

USDA Rural Loan Matrix

Documentation Requirements	All loans must meet standard FHA loan documentation and qualification requirements		
Exceptions	Exceptions to guideline requirements will be made on a case-by-case basis with Sr. management approval		
Owner Occupied Only	Property Type	Up to FHA Loan Limits	High Balance
	SFR Detached	102/102	NA
	SFR Attached	102/102	NA
600 Minimum FICO score	Condo/Townhouse	102/102	NA
Terms/Product	<ul style="list-style-type: none"> Fixed: 30 Yr. only 		
Underwriting	<ul style="list-style-type: none"> All loans are run through GUS (Guaranteed Underwriting System). Must be located in an eligible location http://eligibility.sc.egov.usda.gov/eligibility/Accept/Eligible and Manual underwriting allowed on an exception basis. Technically a manual underwrite is considered an exception. Manual Underwrites –to receive the credit waiver- we require all credit to be paid as Agreed in the last 12 months. If you are above 640 but have refer GUS findings, we still need to meet the credit waiver requirements which requires all credit to be Paid as Agreed USDA files <u>cannot</u> have multiple exceptions when a file has to receive a manual underwrite. Rent verification is required on all manual underwrites & if it is a PPVOR, it needs to be verified on a non-traditional Credit supplement. A PPVOR is acceptable provided the customer’s credit is paid on time. For Example: The scores are low due to medical collections only. Non Traditional Trade lines: If a non-traditional credit report is submitted for not meeting minimum trades and we do not have rent to verify. Then 3 trade lines are required. All USDA files will need 2 months bank statements regardless if funds are needed or not needed for closing. 		
Credit Score	<ul style="list-style-type: none"> 600 - Lower of 2 or Middle of 3 repositories. (580-599 exception only) 640 and below credit scores require a manual underwrite. (GUS will not approve 640 and below) 		
Down Payment	<ul style="list-style-type: none"> No minimum down payment required- but asset verification is still required 		
Seller Assist/IPC	<ul style="list-style-type: none"> Maximum 6 % of sales price 		
DAP Assistance	<ul style="list-style-type: none"> Borrowers who choose to make a down payment may use a Government or Municipal Down Payment Assistance Program (DAP). 		
Subordinate Financing	<ul style="list-style-type: none"> Not Permitted. 		
Reserves	<ul style="list-style-type: none"> N/A No Reserves 		
Mortgage/Rent History	<ul style="list-style-type: none"> If Credit score is > 640 then follow GUS Findings. If Credit Score is < 640 need verification of rent (cancelled checks or 3rd party Institution) 		
Occupancy	<ul style="list-style-type: none"> Owner Occupied Primary residence only. 		
Debt to Income Ratio	<ul style="list-style-type: none"> Must maintain Gus Accept Findings – typically maximum 43% DTI, Credit score less than 640 – DTI must not exceed 29/41 		

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Bankruptcy	<ul style="list-style-type: none"> Minimum 2 Years discharged if a result of extenuating circumstances. Minimum 3 Years discharged if a result of financial mismanagement. Multiple Bankruptcies are not permitted.
Foreclosure	<ul style="list-style-type: none"> Minimum 3 Years completed. Delinquencies since Foreclosure discharge will be scrutinized and may result in an ineligible loan.
Property Types	<ul style="list-style-type: none"> Single Family Attached and Detached, Condo, PUD
Condominium	<ul style="list-style-type: none"> Condominium must be currently approved by HUD (FHA).
Mortgage Insurance	<ul style="list-style-type: none"> 1.00% Up front guarantee Fee as of 10/1/15, .35% Annual Fee
Cash out	<ul style="list-style-type: none"> Not applicable. Program is available on Purchases/ Rate and Term only.
Appraisal	<ul style="list-style-type: none"> Full Appraisal is required. Appraisals must be ordered via Mortgage Machine or approved AMC. Appraisal must meet HUD standards
Escrows	<ul style="list-style-type: none"> Escrow of Tax, Insurance and MIP are required on all loans.
Property Flips	<ul style="list-style-type: none"> Flip transactions are eligible
Number of Financed Properties	<ul style="list-style-type: none"> Borrower may own additional property however the other property must be deemed inadequate (increased family size, family needs, and safety hazards) or other property must be more than 50 miles away from the subject
Well and Septic requirements	<ul style="list-style-type: none"> USDA requires a water test if there is a well. Mid America Mortgage will need to confirm they meet state & local standards The appraiser will need to state on the appraisal if a septic Inspection is required
Non Arm's Length Transactions	<ul style="list-style-type: none"> Must be an Arm's Length transaction. Must prove the loan is not a bail out if a Non Arm's length transaction
Eligible States	<ul style="list-style-type: none"> Eligible in all Mid America Mortgage licensed states.
Tax Transcripts	<ul style="list-style-type: none"> Required on all applicants regardless of income source.