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Thomas Emmons  
Managing Director  
Co-Head, Direct Infra Investing  
Voya Investment Management  
230 Park Ave., NY, NY, 10169

Dear Mr. Emmons,

I write this letter to support the USDA 502D direct loan program for the Sage Ranch Project ("the project") located in Tehachapi, California. For the past 24 years, I am and have consistently been, the top USDA 502D direct loan program home buying agent in the entire USA, with yearly placements exceeding \$40 million within the past five years. My recognition as the top agent within the USDA is well known. My team includes my daughter Crystal Bueno, of whom the USDA consistently refers developers to, for the completion of correct and accurate applications from developers and applicants for the USDA 502D loan program.

I have personal knowledge of the project and its CEO Jeff Ciachurski. My clients have purchased many USDA 502D homes from the project's general contractor Richard Phillips over the past 12 years. In fact, it was me who introduced Richard to the project, knowing that Richard is an accredited and authorized USDA home builder who can successfully build homes within the USDA 502D program.

I have a strong USDA 502D client demand for the products at Sage Ranch, mainly because of its good location and the fact that the USDA coverage area includes Sage Ranch. Many areas in the Tehachapi region are not in the USDA coverage area and therefore not eligible. The main problem I have in meeting my clients 502D demand, is the lack of product in acceptable USDA areas. I estimate that based on the Phase I program of 144 homes at Sage Ranch, my clients have an appetite for at least half of that inventory if not more. I am ready when Sage Ranch is ready. The price limit for Kern County is \$460,000.00

### **What is the USD program**

Also known as the Section 502 Direct Loan Program, this program assists low and lower-income applicants to obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. The USDA 502D payment assistance is a type of subsidy that reduces the mortgage payments. The amount of assistance is determined by the adjusted family income. The Section 502 Direct loan program is authorized by the Housing Act of 1949 and provides affordable housing loans to applicants who wish to obtain modest housing in rural areas.

### **Who is eligible?**

A number of factors are considered when determining an applicant's eligibility for Single Family 502D Direct Home Loans. At a minimum, applicants interested in obtaining a direct loan must have an adjusted income that is at or below the applicable low-income limit for the area where they wish to buy a house and they must demonstrate a willingness and ability to repay debt.

A minimum credit score of around 620 is required (credit score requirements might vary per borrower) A debt-to-income (DTI) ratio of 41% or less and income no higher than 115% of the median household income in your area is required. You need to be financing a primary residence in a USDA-approved location like Sage Ranch. The USDA will accept a gross income of \$115,000 for between one to four residents.

The USDA 502D is not the backstopping of a regular loan at a regular bank with a lower rate. The USDA 502D loan program is a mortgage provided directly by the

US Government. Sage Ranch would be selling a house to a buyer with direct US Government funding for the entire purchase price. The usual amortization is 38 years, with a zero-down payment. Interest rates are about 4% with potential subsidies able to lower that down to 2 to 2.5%. Compared to regular mortgages of 7%, the USDA 502D program would cut a mortgage payment in half.

### **How it works**

Upon receipt of a complete application, USDA will determine the applicant's eligibility using verified information and the applicant's maximum loan amount based on their repayment ability and the area loan limit for the county in which the property is located.

### **Why Sage Ranch can benefit**

It is an advantage for Sage Ranch vs. other projects because Sage Ranch is luckily in an USDA approved overlay. This is not the case a few miles away. Likewise, in City of Bakersfield, where the greatest inventory could exist, is not under the USDA coverage area. This makes Sage Ranch a very good opportunity for the buyer, the USDA and Sage Ranch alike.

### **How I became the top USDA 502D buying agent in the entire USA**

My interest in helping new buyers find their home has been my primary interest that drives my success. I started by holding workshops, meetings, meet and greets at all the major employers throughout the great central valley and Kern County. During these sessions, I educate employees of the USDA 502D program, their buying power, and the financial benefits of owning their own home. Through this process I educate, empower and add value to every potential home buyer. This earns trust. I then help each interested employee complete the application process and obtain a pre-screening by the USDA. This has offered me a very large rolodex of qualified USDA buyers who are looking for product. Sage Ranch fulfills this appetite.

If you have any questions, please call at your earliest convenience. I can also provide reference from top USDA staff who personally know my success,

numbers, record and experience with the USDA. There are no known limits of USDA funding.

Best regards

*Yolanda Duran*

Yolanda Duran

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