

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	620

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

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 matrix for guidelines specific to those USDA programs located on the Homebridge website at www.HomebridgeWholesale.com

USDA's new HB-1-3555 may be viewed at USDA Rural Development [Regulations and Guidance](#); select HB-1-3555 SFH Guaranteed Loan Program Technical Handbook. The new forms are available at [USDA LINC Training and Resource Library](#) under Forms.

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

Fees

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



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Topic	Guideline
COVID-19 Temporary Flexibility Policies	<ul style="list-style-type: none"> The temporary documentation flexibilities allowed by USDA and Homebridge policy changes due to COVID-19 are being added to the guidelines to incorporate all temporary policy in one place for reference It is important to remember there is no change to USDA's standard underwriting policies to determine borrower qualification and any policy not addressed under COVID-19 temporary policies topic is subject to standard guidance
COVID-19 Temporary Appraisal Policy	<p>The temporary appraisal policy is effective through June 30, 2021</p> <p>AVM An AVM is not required</p> <p>1004D Completion Report A letter from the borrower, confirming completion of repairs, along with evidence documenting completion is acceptable in lieu of an appraisal re-inspection (1004D). Acceptable evidence includes:</p> <ul style="list-style-type: none"> Photos of completed work, Paid receipts, Occupancy permit, or Other substantially similar documentation <p>The letter and evidence will be retained in the loan file</p>
COVID-19 Temporary Income Policy	<p>In addition to the above, the underwriter will perform a reasonability test of the borrower's income to consider the likelihood of continuance since certain industries are far more affected than others (e.g. service industries that rely heavily on tips – restaurant, casing, hair/nail salons, etc. vs. industries deemed "essential" or where telecommuting is a viable option)</p>
COVID-19 Temporary Borrowers in Forbearance Policy	<p>Refer to the Forbearance Plan Policy section in the Mortgage/Rental History topic for requirements that apply when the borrower is in a forbearance plan</p>

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4506-T	<ul style="list-style-type: none"> Signed 4506-T 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) Tax transcripts are processed for the previous 2 years Results are not validated against income Broker provided processed 4506-T 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. The source of the closed comparable sales used in the appraisal (if applicable) must be from one of the following or a desk review will be required: <ul style="list-style-type: none"> A Multiple Listing Service (MLS), or MRIS (www.mris.com), or Midwest Real Estate Dated (MRED) (www.mredllc.com), or North Texas Real Estate Information Systems, Inc. NTRDIS) at (www.ntreis.net) San Antonio Board of Realtors (www.sabor.com), or GeoData at www.geodataplus.com , or Comps Inc. at www.compsny.com . NOTE: Comparables from a public independent source are only eligible in the states of Maine, New Hampshire, and Vermont. 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>Homebridge approved AMCs are:</p> <ul style="list-style-type: none"> ACT Appraisal Management: ACT Appraisal AMC Settlement Services: AMC Settlement Services Axis Management Solutions: Axis Class Appraisal: Class Appraisal Golden State AMC: Golden State AMC Mortgage Management Consulting (MMC): MMC Nationwide Appraisal Network: Nationwide Appraisal Network Nationwide Property & Appraisal Services: Nationwide Property & Appraisal Network Xome (formerly Assurant): Xome

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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.
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), - Appraiser, (if applicable) - AMC, (if applicable) - Broker, - Loan Officer, - Loan Processor, - Underwriter, - Closing Agent, and - Title Company • 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 620 • 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

- Gift funds are eligible for closing costs 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.
 - A gift is acceptable if the donor is:
 - A person not living in the household, or
 - An eligible organization.
 - A gift letter is required which includes the following:
 - The dollar amount of the gift,
 - Signature of the donor and the borrower,
 - The date the funds were transferred,
 - The donor(s) name, address, phone number, and relationship to the borrower, and
 - A statement by the donor that no repayment of the gift funds is expected.
 - The gift fund donor cannot be affiliated with the broker, or any other interested party to the transaction including household members.
 - Regardless of when gift funds are made available to the borrower, it must be determined that the gift funds were not provided by an unacceptable source and that the gift funds were the donor's own funds.
 - Gift fund availability and transfer of the funds must be documented. Verification of transfer of funds must be documented as noted below:
 - If the gift funds are provided prior to close:
 - A copy of the cancelled check (front and back) and conclusive evidence the funds were withdrawn from the donor's account (e.g. copy of the donor's bank statement showing the withdrawal, withdrawal receipt, etc.), **and**
 - Proof of deposit into the borrower's account (e.g. bank statement, deposit receipt, etc.)
 - Gift funds provided at closing:
 - Must be received at least one day prior to closing to allow for underwriter review; gift funds the day of closing are not allowed.
 - A copy of donor's check, certified/cashier's check/money order provided to the closing agent is required, or
 - If funds provided via wire, a copy of the wire transfer confirmation,
 - Documentation the funds were withdrawn from the donor's personal account (withdrawal document, cancelled check, bank statement, etc.)
 - Gift must be reflected on Closing Disclosure.
- NOTE. When a bank statement is used to document funds, the donor **may** be required to document large deposits to ensure the funds did not come from an interested third party.
- Gift funds are eligible from any acceptable source provided the borrowers are not obligors to any Note to secure the money borrowed for the gift.

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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 USDA Purchase and Non-Streamlined program guidelines Income topic for annual income and adjusted income details.
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"> • 1 year signed tax returns including all schedules • YTD P&L (audited or unaudited) with balance sheet • YTD Income & Expense statement
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) is allowed on a case-by-case basis 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: 						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Eligible Individuals for POA</th> <th style="width: 50%; padding: 5px;">Requirements</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <p>Military Personnel (POA eligible for initial or final application but not both)</p> </td> <td style="padding: 5px;"> <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 </td> </tr> <tr> <td style="padding: 5px;"> <p>Incapacitated Borrower (POA eligible for both initial and final)</p> </td> <td style="padding: 5px;"> <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. </td> </tr> </tbody> </table>	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.
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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. • Borrowers may receive reimbursement from loan proceeds at settlement for personal funds advanced for loan purposes (e.g. appraisal fee, credit report, etc.) Borrower may not receive any cash back resulting from final escrow or interest calculations; the excess funds must be applied as a principal reduction. • Borrowers may be added but borrower(s) on the current loan cannot be removed unless a borrower is deceased • Rural Development loan being refinanced must be a Guaranteed 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	New subordinate financing not allowed. Existing subordinate financing must be resubordinated.
Temporary Buydowns	Not allowed
Transactions – Ineligible	<ul style="list-style-type: none"> • Cash-out • Refinance of any loan that is not a current Rural Development loan
USDA Forms and Links	<p>USDA Rural Development forms are available at: USDA LINC Training and Resource Library</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.