USDA Guaranteed Rural Housing

Primary Residence Full Documentation

Transaction Type	Units	LTV/CLTV[1]	Credit Score
Purchase	1	100%	Per GUS
Non-Streamlined Refinance[2]	1	100%	

Reference:

1. The LTV may exceed 100 percent of the market value of the property when the Guarantee Fee is financed. Max CLTV unlimited if secondary financing is from a government entity.
2. Loan being refinanced must be a USDA GRH or 502 Direct loan. Conventional/ FHA/VA loans may not be refinanced under this program.

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply.
Refer to the USDA Purchase and Non-Streamlined Guidelines for any item not addressed by this matrix.

All Planet overlays are notated in bold, light blue text and footnote "O".

4506-C and 8821	• Seller must provide a completed and signed IRS Forms 4506-C or 8821 for all adult household members for the previous two tax years at the time of loan application. • The 4506-C or 8821 must be used to request full transcripts with all schedules.
Age of Documents	• Credit/income/asset documentation must be ≤120 days from Note date. • The appraisal is valid for 180 days of loan closing and must remain valid at the time the Conditional Commitment is requested.
Appraisal	• Full appraisal required. • Subject Property must meet HUD Handbook 4000.1 minimum property requirements. • Appraisal transfers allowed
Assets	• VOD or 2 months bank statements on purchase transactions required. • Retirement funds that allow for immediate withdrawal are eligible at 60% of the vested account balance to allow for withdrawal penalties.
AUS Findings	• All loans must be submitted to GUS and receive an "Accept/Eligible" or "Refer/Eligible." • As a reminder, USDA requires full file documentation and documented mitigating circumstances/compensating factors when approving a loan that received a "Refer" from GUS.
Borrowers – Add/Remove	• Borrowers may be added or removed on a refinance transaction, provided at least one original borrower remains on the loan. • All borrower changes must meet USDA program eligibility requirements.
Borrowers – Eligible	• U.S. Citizen: All borrowers are required to have a Social Security Number • U.S. Non-Citizen National: (e.g., born in American Samoa or Swains Island) birth certificate or passport required for verification. • Qualified Alien: May be either Permanent Resident Alien or Non-Permanent Resident Alien designation, provided they meet USDA eligibility criteria and submit required documentation
Borrowers – Ineligible	• Foreign National • Borrowers with diplomatic immunity • Borrowers without a Social Security Number • Borrowers with a Tax Identification Number (TIN) • Non-U.S. citizens with no lawful residency in the U.S. • Non-occupant co-borrowers • Co-signers • Borrowers who qualify for conventional credit

Credit History	• All of the following are considered unacceptable:
	  • More than one 30 day late in the past 12 months (unless GUS Accept)
	  • BK or foreclosure in previous 3 years
	  • Outstanding tax lien or delinquent government debt
	  • Outstanding judgment within past 12 months without an established payment plan in place.
	  • Any account converted to a collection account in the past 12 months
	  • Outstanding collection and outstanding collection accounts with no satisfactory payment arrangements
	• *See* Seller Guide for additional requirements.

Credit Report	• Tri-merged required - Non-borrowing spouse in community property states requires tri-merge credit report on purchase transactions.

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Credit Score	• Per GUS Findings.
Down Payment	• Not required
DTI	• Per GUS Findings: The Maximum DTI is per GUS "Accept" or "Accept Documentation" Findings • GUS Refer, Refer with Caution, or Manually Underwritten Loans: Standard maximum ratios: 29/41 • For Debt Ratio Waiver – See USDA program guidelines for additional guidance
Debts	• Debts of the non-purchasing spouse must be included in the borrower's qualifying ratios if the borrower resides in or the property is located in a community property state
Employment	• Two-year employment history required • LOE required > 30-day gap from borrower • VVOE required within 10 days of Note date and 30 days for self-employed
Escrow Holdbacks	• Permitted. Escrow Holdbacks for repairs are permitted and must follow USDA guidelines
Gift Funds	• Allowed for closing costs or maybe applied to guarantee fee or for voluntary down payment on purchase transactions
Impound Account	• Required
Income	• Borrower's income is subject to Rural Development income limits at USDA Income Eligibility • Current pay stubs for previous 30 days with YTD income and W -2s for previous 2 years • Self-employed 2 years signed tax returns w/all schedules • YTD P&L with balance sheet and YTD Income & Expense Statement • Annual income includes all household memebers, regardless of whetheher they will be parties to the Note
Inspections	• On purchase transactions, a well inspection may be required if noted by the appraiser, or at the discretion of the underwriter • Properties with a well, water quality test is required • Properties with sewage systems require an inspection • Termite/pest inspection required if appraiser indicates issues

Loan Amount	• Purchase: The fair market value per the appraisal plus the up-front guarantee fee
	• Refinance:
	  • The maximum loan may include the principal and interest balance of the existing loan, reasonable and customary closing costs up to the new appraised value
	  • The appraised value may only be exceeded by the amount of the financed upfront guaranteed fee

Mortgage History	• GUS Accept/ Accept with Full Documentation:
	  • No Verification of Rent (VOR) is required
	  • No credit exception is required
	• GUS Refer, Refer with Caution, or Manually Underwritten Loans:
	  • A VOR may be required. Refer to the GUS Underwriting Findings Report to determine if a VOR is required for a complete loan application
	  • If a full 12-month VOR is not available, Sellers may verify the amount of rental history that has been unpaid
	  • One rent or mortgage payment paid 30 or more days past due in the previous 12 months is significant derogatory credit and will require a credit exception

Mortgage Seasoning	• Prior to the request for Conditional Commitment:
	  • The existing USDA loan being refinanced must have closed at least 180 days prior to the request for Conditional Commitment, refer to GNMA seasoning below
	  • The existing USDA loan being refinanced must have a mortgage payment history which does not reflect a delinquency greater than 30 days within the previous 180 day period
	  • All other refinance requirements described in HB-1-3555, Chapter 6
	• **[O] In addition, the following GNMA mortgage seasoning requirements must be met.**
	  • **[O] The borrower made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the initial loan, beginning with the payment made on the first payment due date**
	  • **[O] The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the initial loan**

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Program Parameters	• 100% financing (no down payment required.) Guarantee fee may be financed • Owner-occupied 1-unit properties located in rural areas as defined by USDA Rural Development • Refinance transactions as long as property in rural area at time of original loan, outside at refi okay • To determine property eligibility go to USDA Property Eligibility • Borrower income cannot exceed income limits per USDA • Borrower cannot receive cash back except for out-of-pocket expenses
Property Owned	• Cannot own another home within the local commuting area unless it was deemed unsafe/structurally unsound, or functionally inadequate
Product	• 30-year fixed rate only
Property - Eligible	• Single family residence, PUD, attached/detached condos (FNMA, FHA, and VA approved projects), Manufactured (**O Doublewide or Greater**) • *See Manufactured Home Section for details* • Existing properties with in-ground pools; new construction or properties that have not previously been occupied, are prohibited. No second home or investment properties

Property – Manufactured Home	• New Manufactured Homes Requirements
	  • New Homes must be newly installed and never occupied before
	  • Covered Costs - Loan covers site development, transportation, and setup costs
	  • Dealer Warranty - Dealers must provide manufacturer warranties and retain copies in the lender's file
	  • Foundation Requirements must comply with FHA guidelines for permanent foundations (HUD-4930.3G)
	  • Installation Standards - Must follow manufacturer's guidelines and HUD installation standards
	• Existing Manufactured Homes Restrictions *Details here*
	  • Existing Homes must be no older than 20 years from note date and never installed on a different homesite
	  • Age Restriction - Units older than 20 years (unless already financed under Section 502) are ineligible
	• Manufactured Home Eligibility Standards
	  • Manufactured Homes must be multi-width, with a floor area of not less than 400 square feet, on a permanent foundation
	  • Builder Certification - Builders must certify that installation follows construction plans, the home is undamaged and properly joined/sealed
	  • Certificate of Origin - Must confirm the unit is free from legal encumbrance
	  • Energy Standards - Must meet regional energy efficiency standards
	  • HUD Certification - Homes must meet FMHCSS and have a red HUD Certification Label. If a manufactured home is missing its HUD certification label, a Letter of Label Verification from the Institute for Building Technology and Safety (IBTS) is permitted
	  • HUD Certification Compliance - Units that do not meet Federal Manufactured Home Construction and Safety Standards or HUD guidelines are ineligible
	  • Relocation - Manufactured homes that have been moved from a previous location (except from the manufacturer's lot) cannot be financed
	  • REO & USDA 502 Loans - Real Estate Owned (REO) properties or transfer of an existing USDA Section 502 loan are eligible
	  • Site & Foundation - Homes without an eligible site or permanent foundation cannot be financed
	  • Tax Classification - Must be taxed and classified as real estate
	  • Title Insurance - A real property title insurance policy is required, and the mortgage must cover both the unit and land

Reserves	• Not required
Subordinate Financing	• Eligible on purchase transactions when provided by a government entity • Must be resubordinated on refinance transactions; may not be included in new loan amount
Temporary Buydown	• 2-1 and 1-0 buydowns allowed • 3-2-1 and **1-1 ineligible** • **Fixed-rate only** • Purchase & Streamline Refi on conforming loans • Primary residence only • Loan must be submitted through GUS and receive an "Accept/Eligible" recommendation • See guidelines for full details

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