



USDA (Guaranteed Rural Housing)

Product Matrix

USDA Regulation and Handbook:	https://www.rd.usda.gov/resources/directives
USDA Lender Webpage:	https://www.rd.usda.gov/page/sfh-guaranteed-lender
USDA Training and Resource Library:	https://www.rd.usda.gov/resources/usda-linc-training-resource-library

Primary Residence Only

Transaction Type	# of Units	Maximum LTV / CLTV	Minimum Credit Score
Purchase	1	100% ¹	580 ²
USDA to USDA No Cash Out Refinance	1	100% ¹	

¹ Exclusive of the financed guarantee fee
² Minimum credit score of 600 required for manual underwrite

Guarantee Fee's	<ul style="list-style-type: none"> Upfront Guarantee (Purchase and Refinance) : 1% of the loan amount. Can be paid by the borrower OR financed above the appraised value. Annual Fee: .35%
Loan Limits	<ul style="list-style-type: none"> The maximum loan amount is determined by how much the borrower qualifies for based on ability to repay and income.
Age of Documents	<ul style="list-style-type: none"> All credit documents must be no more than 120 days old on the date of the Note.
Borrower Eligibility	<ul style="list-style-type: none"> U.S. Citizens Permanent resident aliens, with proof of lawful residence Non-permanent resident alien immigrants are ineligible.
AUS	<ul style="list-style-type: none"> All loans must be submitted to GUS (USDA Guaranteed Underwriting System) Accept/Eligible Refer/Eligible: <ul style="list-style-type: none"> - (Follow USDA guidance for remitting a fully underwritten file to USDA) Refer with Caution are NOT eligible.
Terms	<ul style="list-style-type: none"> 30 year fixed only
Ratios	<ul style="list-style-type: none"> Accept/Eligible. (Determined by GUS) 34/41 for non-GUS Accept files. (Waivers are not permitted to increase the PITI ratio above 34% for purchase transactions on non-GUS Accept files.)
Credit	<ul style="list-style-type: none"> All borrowers must return at least 1 credit score. Non traditional credit is not permitted
Derogatory Credit	<ul style="list-style-type: none"> Bankruptcy Chapter 7 & Chapter 13: GUS approval has no minimum seasoning. Follow USDA guidelines for manually underwritten loans. Foreclosure, Deed in Lieu or short sale: 3 years elapsed since completion. Federal debts: A borrower is ineligible if they are presently delinquent on a non-tax Federal debt All judgments must be paid in full, or: <ul style="list-style-type: none"> ▶ Payment arrangements with the creditor have been made ▶ The borrower has made regular and timely payments for the three months prior to loan application. ▶ Prepaying scheduled payments as a means of meeting minimum requirements is unacceptable Collection Accounts: The lender is responsible for determining which collection accounts, if any, should be paid in full by the borrower prior to or at loan closing. If the total outstanding balance of all "non-medical" collections accounts of all borrowers is equal to or greater than \$2,000. <ul style="list-style-type: none"> ▶ Payment in full of all collection accounts at or prior to closing. ▶ Payment arrangements are made with each creditor for each collection account remaining outstanding. (Payments to be included in debt-to-income ratio) ▶ In the absence of a payment arrangement, for each collection utilize 5% of the outstanding balance to represent the monthly payment.
CAIVRS / GSA	<ul style="list-style-type: none"> CAIVRS and GSA list must be checked and cleared.
Concessions	<ul style="list-style-type: none"> Financing or sales concessions cannot exceed 6% of the sales price.



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Income Analysis	<ul style="list-style-type: none"> The borrower's adjusted income may not exceed the Rural Housing's limit for the area. Refer to the USDA Income and Property Eligibility website: website: http://eligibility.sc.egov.usda.gov/eligibility/ To validate income documentation and disclosure provided by the borrower's and other adult household members that will reside in the home, each adult member of the household to complete and execute IRS Form 4506-T for the previous two years at the time. Borrowers on Fixed Income (Social Security and Pension) as per current guidelines. 												
Non-Borrowing Spouse	<ul style="list-style-type: none"> Non-Borrowing Spouse Credit Reports: <p>If the subject property is located in a community property state or the Non-borrowing spouse resides in a community property state then their debt must be included in the qualifying ratio's.</p> <ul style="list-style-type: none"> Social Security number must be verified Must have non-borrowing spouse authorization to pull credit. Inquiries within 90 days must be addressed/explained. UDN (LQI) is required within 10 days of closing and any new debt must be included in the DTI. <ul style="list-style-type: none"> States requiring non-borrowing spouse credit reports: <table border="1" style="margin-left: 40px; border-collapse: collapse; text-align: center;"> <tr> <td>Arizona</td> <td>Louisiana</td> <td>Texas</td> <td>Alaska</td> </tr> <tr> <td>California</td> <td>Nevada</td> <td>Washington</td> <td></td> </tr> <tr> <td>Idaho</td> <td>New Mexico</td> <td>Wisconsin</td> <td></td> </tr> </table>	Arizona	Louisiana	Texas	Alaska	California	Nevada	Washington		Idaho	New Mexico	Wisconsin	
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Non-Occupant Co-Borrowers	<ul style="list-style-type: none"> Non-occupant borrowers are not permitted. 												
Assets	<ul style="list-style-type: none"> Gift of equity from seller is not permitted. 												
Home Ownership Counseling	<ul style="list-style-type: none"> Certain Rural Housing State Offices require Home Ownership Counseling for first time homebuyers. Lenders are responsible for ensuring that the home buyer education requirements of those states are met. 												
Tax Transcripts	<ul style="list-style-type: none"> Tax transcripts are required for all adult household members for most recent 2 years. 												
Condominiums	<ul style="list-style-type: none"> Must meet agency (Fannie Mae, Freddie MAC, FHA or VA) standards. 												
Eligible Property Types	<ul style="list-style-type: none"> Purchase Transactions must be located in an area designated as acceptable for Rural Housing. Refinances are permitted for properties in areas that have been determined to be non-rural since the existing loan was made Single Family Attached/Detached; PUD's and condo's. Leaseholds with a minimum length of lease of 15 years beyond the maturity date of the loan. 												
Ineligible Property Types	<ul style="list-style-type: none"> 2-4 units Manufactured Homes Cooperatives Working Farms and Ranches Homes on tribal lands. Income producing properties. 												

Contacts and Resources

Topic	Contact
File Specific Questions should include: <ul style="list-style-type: none"> Identify the state of the property. Provide borrower's name & USDA borrower ID, if applicable. GUS loan number, if applicable. Include contact information. 	<ul style="list-style-type: none"> Production Team One: SFHGLPONE@usda.gov (AK, AL, AZ, CA, CO, GU, HI, IA, ID, KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WP, WY)
	<ul style="list-style-type: none"> Production Team Two: SFHGLPTWO@usda.gov (AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK)
	<ul style="list-style-type: none"> Production Team Three: SFHGLPThree@usda.gov (CT, DE, GA, IL, MA, MD, ME, MI, NC, NH, RI, SC, VT, WV)
	<ul style="list-style-type: none"> Production Team Four: SFHGLPFour@usda.gov (FL, IN, OH, PA PR, TN, VA, VI)