



# USDA Streamlined-Assist Refinance (Guaranteed Rural Housing)

## Product Matrix

**USDA Regulations and Handbook:**

<https://www.rd.usda.gov/resources/directives>

The streamlined assist refinance option provides current USDA direct and guaranteed home loan borrowers with low or no equity the opportunity to refinance for more affordable payment terms.

### Primary Residence Only

Transaction Type	# of Units	Max. LTV / CLTV	Minimum Credit Score
USDA to USDA Streamline Refinance	1	N/A	600

<b>Guarantee Fee's</b>	<p><b>Upfront Refinance Fee: 1% of the loan amount</b></p> <ul style="list-style-type: none"> <li>- Financed Guarantee Fee calculated: <math>(\text{loan amount} / .99) - \text{loan amount}</math></li> <li>- Not financed Guarantee Fee calculated: <math>\text{loan amount} * 1\%</math></li> </ul> <p><b>Annual Fee: .35%</b></p>
------------------------	---

The Streamlined Assist Refinance is manual underwriting only. To expedite manual file submissions, please follow the 3-step instructions below to upload documents directly into GUS, even though **the file will not** be a final submission in GUS.

#### Step 1: Required GUS Entries

- "Eligibility" Page:
  - ▶ Subject Property, Address, County, MSA and Zip Code
  - ▶ Number of People in Household
  - ▶ Subject Property, Address, County, MSA and Zip Code
- "Borrower Information" Page
  - ▶ Borrower(s) Name and Social Security Number
- "Application Documents"
  - Page - Upload all required documents as indicated on Attachment 15-A.
  - <https://www.rd.usda.gov/media/file/download/grhloanchecklist-attachment15-a.pdf>:
    - ▶ Additional guidance on uploading documents is found in the GUS user guide, located in the USDA Linc Training & Resource Library.
    - <https://www.rd.usda.gov/resources/usdalinc-training-resource-library>
- **Please note** lenders should **not** order or reissue credit reports in GUS for the manual file submission process.

#### Step 2: Optional GUS Entries (for an auto-populated Form RD 3555-21 downloaded/printed from GUS)

To download/print a complete auto-populated Form RD 3555-21 from the "Request Forms" page, lenders may add the following entries in GUS. If not completed, Form RD 3555-21 will need to be printed and completed manually.

- "Credit Underwriting" - (Enter the following data points)
  - ▶ Lender Contact Name, Phone Number and E-Mail Address.
- "Loan Originator Information" - If a TPO is being used enter the following data points:
  - ▶ Loan Originator Organizational Name and Tax ID.

#### Step 3: E-mail the Appropriate Production Team

Once the lender has uploaded all required documents into GUS, the lender will need to email the appropriate Production Team with notification that the application has been uploaded. This email must include the following information:

- GUS Application ID Number
- Loan Submission Type (examples: Tribal Rehabilitation Pilot, Tribal Property Valuation Pilot, Streamlined-Assist Refinance, etc.).
- The date SAM was completed and if any party to the transaction is debarred.
- Identify (yes or no) if any applicants have a relationship with an RD employee.

#### Contact information for the Production Teams can be located at:

<https://www.rd.usda.gov/resources/usda-linc-training-resource-library/linc-contact-and-resources>

*(A return email from the Production Team, confirming submission of required documentation, will constitute the date of file submission.)*

<b>Terms</b>	• 30 Year fixed only
<b>Appraisal</b>	• Not required. (A valuation product is not required.)
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Tri-merge credit report or mortgage only report with credit scores is required.</li> <li>• 0 X 30 for the previous 12 month mortgage payments. <b>(Minimum 12 mos required)</b></li> <li>• 1 credit scores required for all borrowers</li> </ul>
<b>CAIVRS</b>	• CAIVRS must be checked and cleared.



# USDA Streamlined-Assist Refinance (Guaranteed Rural Housing)

<b>Guidelines</b>	<ul style="list-style-type: none"> <li>The existing loan being refinanced must be a USDA Guaranteed Rural Housing Loan</li> <li>The interest rate of the new loan must be fixed and may not exceed the interest rate of the loan being refinanced.</li> <li>The borrower must receive a Net Tangible Benefit defined as a \$50 or greater reduction in the principal, interest, and annual fee (PI+A) payment on the new guaranteed loan when compared to the existing PI+A payment</li> <li>Borrowers may be added to the new refinance, but an existing borrower may not be removed.</li> <li>Non-occupant co-borrowers are not permitted.</li> <li>The new loan amount may include principal and interest balance of the existing loan, eligible closing costs, prepaids and the upfront guaranteed fee.</li> <li>No cash out is permitted to the borrower. Any excess funds, which should be minimal, must be applied as a principal reduction. (Unpaid fees, past-due interest, and late fees/penalties due the servicer cannot be included in the new loan amount.)</li> <li>Subsidy recapture due for direct loan borrowers are not eligible to be included. Must be paid in full by borrower or subordinated.</li> </ul>
<b>Employment / Income</b>	<ul style="list-style-type: none"> <li>DTI ratios are not calculated.</li> <li>Borrowers adjusted annual income must meet USDA income eligibility requirements for the area</li> <li>2 year tax transcripts for all adult household members is required.</li> </ul>
<b>Employment / Income</b>	<ul style="list-style-type: none"> <li>Full income verification for all borrowers is required: <ul style="list-style-type: none"> <li><b>Wage Earner:</b> <ul style="list-style-type: none"> <li>▶ Most recent year-to-date paystub and previous 2 year W2's</li> <li>▶ Verbal VOE within 10 days of closing</li> </ul> </li> <li><b>Self-employed:</b> <ul style="list-style-type: none"> <li>▶ 2 years personal &amp; business tax returns with YTD P&amp;L and Balance sheet.</li> <li>▶ verification of business within 30 days of closing</li> </ul> </li> </ul> </li> </ul>
<b>Property Eligibility</b>	<ul style="list-style-type: none"> <li>Property must be in an eligible rural area or an area that was eligible at the time of the original loan closing.</li> <li>NOTE: If property shows "ineligible" the Rural development State Office must be contacted to confirm that the property that the property was eligible at the time of the original closing.</li> <li>Single Family Attached/Detached</li> <li>PUD's and condo's.</li> <li>Leaseholds with a minimum length of lease of 15 years beyond the maturity date of the loan.</li> <li>The loan security must be the same property as the original loan.</li> </ul>
<b>Direct Loan Borrowers</b>	<p style="text-align: center;"><b>Direct USDA loans are loans that were funded directly by the USDA.</b></p> <ul style="list-style-type: none"> <li>Lenders may determine an applicant has direct a direct loan when the credit report reflects "USDA" as the mortgage creditor, or the applicant informs the lender that they applied and received their mortgage loan through a USDA Service Center. Direct loans are serviced by the Centralizing Servicing Center (CSC) located in St. Louis, Missouri. Obtaining a "STATEMENT OF LOAN BALANCE" letter will assist lenders in determining if subsidy recapture is due.</li> <li>Direct Loan borrowers will be required to obtain a new appraisal if they have received payment subsidy to determine the amount of subsidy recapture due. If subsidy recapture is due, the amount cannot be included in the newly refinanced loan. Subsidy recapture must be paid with other funds or subordinated to the new guaranteed loan.</li> <li>Submit a request on lender letterhead suitable for fax transmission which includes the name, account number, address, and the date for which the payoff should be valid. If available at the time of payoff request, also include a copy of the Loan Estimate or Closing Disclosure and a recent appraisal of the direct loan property. If a current appraisal is not remitted at the time of the loan payoff request, the "Statement of Loan Balance" will reflect the MAXIMUM amount of subsidy recapture that may be due. When a current appraisal is submitted to CSC, the payoff will reflect the actual amount of subsidy recapture due. Requests can be faxed to (314) 457-4433. ** The "Statement of Loan Balance" will also include instructions for the lender to follow regardless of information submitted at the time of the payoff request.</li> </ul>