephone number of the banking institution.
9. Picture identification for applicant(s) and Social Security cards for all members of the household.

If you have any questions concerning any of the above or the enclosed information, please contact our office at the above number.

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HB-1-3550, APPENDIX 9

STATE: FLORIDA

05/18/2007 SPN

ADJUSTED INCOME LIMITS

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON *	
MSA: LEE County									
Ft. Myers-Cape Coral, FL	VERY LOW INCOME	19600	22400	25200	28000	30250	32500	34700	36950
Fort Myers Shores, San Carlos Park	LOW INCOME	31350	35850	40300	44800	48400	51950	55550	59150
	MODERATE INCOME	36850	41350	45800	50300	53900	57450	61050	64650
	38 YEAR TERM	23500	26900	30250	33600	36300	39000	41650	44350
	ADJ. MEDIAN INC.**	39200	44800	50400	56000	60500	65000	69400	73900
MSA: COLLIER County									
Naples, FL	VERY LOW INCOME	24450	27900	31400	34900	37700	40500	43300	46050
Immokalee	LOW INCOME	39100	44700	50250	55850	60300	64800	69250	73700
	MODERATE INCOME	44600	50200	55750	61350	65800	70300	74750	79200
	38 YEAR TERM	29300	33500	37700	41900	45250	48600	51950	55300
	ADJ. MEDIAN INC.**	48900	55800	62800	69800	75400	81000	86600	92100
MSA: CHARLOTTE County									
Punta Gorda	VERY LOW INCOME	17800	20300	22850	25400	27450	29450	31500	33550
	LOW INCOME	28450	32500	36600	40650	43900	47150	50400	53650
	MODERATE INCOME	33950	38000	42100	46150	49400	52650	55900	59150
	38 YEAR TERM	21350	24400	27450	30500	32950	35400	37800	40250
	ADJ. MEDIAN INC.**	35600	40600	45700	50800	54900	58900	63000	67100
MSA: SARASOTA & MANATEE Counties									
Bradenton, North Port, Venice	VERY LOW INCOME	20450	23350	26300	29200	31550	33850	36200	38550
	LOW INCOME	32700	37350	42050	46700	50450	54150	57900	61650
	MODERATE INCOME	38200	42850	47550	52200	55950	59650	63400	67150
	38 YEAR TERM	24550	28050	31550	35050	37850	40650	43450	46250
	ADJ. MEDIAN INC.**	40900	46700	52600	58400	63100	67700	72400	77100
MSA: DESOTO COUNTY									
	VERY LOW INCOME	15450	17650	19850	22050	23800	25600	27350	29100
	LOW INCOME	24700	28250	31750	35300	38100	40950	43750	46600
	MODERATE INCOME	30200	33750	37250	40800	43600	46450	49250	52100
	38 YEAR TERM	18500	21150	23800	26450	28550	30700	32800	34900
	ADJ. MEDIAN INC. **	30900	35300	39700	44100	47600	51200	54700	58200
MSA: MIAMI, FL									
West of Krome ave	VERY LOW INCOME	20750	23700	26700	29650	32000	34400	36750	39150
	LOW INCOME	33200	37950	42700	47450	51250	55050	58850	62650
	MODERATE INCOME	38700	43450	48200	52950	56750	60550	64350	68150
	38 YEAR TERM	23500	26850	30200	33550	36250	38900	41600	44300
	ADJ. MEDIAN INC. **	41500	47400	53400	59300	64000	68800	73500	78300

COUNTY	LOAN MAX
Lee	\$270,750.00
Collier	\$362,790.00
Charlotte	\$224,209.00

COUNTY	LOAN MAX
Sarasota/Manatee	\$336,100.00
Desoto	\$200,160.00
Dade	\$362,790.00

* Add 8% of 4 Person limit for each person in excess of 8, except for Moderate Income families, for which \$5,500.00 should be added to the respective Low-Income limit for 8 Person families.

** Rural Housing Adjusted Median Incomes shown equal twice the respective Very Low-Income limit.

COLLIER and DESOTO COUNTIES are all eligible areas.

LEE COUNTY eligible areas are Ft. Myers Shores, Lehigh Acres, and areas East of I-75; San Carlos Park South of Alico;

CHARLOTTE COUNTY eligible areas are anywhere in Punta Gorda, and East of I-75.

Estero and Bonita Springs East of US 41

SARASOTA COUNTY eligible areas are East of I-75, and all of North Port

MANATEE COUNTY eligible areas are North of Manatee River and East of Braden River

For detailed maps showing eligible logon to: <http://eligibility.sc.egov.usda.gov>

Maximum loan is based on income limitation and the average principal, interest, taxes, insurance and maintenance costs in South Florida. Each loan amount is determined by each individual's financial circumstances, i.e., repayment ability. The low-income and very low-income categories on the above chart refer to subsidy funding by Rural Development. The subsidy is a reduction in interest and is of a temporary nature based on annual reviews. To verify this subsidy and project your payments, a scheduled interview will be held during initial stages of processing. The Rural Development subsidy, Payment Assistance, is subject to partial or full repayment to the government upon principal payment in full, refinancing, or sale of your property, as applicable.

4.11 CREDIT REQUIREMENTS

The Loan Originator must evaluate the credit history for each applicant who will be a party to the note. An applicant's credit record does not have to be perfect to be eligible for a loan. A few instances of credit problems can be acceptable if an applicant's overall credit record demonstrates an ability and willingness to repay obligations. Exhibit 4-3 spells out the indicators of unacceptable credit that should be used to evaluate an applicant's credit history. These indicators must be followed consistently; however, the Loan Approval Official can make exceptions in limited circumstances, as described in Paragraph 4.15.

Cosigners

Cosigners must meet the same credit-worthiness requirements as applicants.

The Loan Originator must investigate all major indications of unacceptable credit to determine whether there is an acceptable explanation for the problem that might justify an exception. Failure to understand the nature of a credit problem could put the Agency at risk of providing financing to an applicant who is unable or unwilling to repay the debt, or could cause the Agency to reject an applicant on the basis of inaccurate or incomplete information.

For instance, an applicant with no credit history reflected on a credit report will require further examination. This is because not every creditor reports to credit bureaus, and the Agency must have a full picture of the applicant's willingness to pay recurring debt before rejecting an application due to lack of credit history. For example, an applicant may be able to document an acceptable credit history through submission of a third party verification, copies of canceled checks, or other acceptable documentation for monthly obligations such as rent, utility, phone or doctor bills, or other recurring debt payments.

If an applicant's credit history is unacceptable, the Loan Originator should counsel the applicant about the specific problems identified, and ways to improve the household's credit record for the future. The Loan Originator should make it clear that establishing a pattern of meeting obligations that conforms to the Agency's standards might make it possible for the applicant to qualify for a Section 502 loan in the future.

The Loan Originator must use consistent standards and procedures when evaluating credit qualifications to ensure equity and fairness. Special areas of concern include:

- Determining what constitutes acceptable documentation;
- Counseling applicants about ways to correct adverse credit; and
- Interpreting subjective information.



Exhibit 4-3 Indicators of Unacceptable Credit

- No credit history. (Note: A lack of credit history reflected on a credit report may be mitigated if the applicant can document a willingness to pay debts through submission of a third party verification, copies of canceled checks, or other acceptable documentation for monthly obligations such as rent, utility, phone or doctor bills, or other recurring debt payments).
- Payments on any account where the amount of the delinquency exceeded one installment for more than 30 days within the last 12 months.
- Payments on any account which was delinquent for more than 30 days on two or more occasions within a 12 month period.
- 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 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 has been making regular monthly 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 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.

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