

Agency-Approved Stacking Order for Intermediaries

Loan application packaging generally involves two distinct and separate stages: Stage 1 – Application Submission and Stage 2 – Property Submission.

Intermediaries are to use this Agency-approved stacking order when submitting loan application packages to the Agency via eForms (i.e. Stage 1) and when subsequently submitting property documentation to the Agency via email (i.e. Stage 2).

Stage 1 – Application Submission via eForms

The application and accompanying documentation must be grouped together as shown below. Each bolded header (e.g. Application Processing Stage, Eligibility-Income, etc.) must be a separate attachment with the applicable items contained therein and be named using the bolded header title followed by the applicant's last name (e.g. ApplicationProcessingStage-Jones, EligibilityIncome-Jones, etc.).

Verify that all applicable documents are included, fully completed, signed (as needed), and readable prior to submitting the application and accompanying documentation to Rural Development. Incomplete application submissions, application submissions that don't follow the stacking order, and/or application submissions not received via eForms will be returned.

Application Processing Stage.

- Fully completed Form RD 410-4, Uniform Residential Loan Application (URLA). There are three ways to complete this form: Import the industry standard form 1003, complete within eForms, or export the form, complete offline, and then import the completed form into eForms. The eForms submission of the URLA constitutes a signature.
- A signed [Form RD 3550-1, Authorization to Release Information](#), for each adult member of the household.
- Loan application narrative recommendation, which includes an eligibility and preliminary credit analysis.
- Homebuyer education certificate of completion.

Eligibility – Income. Include verification of all household income sources, such as:

- Copies of the last four week's consecutive pay stubs.
- Copies of recent benefit statements for regular unearned income (such as social security, public assistance, retirement income, etc.).
- Last 12-month payment history of alimony and/or child support received as provided by the court appointed entity responsible for handling payments. If this is not available, a copy of the separation agreement or divorce decree.
- For each applicant, a complete copy of their last two Federal Income Tax Returns. IRS Form W-2, Wage and Tax Statement, and/or IRS Form 1099-MISC, Miscellaneous Income, must be attached.
- Evidence of income from assets such as interest, dividends, capital gains, etc.
- For each applicant, a signed [IRS Form 4506-T, Request for Transcript of Tax Return](#).
- For each applicant, a written explanation of employment history of less than two years or

employment gaps in excess of 30 days within the last two years.

- A completed and signed [Form RD 3550-4, Employment and Asset Certification](#).
- Fully completed Attachment 4-A, Worksheet for Computing Income and Payment Assistance Calculator.

Eligibility – Deductions. Verification of applicable household deductions, such as:

- Written evidence of child care expenses for dependents 12 years of age or younger.
- For a household member who is a full-time student and 18 years of age or older, a copy of their school transcript.
- Evidence of out of pocket annual medical expenses (only applicable for applicants 62 years of age and older, or individuals with a disability) who wish to be considered for a deduction to household income.

Eligibility – Assets. Verification of household assets which enables the Agency to verify asset information and compute market and cash value of the asset(s).

- For each applicant and adult household member, a copy of their two most recent asset/bank/stocks/retirement account statements.
- Verification of the market value of other assets such as land, real estate, etc.

Eligibility – Credit.

- Nonrefundable credit report fee of \$25 for individual or joint applicants, mailed or delivered to the appropriate Rural Development office.
- For each applicant, a written explanation for late payments, collections, judgments, or other derogatory items in their credit history of which they may be aware.
- Copy of preliminary credit report used by the packager for preliminary credit analysis.

Eligibility – Other.

- For each applicant, verification of their identity. A copy of a Government-issued photo identification, evidence of date of birth (only required if not listed on photo identification), and a copy of their Social Security card.
- Evidence that a non-citizen applicant is a qualified alien.
- Signed copy of disclosure letter found in Attachment 3-A.

Stage 2 – Property Submission via Email

In accordance with Handbook-1-3550, Attachment 3-A, loan application packagers are to instruct their clients that a property must not be identified in the application unless and until such time as the Agency issues a Certificate of Eligibility (COE). Once a COE has been issued and the applicant has found a property, the packager will assist the applicant to assemble the property documentation for submission to Rural Development.

The property documentation must be grouped together as shown below. Each bolded header (e.g. Property Eligibility Stage) must be a separate attachment with the applicable items contained therein and be named using the bolded header title followed by the applicant's last name (e.g. PropertyEligibilityStage-Jones).

Verify that all applicable documents are included, fully completed, signed (as needed), and readable prior to emailing the property documentation to Rural Development.

Property Eligibility Stage.

- Fully executed sales contract.
- Flood elevation certificate (if property is in a flood zone). (Note: Rural Development must order the flood hazard determination.)
- Whole house inspection report (existing property).
- Amended sales contract to identify any repairs negotiated between buyer/seller.
- Potential repair list, estimated cost for repairs, and proposal for how repairs will be funded/completed.
- Legal description.
- Property eligibility map (screen print from eligibility website).
- Certified plans, specifications, and cost estimates for new construction.