



**USDA Updates Arizona Mortgage Eligibility Boundaries**

USDA Rural loans have been an extraordinary mortgage tool for many cash strapped Arizona buyers by offering 100% financing with NO monthly Mortgage Insurance. The USDA has recently updated their boundaries for homes eligible for Rural mortgage financing. The following USDA website allows you to view an Arizona map and determine specific property eligibility within the Arizona market. The map is very user friendly allowing you to zoom right in to view exact street locations.

<http://eligibility.sc.egov.usda.gov/eligibility/eligibilityAction.do?pageAction=countyMap&st=04&state=AZ&cnty=013>

As a whole, most of Maricopa County is ineligible for rural financing with the exception of Buckeye and certain parts of Anthem. Most of Pinal County is eligible. All of San Tan Valley and the Pinal County portion of Queen Creek are eligible.

If you have a buyer interested in rural financing, I encourage you to visit the USDA website and call me and I can assist you in determining an eligible Arizona property.

I've listed a few reminders of the mortgage program below along with a couple of contract writing tips now that the new AAR Contract has been released.

- **USDA Rural loans require a 3.5% guarantee fee which is financed into the mortgage. You will notice the loan amount exceeds the purchase price.**

**Example:**

Purchase Price:	\$100,000
Down Payment:	\$0
Base Loan Amount:	\$100,000
Guarantee Fee (3.5):	\$3,500
Total Loan Amount:	\$103,500 (Amount reflected on LSU & Pre-Qual Form)

- **Seller can contribute up to 6% toward closing costs and pre-paid items ~ This will be requested on lines 77 & 78 of the Arizona purchase contract and can be listed as a % or \$ amount.**

**Highlights of the USDA mortgage program include:**

- Not limited to first time homebuyers
- 640 minimum credit score
- 30 year fixed rate
- No mortgage insurance
- No pre-payment penalty
- 2 months liquid reserves (checking, savings, stocks) - retirement assets do not count as liquid
- Must be the buyers primary residence
- Income limits apply (contact me to obtain the income limits by County)

Feel free to contact me with any questions you have about this wonderful ZERO down mortgage program!

80 degrees in the forecast! I hope you have the opportunity to get outdoors and enjoy the beautiful weekend ahead.

~Kelly

**Quote of the Week: Success Procedure: Run your day by the clock and your life with a vision.~ Zig Ziglar**

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