

USDA Rural Development Single Family Guaranteed Rural Housing Streamlined-Assist Program

Fixed Rate

Primary Residence Full Documentation			
Transaction Type	Units	LTV/CLTV	Credit Score
Streamlined-Assist Refinance ²	1	110%/110% ¹	580 ³

Footnotes:

1. Loan being refinanced must be a USDA Section 502 Direct or Guaranteed loan. Conventional, FHA, or VA, **cannot** be refinanced under this program. Existing subordinate financing must be resubordinated.
2. Minimum loan amount \$60,000
3. New York transactions **ONLY**: Minimum 600 credit score required

In addition to the USDA Rural Development GRH Streamlined program Homebridge offers the USDA Rural Development Purchase and Non-Streamlined and the USDA Streamlined Refinance programs. Refer to the applicable guidelines specific to those USDA programs located on the Homebridge website at www.HomebridgeWholesale.com

Complete USDA Guaranteed Rural Housing guidelines, USDA HB 1-3555, revised January 5, 2024, can be accessed at: RD.USDA.gov

USDA Guaranteed Rural Housing (GRH) Streamlined-Assist Program Highlights

The Streamlined-Assist program requires a mortgage only credit report, on the subject property, with a 0x30 in 12 months payment history. A CoreLogic GeoAVM™ (ordered by Homebridge) is required with a standard deviation ≤ 18. If standard deviation > 18, a 2055 will be required. Refer to the [Appraisals](#) topic for specific requirements.

Streamlined-Assist highlights:

- Income must be ≤ 115% of the area median
- No reserves required
- No DTI
- Gift funds are eligible for closing costs or the upfront guarantee fee

To view USDA 2024 income limits: [USDA Single Family Housing Guaranteed Loan Program](#)

Fees

Upfront Guarantee Fee

- 1.00% of the total loan amount

Annual Fee:

- 0.35% - applicable for the life of the loan



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Topic	Guideline
4506-C	<ul style="list-style-type: none"> Signed 4506-C required prior to loan closing for both personal and business tax returns (if applicable) for all adult (18 years and older) household members (excluding full-time students) NOTE: A borrower's failure to file their tax returns by the legally required due date is not an eligible reason to not obtain tax transcripts Tax transcripts are processed for the previous 2 years NOTE: If transcripts cannot be obtained from the IRS, they may follow post-closing on a case-by-case basis subject to Homebridge management approval. All documentation from the IRS must be included in the loan file Results are not validated against income Broker provided processed 4506-C results are eligible when ordered through Fraud Technology (link available on the Homebridge website on the "Broker Resources" page under "Express 4506")
Age of Documents	<ul style="list-style-type: none"> All credit, income and asset documentation must be ≤ 120 days from the Note date. The appraisal is valid for 150 days from the date of the appraisal and must be valid at time of the request for the Conditional Commitment.
Appraisals	<ul style="list-style-type: none"> A CoreLogic GeoAVM will be ordered by Homebridge. The standard deviation must be ≤ 18. A 2055 will be required if the standard deviation is >18. NOTE: If the loan being refinanced is a USDA Section 502 Direct loan and the borrower received a subsidy, a full appraisal will be required to determine the amount of subsidy recapture due. A minimum of 3 closed comparable sales are required. The source of the closed comparable sales used in the appraisal must be from one of the following or a desk review will be required: <ul style="list-style-type: none"> - MLS, or - Comps Inc., or - GeoData Plus (NY only), or - PropertyShark (NY only), or - StreetEasy (NY only) NOTE: Comparables from a public independent source are only eligible in rural areas of Maine, New Hampshire, and Vermont where MLS is not common Value of the lot cannot exceed 30% of the appraised value. Homebridge will consider > 30% site value on an exception basis in Hawaii only subject to the following: <ul style="list-style-type: none"> - It is typical for the area, and - Comparable properties with similar acreage are provided, and - Appraiser confirms the lot cannot be subdivided
Appraisal Management Companies (AMC)	<p>The following is a list of HomeBridge approved AMCs:</p> <ul style="list-style-type: none"> ACT Appraisal Management AMC Settlement Services Axis Management Solutions Class Valuation Fastapp Appraisal Management Golden State AMC Mortgage Management Consulting (MMC) Nadlan Valuation Nationwide Appraisal Network Nationwide Property & Appraisal Services

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Assets	<ul style="list-style-type: none"> • Assets are verified when funds are needed to close. • Assets include checking/savings accounts, gift funds, sale proceeds from currently owned property, 401K/retirement accounts, and stocks/bonds and must be documented as follows: <ul style="list-style-type: none"> - 2 months most recent bank statements (dated within 45 days of the initial loan application date). The lesser of the two (2) month average balance or the actual balance, as reported on the most recent statement will be used in the underwriting decision. - Stocks and bonds require the most recent statement monthly or quarterly statement. • Cash on hand and unsecured funds are ineligible sources for assets. • Retirement funds that allow for immediate withdrawal are eligible at 60% of the vested account balance to allow for withdrawal penalties. • Foreign assets are eligible for funds to close and to satisfy reserve requirements subject to the following: <ul style="list-style-type: none"> - Documentation verifying assets have been exchanged to U.S. dollars and held in a federal or state regulated financial institution prior to closing - Homebridge must verify funds availability and accompanying documentation that has been converted to English, or provide a translation attached to each document, and ensure the translation is complete and accurate
Assumptions	Not allowed
AUS	Manual underwriting required
Available Markets	<ul style="list-style-type: none"> • All 50 states • Guam, Puerto Rico and the Virgin Islands are ineligible. • Properties do not have to be located in an area currently identified as an eligible rural area. If the property was eligible at origination a refinance is allowed even if area not currently defined as rural by USDA Rural Development.
Borrowers – Adding or Deleting	A new borrower(s) may be added. Existing borrower(s) cannot be deleted unless they are deceased.
CAIVRS/LDP/GSA and Mortgage Fraud	<ul style="list-style-type: none"> • <u>CAIVRS</u> <ul style="list-style-type: none"> - All borrowers must be checked against the Credit Alert Interactive Voice Response System (CAIVRS) to determine if they have delinquent federal debt. A clear CAIVRS is required. - All federal debt and judgments must be paid in full or otherwise resolved and have supporting documentation. - CAIVERS claims: The borrower must provide official documentation that the delinquency has been paid in full or otherwise resolved prior to loan processing. - Borrowers previously convicted of mortgage fraud are ineligible. • <u>LDP / GSA</u> <ul style="list-style-type: none"> - All of the following parties to the transaction, as applicable, must be checked against HUD's Limited Denial of Participation list and the General Service Administration's Excluded Parties List System. <ul style="list-style-type: none"> - Borrower(s) and Borrower(s) AKA name (if applicable) - Seller(s), - Real Estate Listing and Selling Agent(s), - Appraiser, - Appraisal Company (not the AMC) - Broker - Loan Officer, Loan Officer Assistant - Loan Processor, - Underwriter, - Account Manager, - Closing/Settlement Agent, - Title/Settlement Company, and - 203(k) Consultant • Any transaction where any of the interested parties to the transaction have been convicted of mortgage fraud will require review and approval by Homebridge management

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Cash Back to Borrower	<p>The borrower cannot receive any cash back from the transaction with the exception of out of pocket money (with supporting documentation) as follows:</p> <ul style="list-style-type: none"> • First year of homeowner's insurance paid • Loan application fees • Appraisal/inspection fees • Paid repairs <p>Tax credits, excess loan funds, excess seller concessions, and items paid with credit cards cannot be refunded to the borrower; a principal reduction is required.</p>
Credit Report/Scores	<ul style="list-style-type: none"> • Minimum credit score is 580 NOTE: New York transactions require a minimum 600 credit score • A mortgage only credit report on the subject property is required. • The primary borrower (the borrower with the highest income) must meet the minimum credit score requirement. • The representative credit score is determined as follows: <ul style="list-style-type: none"> - If there are three (3) valid scores, the middle score is used. If two of the three scores are a duplicate, the duplicate score is used. - If there are two (2) valid scores, the lower of the two is used - If there is one (1) valid score, that score is used
DTI	Not applicable
Employment	A verbal verification of employment (VVOE) is required within 10 calendar days of the Note date for salaried borrowers and 30 days for self-employed borrowers.
Escrow Holdbacks	Not allowed
Escrow/Impound Account	Required on all loans, no exceptions.

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Gift Funds	<ul style="list-style-type: none"> • Gift funds are eligible for closing costs, voluntary down payment or may be applied to guarantee fee. There must be no expected or implied repayment requirement of the gift funds. • Gift funds may not be used for cash reserves as a compensating factor • Any excess gift funds at closing may be returned to the borrower. • The gift funds donor cannot be affiliated with the builder, developer, real estate agent, broker, or any other interested party to the transaction. • Regardless of when gift funds are made available to the borrower the following is required: <ul style="list-style-type: none"> - A gift letter stating: <ul style="list-style-type: none"> - The donor's name, - The amount of the gift, and - The gift funds do not have to be repaid <p>NOTE: Cash on hand is not an acceptable explanation for the source of funds</p> <ul style="list-style-type: none"> • Gift fund availability and transfer of the funds must be documented. Verification of transfer of funds must be documented as follows: <ul style="list-style-type: none"> - Evidence of borrower's deposit, or - A copy of the check/electronic transfer to evidence transfer of the donor's funds to the closing agent, or - A copy of the Closing Disclosure showing receipt of the donor's funds
Income	<p>The borrower's adjusted household income cannot exceed 115% of the area median as determined by Rural Development for the state/county where the property is located. Income is required for eligibility only, not for qualifying.</p> <p>To view the GRH income limits by state click here: Rural Development Single Family Housing Guaranteed Loan Income Limits</p> <p>To determine income eligibility click here Rural Development Income Eligibility and enter the information requested.</p> <p>NOTE: The Rural Development system will indicate eligible/ineligible for both the Guaranteed Rural Housing Loan Program and the Direct Rural Housing Loan Program. Homebridge only offers the Guaranteed Rural Housing program.</p> <p>Rural Development has two separate income calculations that are required for Streamlined-Assist Refinance loans:</p> <ul style="list-style-type: none"> • Annual income – The total income and assets of all adult household members, including borrower(s) and non-applicants 18 years old and older, and • Adjusted income – The household's annual income (as described above) minus eligible deductions equals the adjusted income. The adjusted income determines GRH program eligibility. • Refer to the Income topic in the USDA Purchase and Non-Streamlined program guidelines, located under USDA Loan Products, for annual income and adjusted income details.

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Income Documentation	<p>Salaried Borrowers</p> <ul style="list-style-type: none"> • Current paystubs for previous 30 days with YTD income • W-2s for prior 2 years <p>Self-Employed Borrowers</p> <ul style="list-style-type: none"> • 2 years signed individual tax returns including all schedules, or • 2- years signed business tax returns, including all schedules if the business is an “S” corp. or LLC • YTD P&L (audited or unaudited) with balance sheet <p>Self-Employment Income Analysis</p> <ul style="list-style-type: none"> • If the borrower provides quarterly tax returns the income analysis can include income through the period covered by the tax filings • If the borrower is not subject to quarterly tax filing the income shown on the P&L may be included in the income analysis provided the income stream based on the P&L is consistent with the previous years’ earnings • If the P&L submitted for the current year show an income stream considerably greater than what is supported by the previous years’ tax returns, the income analysis will be based solely on the income verified using the tax returns
Inspections	Not required
Loan Amount	<p>The new loan amount may include the following:</p> <ul style="list-style-type: none"> • Principal balance of the loan being refinanced, • Accrued interest, • Upfront guarantee fee, • Eligible loan closing costs, and • Funds to establish an escrow account <p>The following cannot be included in the new loan amount:</p> <ul style="list-style-type: none"> • Unpaid fees, delinquent interest, lender fees, late fees/penalties and subsidy recapture (if applicable)

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Mortgage History/Seasoning	<ul style="list-style-type: none"> The loan being refinanced must have closed a minimum 12 months prior to the application date of the new loan, and The loan has been paid as agreed (0x30) in the 12 months prior to loan application Loans with < 12 months seasoning are ineligible <p>Forbearance Plan Policy</p> <p>The policy below applies to the subject property and to any other real estate mortgage loan where the borrower is in a forbearance plan,</p> <p><u>Subject Property Lien (Loan being Refinanced) and is Current</u></p> <ul style="list-style-type: none"> If the borrower is current and has not missed a payment, the loan is eligible <p><u>Other REO OR Subordinating Second Lien and is Current</u></p> <ul style="list-style-type: none"> The loan is eligible if the borrower is current and has never missed a payment, and Written evidence, provided directly from the servicer, confirming the forbearance plan has been withdrawn, closed or cancelled prior to the closing of the new subject loan required. <p>NOTE: Documentation must be obtained for loans in a forbearance plan and for loans where borrower inquired about forbearance and the servicer flags the inquiry</p> <p><u>Subject Property AND/OR Other REO NOT Current/Missed Payment</u></p> <ul style="list-style-type: none"> The loan is ineligible
Net Tangible Benefit	The new PITI payment must be at least \$50 less than the PITI payment on the current loan (annual fee may be included)
Occupancy	Owner-occupied 1-unit primary residence
Other Real Estate Owned	Borrower cannot own another home within the local commuting area unless that home has been deemed unsafe/structurally unsound or it is no longer an adequate size for the family (e.g. family of 6 living in a 2 bedroom home).

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Power of Attorney	<p>A durable Power of Attorney (POA), that complies with the applicable state law, is allowed on a case-by-case basis for loan closing documents subject to all of the following:</p> <ul style="list-style-type: none"> Must be specific to the transaction Must include the borrower name, property address and loan amount The POA must be fully executed and notarized A letter of explanation required from the borrower to document reason for using a POA The POA must meet all applicable state laws Homebridge to review and approve prior to loan closing The POA must be recorded along with the mortgage Eligible for initial application/disclosures and/or closing as detailed below: 	
	Eligible Individuals for POA	Requirements
	<p>Military Personnel (POA eligible for initial or final application but not both)</p>	<p>A POA only allowed for one application (initial or final), but not both when the following applies:</p> <ul style="list-style-type: none"> The service member is on overseas duty or on an unaccompanied tour, and The service member's signature cannot be obtained on the application by mail or fax, and The POA is a durable POA that provides the attorney-in-fact specific authority to obligate the borrower on a mortgage
<p>Incapacitated Borrower (POA eligible for both initial and final)</p>	<ul style="list-style-type: none"> The borrower is incapacitated and unable to sign the mortgage application, and The borrower will occupy the property, and The POA is a durable POA that gives the attorney-in-fact the authority to encumber the property and to obligate the borrower on the mortgage. 	
Prepayment Penalty	Not permitted	
Products	<ul style="list-style-type: none"> 30 year fixed rate. The interest rate of the new loan cannot exceed the interest rate of the original loan being refinanced 	
Reserves	Not required	

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Streamlined-Assist Refinance General Requirements	<ul style="list-style-type: none"> • A minimum \$50 reduction in the principal, interest, taxes, and insurance (PITI) payment from the borrowers current PITI payment is required (including the annual fee) • Mortgage only credit report • The loan being refinanced must have closed a minimum of 12 months prior to the application for the new loan and paid as agreed (0x30) in 12 months • Maximum loan amount; refer to the Loan Amount topic for detailed information on what can and cannot be included in the new loan amount • Subordinate financing cannot be included in the new loan amount. Any existing secondary financing must subordinate to the new first lien with the exception of PACE/HERO loans which cannot be re-subordinated; the loan must be paid off prior to loan closing or the loan is ineligible for a USDA loan • Borrowers may receive reimbursement from loan proceeds at settlement for eligible closings costs paid from the borrower's personal funds. The borrower may also receive a refund at settlement that represents prepaid interest or overage from the borrower's escrow account. • Borrowers may be added but borrower(s) on the current loan cannot be removed unless a borrower is deceased • Rural Development loan being refinanced may be a Guaranteed or Direct loan. • Properties that are now outside of a rural area as previously defined by Rural Development are eligible. • Income eligibility must be met. • Property must remain primary residence Properties now located in a flood zone with require flood insurance (elevation certificate not eligible). • Properties that were listed for sale in the previous 12 months must be taken off the market prior to the application date.
Subordinate Financing	<ul style="list-style-type: none"> • New subordinate financing not allowed. • Existing subordinate financing must be resubordinated except for PACE/HERO loans which cannot be resubordinated
Temporary Buydowns	<p>Buydowns are permitted subject to the following:</p> <ul style="list-style-type: none"> • The loan is qualified at the Note rate, • Buydowns may be funded by one of the following: <ul style="list-style-type: none"> - Seller, - Realtor – Selling Agent or Listing Agent, or - Lender • The buydown cannot reduce the interest rate more than 2% below the full Note rate, • The rate cannot increase no more than 1% annually, • The buydown must be fully funded at origination, • 1/0, 1/1, 1/1/1, or 2/1 buydown available • Buydown funds are deposited into an escrow account and the Servicer will disburse funds from the escrow account each month to make the full mortgage payment. The borrower is required to acknowledge they agree with this in writing and a copy retained in the loan file • A copy of the escrow agreement, signed by the borrower and the provider of the funds, must be retained in the loan file
Transactions – Ineligible	<ul style="list-style-type: none"> • Cash-out • Refinance of any loan that is not a current Rural Development loan
USDA Forms	<p>USDA Rural Development forms are available at: Reginfo.gov; select the applicable form.</p> <ul style="list-style-type: none"> • Request for Single Family Housing Loan Guarantee (RD Form 3555-21) is used to request a loan guarantee from Rural Development. Must be completed at time of origination and signed by the borrower(s) • Conditional Commitment for Single Family Housing Loan Guarantee (RD Form 3555-18) is issued by Rural Development to indicate the loan appears to be eligible for a GRH loan.