



United States  
Department of  
Agriculture

502 Direct Loan Housing Program

[www.rd.usda.gov/vt](http://www.rd.usda.gov/vt) : [www.rd.usda.gov/nh](http://www.rd.usda.gov/nh)

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## Home Ownership Loan Pre-Application Package

- ❖ Buy an Existing House
- ❖ Construct a New Home
- ❖ No Cost for Pre-App
- ❖ 100% Financing
- ❖ No Down Payment Requirement
- ❖ Subsidized Loan Payments

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## How to Pre-Apply

Complete the Pre-Application Information Sheet and the Authorization to Release Information Form and return them to the Rural Development Office nearest you.

Please contact the respective Rural Development Specialist with any questions you may have about our program.

**Please submit the Pre-application Package to the Appropriate Office for Processing.**

MAY 18, 2017

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

To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave., S. W. , Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service). Persons with disabilities who require alternative means of communication should contact the USDA's TARGET Center at (202) 720-2600 or the USDA through the Federal Relay Services at (800) 877-8339.

**PLEASE Submit Applications to the Appropriate Office for Processing**

**RURAL DEVELOPMENT SPECIALISTS - [www.rd.usda.gov/nh](http://www.rd.usda.gov/nh) ; [www.rd.usda.gov/vt](http://www.rd.usda.gov/vt)**

**VERMONT**

BRATTLEBORO AREA OFFICE	MONTPELIER AREA OFFICE	ST. JOHNSBURY OFFICE
<p align="center">USDA, Rural Development 28 Vernon Street, Suite 333 Brattleboro, Vermont 05301 (802) 689-3034 FAX (1-855-794-3675)</p> <p align="center">BENNINGTON, RUTLAND, WINDHAM AND WINDSOR COUNTIES</p> <p align="center">Deborah Boyd (802) 689-3023 <a href="mailto:deborah.boyd@vt.usda.gov">deborah.boyd@vt.usda.gov</a></p>	<p align="center">USDA, Rural Development 87 State Street, PO BOX 249 Montpelier, Vermont 05601 (802) 828-6012 FAX (1-855-794-3681)</p> <p align="center">CHITTENDEN, FRANKLIN AND GRAND ISLE COUNTIES</p> <p align="center">Rita Weisburgh (802) 828-6003 <a href="mailto:rita.weisburgh@vt.usda.gov">rita.weisburgh@vt.usda.gov</a></p> <p align="center">ADDISON, LAMOILLE AND WASHINGTON COUNTIES</p> <p align="center">Megan Roush (802) 828-6006 <a href="mailto:megan.roush@vt.usda.gov">megan.roush@vt.usda.gov</a></p>	<p align="center">USDA, Rural Development 481 Summer Street, Suite 203 St. Johnsbury, Vermont 05819 (802) 748-8746 Ext 125 FAX (1-855-794-3675)</p> <p align="center">CALEDONIA, ESSEX, ORANGE AND ORLEANS COUNTIES</p> <p align="center">Dianne Drown (802) 748-8746 Ext 125 <a href="mailto:dianne.drown@vt.usda.gov">dianne.drown@vt.usda.gov</a></p>

**NEW HAMPSHIRE**

CONCORD AREA OFFICE	CONWAY AREA OFFICE	BERLIN OFFICE
<p align="center">USDA, Rural Development 10 Ferry Street, Suite 218 Concord, NH 03301 (603) 223-6035 FAX (1-855-428-0329)</p> <p align="center">BELKNAP, STRAFFORD, AND ROCKINGHAM COUNTIES</p> <p align="center">Carolyn Chute-Festervan <a href="mailto:carolyn.chute-festervan@nh.usda.gov">carolyn.chute-festervan@nh.usda.gov</a></p> <p align="center">HILLSBOROUGH AND MERRIMACK COUNTIES</p> <p align="center">Daphne Feeney <a href="mailto:daphne.feeney@nh.usda.gov">daphne.feeney@nh.usda.gov</a></p> <p align="center">CHESHIRE AND SULLIVAN COUNTIES</p> <p align="center">Michael Santomassimo <a href="mailto:michael.santomassimo@nh.usda.gov">michael.santomassimo@nh.usda.gov</a></p>	<p align="center">USDA, Rural Development 73 Main Street, Grindle Center PO Box 1020 Conway, NH 03818 (603) 447-3318 Ext 200 FAX: (1-855-428-0331)</p> <p align="center">CARROLL AND SOUTHERN GRAFTON COUNTIES</p> <p align="center">Tracy Rexford <a href="mailto:tracy.rexford@nh.usda.gov">tracy.rexford@nh.usda.gov</a></p>	<p align="center">USDA, Rural Development 15 Mount Forist PO Box 330 Berlin, NH 03570 (603) 752-1328 FAX (603) 752-1354</p> <p align="center">COOS AND NORTHERN GRAFTON COUNTIES</p> <p align="center">Janice Daniels <a href="mailto:janice.daniels@nh.usda.gov">janice.daniels@nh.usda.gov</a></p>



**COMPLETE THIS FORM FOR PRE-APPLICATION**

Committed to the Future of Rural Communities

502 PRE-APPLICATION INFORMATION							
Applicant #1				SS#		Age	
Applicant #2				SS#		Age	
Mailing Address	Town:			State		Zip	
Physical Address		Home Ph #1	Home Ph #2	Work Ph #1	Work Ph #2	Cell Ph #1	Cell Ph #2
e-mail Address	Applicant #1						
	Applicant #2						
Marital Status	Married _____ Separated _____ Unmarried (includes Single, Divorced, Widowed) _____						
Do You Have A Section 8 Voucher?	Y/N (If Y How Much Is Your Section 8?)		In What Town(s) Do You Want to Live:				
<b>GROSS MONTHLY EMPLOYMENT INCOME FOR ALL APPLICANTS?</b>							
Borrower #1 MONTHLY GROSS INCOME: \$							
Borrower #2 MONTHLY GROSS INCOME: \$							
(If seasonal or self-employed, please call your Rural Development Specialist):							
<b>Other Monthly Income:</b>							
Food Stamps \$ _____ AFDC/TANF \$ _____ SS/SSI \$ _____ PENSION \$ _____							
OTHER \$ _____							
Foster Care \$ _____ STATE PUBLIC ASSISTANCE \$ _____ CHILD SUPPORT/ALIMONY \$ _____							
<b>OTHER HOUSEHOLD MEMBERS:</b>							
Other Adults				Age	Income \$		
Other Adults				Age	Income \$		
Children				Age	Income \$		
Children				Age	Income \$		
Children				Age	Income \$		
Foster Child/Adult				Age	Income \$		
<b>ASSETS:</b>							
Checking Account Balance \$				Savings Account Balance: \$			
Stocks, Bonds, CDs: \$				IRA Account Balance: \$			
<b>DEBTS:</b>							
Rent/Non-RHS House Payment	Monthly	Balance	Real Estate Insurance \$				
Car/Truck Debt	\$	\$	Real Estate Tax \$				
Car/Truck Debt	\$	\$	Child Care Costs \$				
Other Vehicles/Equipment	\$	\$	Child Support Paid Out \$				
Other Debts	\$	\$	Un-Reimbursed Medical \$				
Other Debts	\$	\$	Other RHS Loans/Grants \$				
<b>WHERE DID YOU HEAR ABOUT USDA, RURAL DEVELOPMENT?</b>							

This does not constitute an application for financing. It is for your informational purposes only.

**PLEASE SIGN AND RETURN THE "AUTHORIZATION TO RELEASE" WITH THIS FORM.**



**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**

\_\_\_\_\_  
**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**

## NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION

The information requested on this form is authorized to be collected by the Rural Housing Service (RHS), Rural Business-Cooperative Services (RBS), Rural Utilities Service (RUS) or the Farm Service Agency (FSA) ("the agency") by title V of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.) or by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), or by other laws administered by RHS, RBS, RUS or FSA.

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 addresses, 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  
Committed to the Future of Rural Communities

502 Direct Loan Housing Program  
[www.rd.usda.gov/nh](http://www.rd.usda.gov/nh); [www.rd.usda.gov/vt](http://www.rd.usda.gov/vt)  
Please Use This Form to Calculate  
Your Adjusted Family Income.

**VERMONT - INCOME LIMITS WORKSHEET TO FIGURE YOUR ADJUSTED FAMILY INCOME**

Applicant's gross income per year (Current gross weekly income x 52) include overtime \_\_\_\_\_  
 Co-applicant's gross income per year (Current gross weekly income x 52) include overtime \_\_\_\_\_  
 Other income into the home (Annual Amounts) (i.e. child Support, Public Assistance, Social Security, Bonuses, etc.) \_\_\_\_\_  
 Total Gross Income for Year \_\_\_\_\_  
 Subtract Child Care Expenses (Expenses for child care while at work) \_\_\_\_\_  
 Subtract \$480.00 for each child \_\_\_\_\_  
 Adjusted Family Income \_\_\_\_\_

If you are elderly or disabled ask the Rural Development staff for additional deductions to which you may be entitled. If your adjusted income is over the direct income limits, you may want to inquire about the Rural Development Guaranteed loan program, which has higher income limits and also does not have a down payment requirement.

All applicants must have projected (next 12 months) household income below the "Direct" income threshold to be eligible for Direct Rural Development loans.

**VERMONT - MAXIMUM INCOME LIMITS (REVISED 05-18-2017)**

COUNTY	1-4 PEOPLE	5-8 PEOPLE
Addison County	\$58,650	\$77,500
Chittenden, Franklin and Grand Isle Counties	\$67,200	\$88,700
Bennington County	\$51,750	\$68,300
Caledonia, Essex and Orleans Counties	\$51,750	\$68,300
Lamoille County	\$54,900	\$72,450
Orange County	\$53,450	\$70,550
Rutland County	\$52,550	\$69,350
Washington County	\$59,100	\$78,000
Windham County	\$52,550	\$69,350
Windsor County	\$58,550	\$77,300

- Loans cannot be made in Burlington, South Burlington, Essex Junction and Winooski, and the Southeastern Part of Colchester due to the Population Density.

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## **PURPOSE OF THE PROGRAM**

To provide direct loan funds to low income applicants who do not qualify for conventional financing.

## **ELIGIBILITY REQUIREMENTS**

- Does not presently own adequate housing.
- Be a U.S. citizen or permanent resident.
- Personally occupy the dwelling.
- Have adequate and dependable income.
- Have a good credit history.
- Show adequate repayment ability for the loan request. The housing loan payment, real estate taxes and property insurance generally cannot exceed 29% of monthly gross income for very-low income applicants or 33% for low-income applicants. The total debt payments, including the housing costs, cannot exceed 41% of the applicant's gross income.
- Have adjusted household income that does not exceed the Rural Development limit listed on the attached Income Limits Worksheet.

## **ELIGIBLE LOAN PURPOSES**

- Purchase an existing Single Family dwelling or condominium.
- Purchase a building site and construct a single family home, including manufactured homes/modular.
- New Construction must comply with accepted building codes.
- Repair qualifying single family dwellings.
- Refinance Real Estate debts of other lenders when circumstances beyond the applicant's control show payments cannot be maintained, or if significant improvements are necessary exceeding at least \$5,000.
- Closing costs can be included up to the appraised value of the property.

## **HOUSING REQUIREMENTS**

- Home prices cannot exceed established Area Loan Limits which are updated on an annual basis.
- Homes must be structurally sound, less than 2000 Square Feet and in good repair (repairs can be included in loan funds.)
- Due to population, loans cannot be made in some areas. In New Hampshire: Concord, Derry, Dover, Hudson, Keene, Londonderry, Manchester, Merrimack, Nashua, Portsmouth, Rochester, Salem and parts of Goffstown and Hooksett are not eligible. In Vermont: Burlington, S. Burlington, Winooski, Essex Junction and SE portion of Colchester are not eligible.

## **SITE REQUIREMENTS**

- Lot must have a State and Community Acceptable on-site water and sewage disposal system or be hooked up to municipal services. (Testing will be required on private systems.)
- Lot must be a minimum adequate site.
- Lots are typically less than one acre. (Local zoning laws or un-sub-dividable lots can allow for larger lots.)
- Streets serving property must be publicly owned and maintained or private roads served by an established home-owners association will be considered.
- Condominiums must be accepted for financing by either HUD, Fannie Mae, Freddie Mac or a State Housing Finance Agency.

## INELIGIBLE LOAN PURPOSES

- Finance income-producing property (in home businesses are usually acceptable).
- Finance homes with in-ground swimming pools.
- Should not be in a flood hazard area (or need life-time flood insurance).
- Finance furniture or other personal property.
- Finance camps, existing mobile homes, duplexes and unusual designed homes.

## LOAN RATES AND TERMS

- These are fixed rate, 33 year mortgages with subsidy payments based on total household income. Although the note rate is fixed, the subsidized interest is reviewed each year for possible adjustments up or down depending on household income. Payment assistance (subsidy) could be as low as 1%.

## SUBSIDY RECAPTURE

- The subsidized portion of your monthly payments will accrue as a separate account. This account is subject to being repaid or recaptured at the time you sell or transfer your property to another owner. The maximum amount that could ever be recaptured will never exceed 50% of your appreciation in the property after your USDA debts, selling expenses, and any prior liens are paid off. The value appreciation is based on the appraised value and/or sales price at the time you sell or refinance. This value excludes any of your original equity or any value that resulted from improvements that you made to the property. If you refinance, you have the option to defer the final amount of recapture due (no interest will accrue if you defer payment), or you may pay it off at a 25% discount.

## MAXIMUM LOAN AMOUNTS - AREA LOAN LIMITS 3-31-2017

VERMONT		NEW HAMPSHIRE	
ADDISON	\$228,000	BELKNAP	\$232,000
BENNINGTON	\$192,600	CARROLL	\$194,300
CALEDONIA	\$217,500	CHESHIRE	\$203,700
CHITTENDEN	\$299,000	COOS	\$177,900
ESSEX	\$197,200	GRAFTON	\$218,300
FRANKLIN	\$264,000	HILLSBOROUGH	\$246,200
GRAND ISLE	\$224,000	MERRIMACK	\$255,400
LAMOILLE	\$204,000	ROCKINGHAM	\$297,000
ORANGE	\$192,600	STRAFFORD	\$245,000
ORLEANS	\$217,500	SULLIVAN	\$227,300
RUTLAND	\$202,600		
WASHINGTON	\$239,000		
WINDHAM	\$212,600		
WINDSOR	\$208,600		

## MAXIMUM INCOME LIMITS

### See Attached Income Limits Worksheet

- If your income exceeds these limits, ask Rural Development about adjustments to incomes for dependent children, childcare expenses, disabled, handicapped and elderly applicants.
- You may also ask Rural Development about our Guaranteed Housing Program administered through conventional lenders. Household Income for the Guaranteed program can be up to 115% of Median County Income.