



Loan Application Package Stacking Order for Submission to LACDC.

Loan application packaging generally involves two distinct and separate phases:

- Phase 1 – Application Submission to LACDC. and
- Phase 2 – Property Submission (via email) to Rural Development

Packagers are to use this stacking order when submitting loan application packages to LACDC. While Handbook-1-3550 guidance should be followed regarding which items to submit for an application, based on that applicant's unique situation, this stacking order checklist identifies how those documents should be organized for submittal to the LACDC. for review.

Phase 1 – Application Submission to LACDC.

The application and applicable accompanying documentation must be grouped together and organized as shown below. Please note:

Each bolded header (e.g., Application Processing, Eligibility-Income, etc.) must be a separate attachment for grouping the applicable items listed below.

- Each attachment will be named the header title followed by the applicant's last name (e.g., Application Processing-Jones, Eligibility Income-Jones, etc.).
- Verify that all applicable documents are included, fully completed, signed (as needed), and readable prior to submitting to LACDC.
- Incomplete application submissions will be returned.

Application Submittal Cover Letter Addressing LACDC. *(This letter must be on the participating loan application packager's letterhead utilizing sample found in Attachment 3-A)*

- A copy of "Attachment 3-J" with applicable items for the applicant(s) marked.

Application Processing. Fully completed Form RD 410-4, Uniform Residential Loan Application (URLA). *(Include digital copy when sending to LACDC. for review.)* LACDC CAA-Rev. 10/21/20

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.
- Homebuyer education certificate of completion.
- Verification of applicant's 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 (only required if no other evidence of the full taxpayer identification number).
- Evidence that a non-citizen applicant is a qualified alien. (If application is marked citizen, no additional evidence is necessary)



Eligibility – Income. Include verification of all applicable 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. If this is not available, provide an acceptable alternative listed in HB-1-3550, Chapter 4.
- For each applicant, a complete copy of the 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. If the actual returns filed cannot be provided, obtain a copy of the tax return transcripts. The applicant can directly request and obtain the tax return transcripts using 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.

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

- Written evidence of childcare 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.
- Evidence of unreimbursed, anticipated costs for disability assistance including documentation describing the nature of the expense and evidence of cost, and documentation that the expense enables the individual with disabilities or another family member to work.

Eligibility – Assets. Verification of household assets, such as:

- Copies of two most recent brokerage or bank statements for all household members (excluding tax advantaged plans for education, health/medical, and retirement).
- 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, options include:

- Provide a scanned copy of a voided check or deposit slip for processing collection through the Automated Clearing Housing (ACH) System
- Mail or deliver a physical check, money order, or cashier’s check 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.

Loan application narrative recommendation, which includes an eligibility and preliminary credit analysis.

Signed copy of disclosure letter found in Attachment 3-A.

Fully completed Worksheet for Computing Income and Maximum Loan Amount Calculator.

(Include the Excel worksheet as a separate attachment and use the following modified naming convention for this item (e.g. – EligibilityOther4A-Jones)).



Phase 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. *(Phase 2 documentation should be submitted via email to Rural Development, copying LACDC. on the email. **)* The property documentation must be grouped together as shown below. Please note:

- **Each bolded header (e.g., Property Eligibility) must be a separate attachment for grouping the applicable items listed below.**
 - Each attachment will be named using the bolded header title followed by the applicant's last name (e.g., Property Eligibility-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.

- 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 (if not already addressed in the sales contract).
- Legal description (if not included in the sales contract).
- Property eligibility map (screen print from eligibility website).
- Certified plans, specifications, and cost estimates for new construction.

Other

- Packaging fee invoice. ***LACDC. will submit invoice when Phase 2 email is received.*
- Updated loan application narrative with actual property details and any updates to applicant eligibility since the Certificate of Eligibility was issued.
- Worksheet for Computing Income and Maximum Loan Calculator to reflect any updates to household income, debts, and assets as well as actual property details (insurance, taxes, homeownership association dues, etc.) and requested loan amount/funding sources.
- Updated income, debt, and asset verification documentation for any items which have expired since the Phase 1 submission or will expire within 30 days, follow stacking order described in Phase 1.