

### USDA Rural Development Guaranteed Housing Programs Overview

	Purchase/Non-Streamlined Refinance	Streamlined Refinance	Streamlined Assist Program
<b>Appraisal required?</b>	Yes Full appraisal (Completed by FHA roster appraiser on purchase)	No	NO
<b>Loans eligible for refinancing</b>	Section 502 Direct or Guaranteed Loan (no conventional, FHA, VA)	Guaranteed Loan only (no USDA 502 Direct, conventional, FHA, VA)	Section 502 Direct or Guaranteed Loan (no conventional, FHA, VA)
<b>Do income limits apply?</b>	Yes	Yes	Yes
<b>Is property required to be in rural area?</b>	<b>Purchase</b> - Yes <b>Refinance</b> – No. If property was eligible at origination it is eligible for refinance even if no longer in rural area as defined by USDA	No If property was eligible at origination it is eligible for refinance even if no longer in rural area as defined by USDA	No If property was eligible at origination it is eligible for refinance even if no longer in rural area as defined by USDA
<b>Does property have to be a primary residence</b>	Yes	Yes	Yes
<b>Eligible states</b>	All	All	All
<b>Credit report required?</b>	Yes Full	Yes Full	Yes Mortgage only on subject property
<b>Mortgage History/Seasoning</b>	<b>Purchase</b> - > 680 credit score, not required ≤ 680 12 month housing history reqrd <b>Refinance</b> - 0x30 in previous 12 months Minimum of 6 months payment history on the current mortgage for the subject property	0x30 in previous 12 months Minimum of 6 months payment history on the current mortgage for the subject property.	Verified through VOM Existing mortgage payments paid 12 months prior to refi application and must have closed 12 months prior to request for refi.
<b>Interest rate and loan term</b>	Fixed rate 30 years	Fixed rate 30 years	30 year Fixed rate ; not to exceed the interest of the original loan
<b>DTI</b>	Maximum 45% regardless of GUS Findings	29%/41% On an exception basis max 32%/44% subject to: Rural Development approval. Additionally, all borrowers must have ≥ 680 credit score and meet compensating factor requirement *	Not applicable – debt ratios not calculated
<b>What may be included in new loan amount?</b>	Principal balance plus guarantee fee, accrued interest (refis), eligible closing costs, and lender fees may be included if including does not exceed 100% LTV (if financing guarantee fee 102% LTV allowed)	Principal balance plus guarantee fee only. <b>No</b> accrued interest, closing costs, etc. may be included in the new loan amount	Principal balance plus accrued interest, eligible closing costs, lender fees, guarantee fee, plus origination fee not to exceed the lesser of 2% of the loan amount or \$3,000
<b>Closing costs and lender fees</b>	Normal and customary allowed	Normal and customary allowed	Normal and customary allowed but may not exceed the cost paid by the lender or charged to the lender by the service provider

\* Compensating factors: Borrowers must meet one of the following (supporting documentation requirements detailed in full guidelines):

1. The proposed PITI payment is equal to or less than the applicant's current housing expense. Borrower must be 0x30 in previous 12 months on current housing. Payment cannot be documented by a family member.
2. Liquid assets at closing ≥ 3 months PITI payments. Cash on hand not eligible
3. All employed borrowers have been continuously employed with their current employer for a minimum of 2 years (wage earner borrowers only; cannot be used by self-employed borrowers as compensating factor).

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<b>Cash-out allowed?</b> (Principal reduction reqrd if cash back > brwr out of pocket money)	No	No	No
<b>Manual underwriting</b>	No	Yes	Yes
<b>Is adding/deleting borrowers allowed?</b>	<b>Refinance - Yes</b> New borrowers may be added and existing borrowers may be deleted however one existing borrower must remain on the loan and title.	<b>Yes</b> New borrowers may be added and existing borrowers may be deleted however one existing borrower must remain on the loan and title.	<b>Yes</b> New borrowers may be added however existing borrowers may <b>not</b> be removed unless they are deceased.
<b>Termite/Septic/Well required</b>	<b>Purchase</b> – Well always required. Termite/ septic if appraiser indicates issue  <b>Refinance - No</b>	No	No
<b>Reserves</b>	Not required	Not required	Not required

### Refinance Benefits

Non-Streamlined Refinance Benefits	Streamlined Refinance Benefits	Streamline Program Refinance Benefits
<ul style="list-style-type: none"> <li>• Direct 502 and Guaranteed loans may be refinanced</li> <li>• New loan amount may include accrued interest, guarantee fee and closing costs if including does not exceed appraised value.</li> <li>• New borrowers may be added and existing borrowers may be removed (as long as one original borrower remains on the loan/title).</li> <li>• Eligible in all states Planet Home Lending does business</li> </ul>	<ul style="list-style-type: none"> <li>• Guaranteed loans may be refinanced</li> <li>• New borrowers may be added and existing borrowers may be removed (as long as one original borrower remains on the loan/title).</li> <li>• Eligible in all states Planet Home Lending does business</li> </ul>	<ul style="list-style-type: none"> <li>• Direct 502 and Guaranteed loans may be refinanced</li> <li>• 2055 exterior-only appraisal</li> <li>• Mortgage-only credit report</li> <li>• Debt ratios not calculated</li> <li>• New loan amount may include principal balance plus guarantee fee, accrued interest, eligible closing costs, and lender fees. Additionally, an origination fee, not to exceed 1% of the loan amount may also be charged.</li> </ul>