

SAMPLE 502 Processing Checklist

Date File Received:		Name of Packager:	
Applicant Name:		Contact Name:	
Amount of Loan:		Phone:	
RD Contact Name:		Phone:	
Address:		Email:	
City, State, Zip:		Fax:	
Email:			
County Name:		Eligible County:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Term:	33 Years = 396 months	Term:	38 Years = 456 months
Low Income Ratio: 33% PITI/41%TDR		Very Low Income Ratio: 29% PITI/41%TDR	
Ratios within Guidelines:	<input type="checkbox"/> Yes <input type="checkbox"/> No	TDR:	<input type="checkbox"/> PITI: <input type="checkbox"/>
Max. Loan Amount:	\$	Max. Income:	\$
Date Loan Submitted to RD:		Date COE Issued:	
Amount of Loan Approved:		USDA Loan Number:	
Stage 1 — Application Submission via eForms			HB 3550
√	Application Processing Stage.		
	Form RD 410-4, Uniform Residential Loan Application (URLA) (pages 1-5) & Additional Information Required for RHS Assistance (pages 6-10). Signed and dated by all parties. Electronic Uniform Residential Loan Application (pages 1-5) & Additional Information Required for RHS Assistance (pages 6-10) Unsigned		
	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.		
	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 of the applicable pages of a separation agreement or divorce decree if available		
	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. Include current/YTD Profit and Loss Statement if self-employed and Business License if applicable.		

√	Eligibility — Income (Continued).	
	Evidence of income from assets such as interest, dividends, capital gains, etc.	
	The Agency will ask the applicant to directly request, obtain, and provide a copy of their tax return transcript for the previous two tax years (using IRS Form 4506-T, Request for Transcript of Tax Return) if additional income validation is needed . If there are inconsistencies between the income verifications (e.g. pay stubs, tax returns, etc.), or if the applicant was unable to furnish complete copies of their last two filed returns (e.g. a W-2 was missing), then the transcript should be requested.	
	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 Income Calculation Worksheet with Payment Assistance and Max Loan Calculator. Please use most recent version which can be found at https://www.rd.usda.gov/programs-services/single-family-housing-direct-home-loans (Under Forms and Resources Tab)	
	Area Loan Limits Checked	
	Area Income Limits Checked	
	Borrower's adjustable household income does not exceed maximum allowable income limit	
	Household income for all occupants 18 years and older has been verified and included on worksheet, if not employed verification/statement to that affect is in file.	
	Eligibility — Deductions.	
	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 and applicable pages of the schools administration policy of a "full-time" student.	
	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.	
	For each applicant and adult household member, a copy of their two most recent Asset, bank, stocks and retirement account statements.	
	Verification of the market value of other assets such as land, real estate, etc.	
	Explanation of Large Deposits and/or payments not disclosed on application	
	Proof of Sale of other Property	
	Gift Letter: \$_____ Donor:_____ Donor Ability:_____	
	Other	
	Other	
	Other	
√	Eligibility — Credit.	
	<p>\$25 credit report fee (non-refundable): If the applicant and co-applicant currently reside at separate addresses, the fee is \$25 each. Remove any credit freeze at the time of application submission and keep it lifted until such time as the Agency pulls a credit report. Indicate an option for payment of the credit report fee:</p> <p><input type="checkbox"/> Option 1: Provide a copy of a voided check or savings account deposit slip from an American Bankers Association (ABA) bank (we cannot process withdrawals from a foreign bank). The Agency will use the ABA routing number and account number to collect payment through the Automated Clearing Housing System (ACH). By providing a copy of a voided check or deposit slip, you are authorizing the deduction from the account by electronic means. Option one is the preferred method as it provides faster processing.</p> <p><input type="checkbox"/> Option 2: Mail a check, cashier's check or money order that is signed, dated, and made payable to USDA Rural Development.</p>	

	Credit Score Disclosure (HB-1-3550 Attachment 3-H Page 1 & 2) Signed & Dated	
	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 if the applicant is not eligible for Streamlined Credit analysis.	
	Copy of preliminary credit report used by the packager for preliminary credit analysis.	
	Proof of Paid Collections and/or Payment Arrangements	
	Debts paid by others: Example: Per Divorce Decree husband liable for certain debt. Twelve months cancelled check's required and verification payer is a co-obligor on debt.	
	Verification of Rent (VOR if property manager): 12 months cancelled checks if renting from family member or private party if score is below 640	
	24 month housing history: History shown on Form RD 410-4, Uniform Residential Loan Application, matches history reported on credit report:	
	Court Papers Regarding minor child including child support payment schedule.	
	Applicable pages of a Final Divorce Decree; If applicable, Spousal Support Documentation	
	Student Debt Repayment Schedule or Grant Schedule	
	Continued Education Plan	
	Bankruptcy Documents and Discharge Papers	
	Short Sale/Foreclosure date: _____ (verify meets Investor guides for time lapsed)	
	Social Security number validation for [] B and [] CB	
	Credit Scores: Borrower: _____ Co-Borrower: _____	
	Credit History Worksheet Form RD 1944-61 completed for <640 credit score	
	For applicants with no outstanding judgments obtained by the United States in a Federal court, with no significant delinquency, and who have more than one credit score listed on their TMCR that result in a credit score of 640 or higher on their TMCR, Exhibit 4-4 need not be used to identify indicators of unacceptable credit handling. In addition, a verification of rent and Form RD 1944-61, Credit History Worksheet, need not be completed. These applicants are automatically classified as having acceptable credit histories regardless of what is listed on the TMCR. To avoid potential disparate treatment, additional credit analysis is not appropriate.	
	Applicant	
	Trade Line #1 -	
	Trade Line #2 -	
	Trade Line #3 -	
	Co-Applicant	
	Trade Line #1 -	
	Trade Line #2 -	
	Trade Line #3 -	
	Other:	
	Other:	
	Other:	
√	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 is only needed if there isn't other evidence of the applicant's full taxpayer ID number.	
	Evidence that a non-citizen applicant is a qualified alien.	
	Signed copy of disclosure letter found in HB-1-3550 Attachment 3-A . (A Formal Letter stating packaging services are optional, packager's role and fees signed and dated by all applicants *Include Waiver of Provisions to the Privacy Act of 1974)	

Stage 2— Property Submission via Email		
√	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.	