USDA Guaranteed Rural Housing Streamlined Refinance

Primary Residence[2]

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

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 existing secondary financing is from a government entity.
2. Loan being refinanced must be a USDA GRH loan. USDA 502 Direct/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 Streamlined Refinance 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 Form 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 Document	• Credit/income/asset documentation must be ≤120 days from Note date. • Appraisal valid for 6 months from the effective date and valid at the time of Conditional Commitment.
Appraisal	• No appraisal is required
Assets	• 2 months bank statements or VOD required if funds needed to close
AUS Findings	• Loans 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. Manual underwriting acceptable.
Borrowers – Add/Remove	• Borrowers may be added or removed, provided at least one original borrower remains on the loan. • All borrower changes must meet USDA program eligibility requirements.

Borrowers – Eligible	• U.S. Citizens – 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 Nationals • 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
Cash Back	• Not allowed. • Borrowers may only receive cash back for eligible loan costs they have advanced from their personal funds or principal reduction required.

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Credit History	• All of the following are considered unacceptable:
	  • More than one 30 days late in the past 12 months
	  • Outstanding tax lien or delinquent government debt
	  • Any account converted to a collection account in the past 12 months
	  • Outstanding collection
	  • BK or foreclosure in previous 3 years
	  • Outstanding judgment within past 12 months
	  • Outstanding collection accounts with no satisfactory payment arrangements and any debt written off within the last 3 years (charge-offs).

Credit Report	• Tri-merged required - Non-borrowing spouse in community property states require full credit report.
Credit Score	• Per GUS.
DTI	• 29%/41% unless Rural Development DTI waiver received then max 32%/44%.
Employment	• Two-year employment history required. • > 30-day gap requires LOE from borrower VVOE required within 10 days of Note date; 30 days for self- employed.
Escrow Holdbacks	• Not allowed
Gift Funds	• Allowed for closing costs or may be applied to guarantee fee.
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.
Loan Amount	• The maximum loan amount may include the principal and interest balance of the existing loan, and reasonable and customary closing costs, including any financed portion of the upfront guarantee fee.
Mortgage History	• The existing loan must have closed 12 months prior to the Agency's receipt of a Conditional Commitment request and have a mortgage payment history which must not reflect a delinquency equal to or greater than 30 days within the previous 180-day period.

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.
	  • **[O] 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
	• **GNMA Seasoning**
	  • **[O] In addition, the following GNMA mortgage seasoning requirements must be met.**
	  • **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; and**
	  • **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.**

Program Parameters	• 100% financing. Guarantee fee may be financed. Owner-occupied 1-unit properties. • Property does not currently need to be in rural area if property was eligible at origination of the loan being refinanced. • Borrower income cannot exceed income limits per USDA.
Product	• 30-year fixed rate only
Properties – Eligible	• Single family residence, PUD, attached/detached condos (FNMA, FHA, and VA approved projects), Manufactured ([O] **Doublewide or Greater**) *See Guidelines 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

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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
Temporary Buydown	• 2-1 and 1-0 buydowns are permitted. • The mortgage loan must be underwritten at the full note rate. • Buydown funds are permitted from the seller, lender, or other third party. • Buydown funds are not permitted to come from the borrower. • Loan must be submitted through GUS and receive an "Accept/Eligible" recommendation. • **°1-unit only** • **°High Balance loans are ineligible** • **°Manual Underwrite is not permitted** • **°GUS Approval Required**

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