

Steps to Package with Little Dixie Community Action Agency, Inc

1. Submit all documentation as required by LDCAA, Inc. to include:
 - Contact Information Form (page 2)
 - Little Dixie Vendor Information Form (page 3)
 - Signed MOU (pages 4 - 7)
 - 501C3 (If Applicable)
 - Certificate of Good Standing OR Self Certification of Good Standing by Director
 - W9 for Qualified Employer
 - Resumes for all packagers that confirm experience and employment requirements are met
 - Proof of course completion to include certificate of completion as well as email confirming passing test score (If already completed)

2. Designated Certified Packagers must take the 3-day 502 Direct course and pass the test in order to become a Certified Packager.- *The course is offered through NeighborWorks America, Housing Assistance Council or RCAC. For class notifications please sign up for RD e-grams at <https://public.govdelivery.com/accounts/USDARD/subscriber/new?preferences=true>*

3. Qualified Employers and Certified Packagers must familiarize themselves with the USDA Rural Development Final Rule. Per the Final Rule, Qualified Employers will need to have a minimum of one year's affordable housing experience prior to having the ability to request exemption status from the use of an intermediary. *The Qualified Employer's and Certified Packager's year will commence once the Certified Packager has passed the test and signed the Qualified Employer MOA.*

For all submissions and questions, please contact Sheila Pierce by email at spierce@ldcaa.org or by phone at 580-326-5165.

502 Certified Employers and Certified Packagers Contact Information Form

Organization: _____

Address:

Street: _____

City: _____ ZIP: _____ State: _____

Contact Name: _____

E-mail: _____ Phone#: _____

Little Dixie Community Action Agency, INC.
209 North 4th Street
Hugo, OK 74743
(580) 326-3351



LDCAA Vendor Information Form

Name of Business _____

DUNS # _____

Website _____

Owner/Director/Manager _____

Business Physical Address _____

(no PO Boxes)

City, State, Zip _____

Remit Payment to Name _____

Remittance Address _____

(may be a PO Box)

City, State, Zip _____

Telephone _____ Fax _____

Accounting Contact _____

Accounting contact email _____ Phone _____

Little Dixie's customer/account number *(for reference when contacting your business)* _____

Is your business a small business as defined under the Code of Federal Regulations? _____ Yes _____ No

Is owner/director related to any Little Dixie CAA, Inc. employees? _____ Yes _____ No

(Will not be a deciding factor in services acquired. For agency reporting guidelines only)

Out of state vendors

Do you have nexus in Oklahoma? _____ Yes _____ No *(For Oklahoma use tax reporting)*

Oklahoma Sales Tax # _____ *(Attach copy of certificate)*

This section for Little Dixie purposes only (completed by staff prior to submitting to accounting)	
Information verified by _____ <i>(staff signature; other than who obtained information)</i>	Date _____
Spoke with _____ <i>(vendor representative)</i>	Date _____
Program director approval _____ <i>(staff signature)</i>	Date _____
Verified @ www.sam.gov _____ <i>(attach screen shot) (staff signature)</i>	Date _____

MEMORANDUM OF UNDERSTANDING
Qualified Employer/Certified Packager/Intermediary

This Memorandum of understanding is entered into on this _____ day of _____, 20__ by and between _____, (hereinafter known as the Qualified Employer, (QE), having its principal place of business at _____ and the Intermediary known as Little Dixie Community Action Agency, Inc., a nonprofit corporation, having its principal place of business at 209 North 4th Street, Hugo, Ok, 74743 (hereinafter known as “LDCAA”); in the interest of clearly defining the roles and responsibilities of each organization in implementing the Single Family Housing Direct Loan Program Loan Application Packaging Process being made available by USDA Rural Development (hereinafter “Agency”)

Intermediary, Qualified Employer, and Certified Packager are defined as follows:

Intermediary - A 501c3 Non-Profit organization with Agency approval to perform quality assurance reviews on packaged loan applications also providing supplemental training, technical assistance, and support to CP’s and QE’s.

Qualified Employer (QE) - A 501c3 non-profit organization who employs certified packagers for submission of 502 Direct Loans.

Certified Packager (CP) - An individual employed by a QE who has completed all Agency requirements to package and submits loan applications on behalf the QE.

The purpose of the MOU is to package Section 502 Direct loans for funding by the Agency. The Qualified Employer will comply with all provisions of the 7 CFR Part 3550 “Final Rule” as published in the Code of Federal Regulations and any subsequent publications. The QE will employ a minimum of one Certified Packager (hereinafter known as CP) as defined by the Final Rule. The QE will provide LDCAA with all necessary documents indicating compliance with the final rule.

The CP will be responsible for identifying eligible loan applicants, assisting them in identifying eligible properties, completing the loan application in conformance with the RD Form 1944-12, providing pre-occupancy counseling to each new homeowner, and completing the purchase process through the closing of the Sec. 502 loan. LDCAA will review the completed loan packages and submit to Agency.

Qualified Employer/Certified Packager Responsibilities:

1. Qualified Employer must have in their employment a Certified Packager who has completed the USDA 502 packaging course and passed the test with a minimum score of 70%. The CPs and the QEs will be governed by a code of professional ethics that are reflected in the training curriculum and the certification process.

2. Identify Sec. 502 eligible households and package loan applications on the Agency behalf.
3. Create and maintain a goal that at least 30% of the households assisted meet the USDA RD definition of Very-Low Income (50% median income for the county of residence).
4. Collect necessary fees from the applicant to support completion of the application for credit (\$25 check to USDA for a Tri-Merge Credit Report).
5. Deliver the required information from Form RD 1944-12 and Credit Fee (\$25 made to USDA) to LDCAA for submission to Agency.
6. Correct deficiencies in the submitted package and ensure all additional application requests made by LDCAA are returned within 72 hours to LDCAA. If repeat errors are made, each file will be individually reviewed to be paid out through the Modified Fee system see (page 3).
7. Ensure that each family completes at least 8 hours of home ownership counseling prior to the closing of their loan.
8. If it is determined that an applicant will not qualify for a loan, work with the applicant so the applicant will understand the deficiencies in their application and their rights to have the application submitted directly through the Agency.
9. Provide all reportable information to LDCAA as needed, including monthly updates on file status.
10. CP and QE will comply with all Federal Statutes relating to nondiscrimination

(a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685- 1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee- 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

LDCAA Responsibilities:

1. Review loan applications submitted by Qualified Employers.
2. Work with Qualified Employer to ensure packages are complete and approvable. If multiple deficiencies are found, LDCAA reserves the right to enact the Modified Fee payout system. LDCAA may also return the file to the QE and request the file be resent at completion.
3. LDCAA will transmit complete applications to the appropriate Agency office for final action.
4. Ensure that files submitted are deemed “approvable” by LDCAA staff to maintain Agency imposed goals on all applications submitted.
5. LDCAA will provide activity reports to the Agency as required.
6. LDCAA will prepare and deliver to the Agency an invoice for \$1750, collect the fee from closing, and distribute fees earned to QE.
7. The applicant shall be notified of the fee during the applicant's initial meeting with the Application Packager.
8. Pursuant to Agency regulations, Section 502 direct loan funds may be used to pay the packaging fee, provided that this does not cause the loan to exceed the maximum allowable loan amount. It is understood that the maximum allowable loan amount is normally limited to 100 percent of market value as determined by an appraisal.
9. The parties anticipate that not all loans will accommodate the maximum packaging fee. If the maximum packaging fee cannot be included in the Section 502 direct loan, the Intermediary and/or Application Packager shall
 - (i) seek a seller concession to cover the fee,
 - (ii) assist the applicant in seeking funds from outside sources to cover the fee provided that those sources take the form of a soft, silent or forgivable subordinate affordable housing product, and/or
 - (iii) reduce the fee to an amount that can be included in the Section 502 direct loan or paid using a seller concession or outside sources of funds.
10. In no event will RD be responsible for paying the packaging fee to the extent that the maximum fee cannot be paid at closing using one of these alternatives.
11. The Agency shall ensure that the packaging fee is paid to the Intermediary at loan closing to the extent that the fee can be included in the Section 502 direct loan. It is understood by all parties that a packaging fee may be charged only for closed loans

**Modified Fee Breakdown for
Qualified Employers/Certified Packagers**

Certified Packager Fee: Packager-\$1,500

LDCAA-\$250

To earn the Certified Packager fee, all responsibilities of QE as listed above must be maintained. If less than 3 errors are found on each individual file. *[Errors may include, but are not limited to, expired documentation, missing documents, lack of originals, incomplete forms, etc.]*

Modified Fee: Packager-\$875

LDCAA-\$875

If 3 errors or greater are found in submitted files, LDCAA will modify the fee earned, based on each individual file. *[Errors may include, but are not limited to, expired documentation, missing documents, lack of originals, incomplete forms, etc.]*

Packager Fee: Packager-\$250

LDCAA-\$1,500

If **multiple deficiencies** are found and **package is returned** to QE for incompleteness the QE will then be notified of a modification in status to the Packager fee. *[Errors may include, but are not limited to, expired documentation, missing documents, lack of originals, incomplete forms, etc.]*

IN WITNESS WHEREOF, Little Dixie Community Action Agency, Inc. and (Insert name of organization), have caused this Memorandum of Understanding to be executed in their respective names and by their duly authorized respective agents on the dates set forth below.

(QE) _____

EIN # _____

BY: _____

TITLE: _____

DATE: _____

**LITTLE DIXIE COMMUNITY ACTION
AGENCY, INC.**

BY: _____

TITLE: _____

DATE: _____