



Rural Development

502 Pre-Qualification

Thank you for your interest in the Rural Development home loan/grant program. The first step in the home loan/grant application process is to obtain a pre-qualification review. Enclosed is the "Home Loan Pre-Qualification Worksheet-VA" and the "Form RD 3550-1 Authorization to Release Information". Please complete and make sure both forms are legible and signed. Each individual (18 or over) residing in the household must complete and sign a separate "Form RD 3550-1 Authorization to Release Information". If there are more than two individuals over 18 residing in the household, please make additional copies for these individuals to complete.

Once the requested forms are received, the information will be verified to determine your eligibility for loan/grant pre-qualification. Please note that pre-authorizations are not binding and should not be considered an approval or rejection.

In addition, one will need to complete a home buyer education class upon loan approval. These classes are available in-person and online. For more information, please contact VHDA 800-227-8432 **or** visit their website at <http://www.vhda.com/Homebuyers/HomeownershipEdu/Pages/HomeownershipEdu.aspx>.

Please e-mail, mail or fax the requested 502 Pre-Qualification information to:

We look forward to reviewing your submitted material and processing your pre-qualification.

If you should have further questions, please contact our office at 276-889-4650 ext. 102. If hearing impaired, the TTD number is 800-287-1753.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, DC 20580.

The Fair Housing Act prohibits discrimination in real estate related transactions or in the terms of conditions of such a transaction because of race, color, religion, sex, disability, familial status, or national origin. The federal agency that is responsible for enforcing this law is the U.S. Department of Housing and Urban Development. If a person believes that they have been discriminated against in violation of this law, they should contact the U. S. Department of Housing and Urban Development, Washington, DC 20410 or call (800) 669-9777.

Web:

<http://www.rurdev.usda.gov>

Committed to the future of rural
communities.

USDA is an equal opportunity provider, employer and lender.

To file a complaint of discrimination, write USDA, Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410 Washington, DC 20250-9410 or call toll-free (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Fed-relay) or (800) 845-6136 (Spanish Fed-relay).

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 where the amount of the *delinquency* **exceeded one installment for more than 30 days within the last 12 months.**

Payments on any revolving account 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 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 one 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.

Do you have any outstanding judgments against you or judgments that have not been paid off for one (1) year?
Yes ___ No ___

Have you been foreclosed on in the last three (3) years? Yes ___ No ___

Have you filed bankruptcy in the last three (3) years? Yes ___ No ___

If yes, please complete the following: Chapter filed: 3 ___ 7 ___ 13 ___ Date discharged _____

Do you have any outstanding collection accounts? Yes ___ No ___

Have you been more than thirty (30) days late on any payments in the past two (2) years? Yes ___ No ___

If you answered “yes” to any of the above questions, we recommend you contact a credit counselor. Dial 211 or visit www.virginia211.org for information on counselors in your area.



Date Received _____
Date Entered into UNIFI _____

Home Loan Pre-Qualification Worksheet – VA

Complete this page **and** sign the attached release.
Send to the applicable servicing office serving the county where the home is located.

- The purpose of this request is Home Purchase or Home Repair | County _____
- I am currently a homeowner living with relative renting \$ _____ (month)
- Have you ever had a loan or grant from USDA Rural Development or FmHA? Yes No

Applicant

Co-Applicant (if applicable)

Name		Name	
E-mail		E-mail	
Social Security #		SS#	
DOB		DOB	
Current Street Address		Street	
City, State, Zip		C/S/Z	
Phone(s): Home	Preferred <input type="checkbox"/>	Home	Preferred <input type="checkbox"/>
Cell	or preferred <input type="checkbox"/>	Cell	or preferred <input type="checkbox"/>
Work	or preferred <input type="checkbox"/>	Work	or preferred <input type="checkbox"/>

List All Members of Your Household **NOTE:** Everyone living in the household and one's income must be included.

Wage Income

Other Income (Monthly Amt)

Name	Relation to you	Age	Sex	Hourly Rate	Hrs/wk	Self-Employment *Will need last 2 years Fed'l Tax Return w/Schedule C Enter amounts from Line # 12 on 1040 of both years	Chld Support	Soc Sec/SSI/VA	Pensio n	AFDC	Food Stamps
	Self					Tax Year _____ Amount _____					
						Tax Year _____ Amount _____					
						Tax Year _____ Amount _____					
						Tax Year _____ Amount _____					
						Tax Year _____ Amount _____					

List All Household Debts

Car/truck paid to		Payment/month		Balance owed	
Credit card paid to		Payment/month		Balance owed	
Student loan paid to		Payment/month		Balance owed	
Other loan paid to		Payment/month		Balance owed	
I pay Alimony and/or Child Support:		If yes, amount owed/month			
I pay Child Care Expenses: Yes <input type="checkbox"/> No <input type="checkbox"/> Weekly \$ _____ for _____ weeks during school year. Weekly \$ _____ for _____ weeks during the summer.					


Household Assets


Bank Name (Checking)		Account Balance	
Bank Name (Savings)		Account Balance	
Other Asset		Present Value	
Do you have any liquid assets in excess of \$5,000.00? Yes No			

Thank you for your interest in a USDA home loan. A team member will contact you shortly.


**United States Department of Agriculture
Rural Development
Rural Housing Service (RHS)**

AUTHORIZATION TO RELEASE INFORMATION

TO: _____  (For agency to complete as needed)

RE: _____  (For agency to complete as needed)

Account or Other Identifying Number

_____  (Type or print your name here)

Customer Name

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 BELOW


(Use this page for co-applicant and other adults over 18 living in the household, if applicable)


Form RD 3550-1
(Rev. 06-06)

Form Approved
OMB No. 0575-0172


**United States Department of Agriculture
Rural Development
Rural Housing Service (RHS)**

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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.

NOTICE TO APPLICANT REGARDING PRIVACY ACT INFORMATION- CONTINUED

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.
 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 (31 U.S.C. 3701(a)(3)).
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