

USDA RURAL DEVELOPMENT FINANCING



Company NMLS: 130672
Senior Loan Officer NMLS: 162273



The Victor Bals Team - Huron Valley Financial

Cell: 734-417-2115 | Fax: 810-512-1806 | Vic@HVFLoans.com

102 E. Grand River Brighton MI 48116 www.HVFLoans.com



Rural Development

- Zero down payment
- Required 640+ credit score
- Same interest rate or better than conventional loans
- No PMI (private mortgage insurance)
- Minimal credit standards
- Bankruptcy and foreclosure seasoning only 36 months
- All funds can be gifted or paid for by the seller



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Loan Purpose

- Purchase new construction
- Purchase existing home
- Refinance (only if currently have R/D loan)

Reasons *not* to use Rural Development

- Geographical Limitations
- Maximum Income limitations
- Not a primary home purchase
- Have too much money in savings



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Income Qualifications

Reference: <http://eligibility.sc.egov.usda.gov>

- Household adjusted annual income cap uses ALL occupants whether on the loan or not, 18 and over
- Counts gross income, overtime, commission, bonuses, net self-employment income, social security, child support, unemployment, etc.
- Based on family size , county, property is location



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Rural Development Loan Income Limits for 2016

Counties	1-4	5-8
Livingston	\$94,600	\$125,850
Oakland	\$81,650	\$107,800
Washtenaw	\$94,600	\$124,850
Wayne	\$81,650	\$124,850
Ingham	\$79,000	104,300
Genesee	\$75,650	\$99,850



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Geographical Qualifications

- ALL Livingston County
- Most of Ingham County
- Parts of Oakland County
- Parts of Washtenaw County
- Parts of Wayne County
- Most Rural Parts of Michigan



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Benefits to Buyers

- Finance 102% of appraised value, without getting cash back at closing (can get EMD, but no more)
- No Monthly Mortgage Insurance (has small monthly service fee)
- 30-Year fixed rate with very competitive rates
- No loan limits (DTI / income limitations)
- Closing costs can be financed
- Unlimited gift, seller contributions 6% max
- No reserves required



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Other Criteria

- Do not own a dwelling currently
- Lack sufficient resources (down payment) to secure conventional credit
- US citizen, permanent resident, resident alien
- Have legal capacity to enter contract



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Property Eligibility

- Must be in good condition
- 1-unit
- No income generating property

Other Property Requirements

- Well & septic tested if county requires
- Water test for private wells required
- Escrow for repairs under certain limited circumstances and will be 150% of cost of the repairs held in escrow
- New construction - must have warranty



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QUESTIONS?

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Thank You!



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