



Bulletin 16-34

Updates to the USDA Programs

HomeBridge is announcing updates to our USDA Programs as detailed below.

New Streamlined-Assist Refinance Program

USDA recently replaced the Pilot Refinance program with the Streamlined-Assist program. Highlights of the Streamlined-Assist are as follows:

- USDA Guaranteed or 502 Direct loans eligible for refinance (conventional, FHA, VA ineligible)
- Borrower(s) must meet Rural Development income limits
- The program is available in all states (HomeBridge will offer in all states except Nebraska)
- Mortgage only credit report for subject
- DTI not calculated
- Reserves not required
- Property does not currently need to be located in a rural area as defined by USDA
- Closing costs may be included in the new loan amount
- 2055 exterior-only appraisal (HomeBridge requirement)
- Net tangible benefit requirement: The new loan PITI payment must be a minimum of \$50 less than the PITI payment on the loan being refinanced
- The new loan interest rate cannot exceed the interest rate on the loan being refinanced
- Fixed rate 30 year loan term
- Borrower(s) may be added to the new loan but may not be removed (unless a borrower is deceased)
- Manual underwriting required

The Streamlined-Assist program is available for loans submitted to HomeBridge on or after October 11, 2016

USDA Upfront Guarantee Fee and Annual Fee – Reduced for all USDA Programs

USDA has announced a reduction in both the guarantee and annual fee for Conditional Commitments issued on or after October 1, 2016 for all USDA loan programs (Purchase & Non-Streamlined, Streamlined Refinance and Streamlined-Assist Refinance)

- **Upfront Guarantee Fee** (purchase and refinance transactions): **1.00%** of the total loan amount
- **Annual Fee:** **0.35%** - applicable for the life of the loan

HomeBridge has updated the following documents and posted them on the HomeBridge website at www.HomeBridgeWholesale.com:

- USDA Purchase and Non-Streamlined matrix and Quick Reference Guide
- USDA Streamlined Refinance matrix and Quick Reference Guide
- USDA Streamlined-Assist matrix and Quick Reference Guide
- USDA Programs Overview
- USDA Submission forms
- USDA Rural Development Borrower Questionnaire and Income Eligibility Worksheet

If you have any questions, please contact your Account Executive