

## Module 5: Applicant Requirements

### Learning Activity

#### Activity #2 – Conducting Pre-qualification and Eligibility Determinations



Now that you have a basis with the terms and concepts used it is time to get some practice in the real-world. Participating in discussions regarding prequalification and eligibility is the best way to fully develop your understanding of these processes. In this activity you accompany an experienced loan officer in conducting prequalification discussions and eligibility determinations. An organizer to help you prepare and participate is provided below along with additional instructions.

**Activity #2 Instructions:** Accompany an experienced loan officer in conducting at least 3 prequalification discussions and 3 eligibility determinations. Utilize the organizers provided below to record key observations and reflect upon each experience. Make a copy of each organizer prior to participating in the discussion with the loan originator. Be cautious of recording any personal information regarding an applicant on these sheets. The intent is to focus on tips and steps used in the process. *(Note: It may be helpful to provide your supervisor with a copy of this sheet as well so that they are aware of the activity you are conducting.)*





**Prequalification Discussions**

Loan Originator: \_\_\_\_\_

Details Regarding Potential Applicant: \_\_\_\_\_

✓ **Describing the Program** – Outline the key points the loan originator shared about the program with the potential borrower.

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✓ **Gathering Basic Eligibility and Financial Information** – Outline the key questions and responses the loan originator uses to gather basic eligibility and financial information from the potential borrower. Include follow-up questions. Key areas to listen for include:

- Credit Qualification and Form *RD 3550-1, Authorization to Release Information*
- Citizenship or Qualified Alien Status
- Identity Information Collected
- Discussion About the Requirement to Occupy the Dwelling
- Financial Information Obtained

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✓ **Using UniFi to Calculate the Maximum Loan Amount** – Highlight key reminders and tips learned from working with the loan originator to enter the information collected into UniFi to calculate the maximum loan amount.

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✓ **Discussing Pre-Qualification Results** – Highlight key points the loan originator shares with the potential borrower as they discuss the pre-qualification results.

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**Eligibility Determination Discussions**

Loan Originator: \_\_\_\_\_

Details Regarding Potential Applicant: \_\_\_\_\_

- ✓ **Evaluating Borrower Income** – Utilize Attachment 4-A, “Sample Worksheet for Computing Income” found in HB-1-3550, Chapter 4 to collect and organize the applicant’s information for data entry and complete the calculations. Record any important tips and or troubleshooting information for special cases below (see HB-1-3550, Chapter 4, Section 1 for examples of special cases):

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\_\_\_\_\_

- ✓ **Evaluate Borrower Assets** – List the types of assets considered for this particular borrower. List examples of assets the borrower has that are also not considered. Record any important tips and or troubleshooting information for special cases below (HINT: See HB-1-3550, Chapter 4, Section 2 for more information on borrower assets.)

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\_\_\_\_\_

- ✓ **Evaluating Credit History** – Highlight key tips associated with conducting the three credit checks required (CAIVRS, Infile Credit Report, and Borrowers Cross Reference):

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\_\_\_\_\_

List the indicators, if any, that this particular borrower may have unacceptable credit (see HB-1-3550, Chapter 4, Section 3, Exhibit 4-4 for examples: If the credit score is under 640 complete Form RD 1944-61, Credit History Worksheet).

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List any tips learned from the loan originator about assessing adverse credit situations.

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- ✓ **Other Eligibility Requirements** – Highlight key points and tips the loan originator shares regarding collecting, entering, and evaluating information related to other eligibility requirements such as: Owning another dwelling; Ability to obtain other credit; Occupying the Property; Legal Capacity; Suspension or Disbarment; Citizenship Status; and Truthful Application.

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