



# USDA Streamlined Assist Fixed Rate

See full Product Guide for complete information.

Revised 06-29-20

**Given the current situation associated with COVID-19, refer to Credit Policy 20-07B for temporary guidance related to certain credit, income and collateral requirements.**

<b>Loan Amount and LTVs</b>	<ul style="list-style-type: none"> <li>• Maximum financing is the unpaid principal balance, accrued interest, eligible closing costs plus guarantee fee.</li> <li>• No new appraisal is required. The value of the property will be based off the unpaid principal balance.</li> <li>• <b>Maximum LTV of 105%</b> including financed guarantee fee and closing costs.</li> <li>• Unlimited CLTV</li> </ul>	
<b>Amortization</b>	30 Year	
<b>Upfront Guarantee Fee &amp; Annual Fee</b>	<p><b>For Conditional Commitments issued on or after 10/01/2015:</b></p> <ul style="list-style-type: none"> <li>• 2.75% Guarantee Fee for all transactions</li> <li>• 0.50% Annual Fee (of the outstanding balance) for all transactions</li> </ul> <p><b>For Conditional Commitments issued on or after 10/01/2016:</b></p> <ul style="list-style-type: none"> <li>• 1.00% Guarantee Fee for all transactions</li> <li>• 0.35% Annual Fee (of the outstanding balance) for all transactions</li> </ul>	
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• No new subordinate financing is allowed</li> <li>• Eligible subordinate financing may remain in place; however, it must be re-subordinated to the first mortgage</li> </ul>	
<b>Buydown</b>	Not permitted	
<b>Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1 Unit</li> <li>• Multi-Width Manufactured Housing</li> <li>• Warrantable Condo/PUD/Townhouse</li> </ul>	
<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• <b>Single-Width Manufactured Housing</b></li> <li>• 2-4 Units</li> <li>• Non-warrantable Condo/PUD/Townhouse</li> <li>• Timeshare</li> <li>• Working Farm</li> <li>• Mixed Use</li> <li>• Mobile Home</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperative</li> <li>• Condo/PUD Hotel</li> <li>• Commercial Property</li> <li>• Life Estates</li> <li>• <b>Properties with Deed Restrictions (other than age restricted)</b></li> <li>• <b>Properties located in Lava Zones 1 &amp; 2</b></li> </ul>
<b>Occupancy</b>	Primary Residence Only	
<b>Refinance Transactions</b>	<p><b>Streamlined Assist Refinances</b></p> <ul style="list-style-type: none"> <li>• The loan amount cannot exceed the principal balance of the existing loan refinanced, accrued interest, eligible closing costs plus the loan guarantee fee.</li> <li>• Eligible Guaranteed Loan borrowers must:             <ul style="list-style-type: none"> <li>- Meet current income eligibility requirements;</li> <li>- Reside in an eligible rural area or an area that was eligible at the time of the original loan closing; and</li> <li>- Have made timely mortgage payments for the 12-month period prior to the refinance</li> </ul> </li> <li>• No borrowers can be removed from the new refinanced loan. Borrowers may be added to the refinance transaction.</li> <li>• Borrower(s) are not eligible to receive cash out from the refinance transaction. If any cash out results (i.e. due to the final escrow and interest calculation) the amount must be applied as a principal reduction to the new loan amount.</li> <li>• Customary and reasonable closing costs and other fees may be collected from the borrower by FMC. Charges cannot exceed the cost paid by the lender or charged to the lender by the service provider.</li> </ul> <p><u>Net Tangible Benefit</u> The borrower must receive a tangible benefit to refinance, and must meet the following requirement:</p> <ul style="list-style-type: none"> <li>• The new loan must have a \$50 or greater reduction in their principal, interest and annual fee monthly payment when compared to the existing principal, interest and annual fee monthly payment.</li> </ul> <p><b>Cash Out Refinance</b></p> <ul style="list-style-type: none"> <li>• Not Permitted</li> </ul>	

<p><b>Underwriting</b></p>	<ul style="list-style-type: none"> <li>• These are general USDA-RD guidelines. There may be state specific guidelines or requirements as well. Loans must be underwritten by USDARD after FREEDOM MORTGAGE has underwritten the loan: May take up to 72 hours for USDA-RD to underwrite. Review your commitment to ensure additional requirements are captured. Form RD 3555-18, "Conditional Commitment for Single Family Housing Loan Guarantee" is required and must be present in EDMS in order to place the loan in a Final Approval status in Lakewood.</li> <li>• Rural Refinance loans MUST be manually underwritten. The loan CANNOT be processed through the Guaranteed Underwriting System (GUS). Any new transaction previously submitted to GUS is ineligible for this program.</li> </ul> <p><b>Co-Mortgagors:</b></p> <ul style="list-style-type: none"> <li>• All must occupy the property as their Primary Residence and combined income must not exceed income limits.</li> </ul> <p><b>Ratios</b></p> <ul style="list-style-type: none"> <li>• Ratio calculations are not required. Therefore debt ratio waiver requests will not be necessary.</li> </ul> <p><b>Credit Profile</b></p> <ul style="list-style-type: none"> <li>• Minimum risk score of 600 for each borrower</li> <li>• Mortgage-only in file credit report is required to document the satisfactory 12 month mortgage payment history.</li> </ul> <p><b>Payment History</b></p> <ul style="list-style-type: none"> <li>• Evidence of previous 12 month mortgage payment history. FMC must secure evidence to document the borrower(s) has paid the loan on time for the previous 12 months (absolutely NO 30, 60, 90+ day lates).</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>• Income from all occupants of the household must be included as eligibility income regardless of whether or not they are obligated on the note. Income eligibility must be determined by USDA.</li> <li>• Rental Income must be included in the annual income calculation regardless of length of receipt.</li> <li>• Positive net rental income is considered the total rental real estate income amount reported on the most recent IRS Form 1040 Schedule E for the previous 12 months. In the absence of a Schedule E, canceled checks, money order receipts, bank statements or other documentation may be used to support the amount of rents received for annual income purposes. Negative net rental income is counted as zero for the purposes of calculation annual income.</li> </ul>
<p><b>Documentation Requirements</b></p>	<ul style="list-style-type: none"> <li>• Mortgage-only in file credit report to document the satisfactory 12-month mortgage payment history requirement, (credit scores are not required).</li> <li>• Form RD 3555-21 "Request for Single Family Housing Loan Guarantee"• Request for Conditional Commitment must be submitted to Rural Housing with a complete underwriting file.</li> <li>• Income verifications (including asset producing income) for all adult household members for program eligibility (not for qualification since no ratio calculations are required).</li> <li>• Fully completed Uniform Residential Loan Application</li> <li>• FEMA 086-0-32 "Standard Flood Hazard Determination." Appropriate flood insurance must be obtained if the property is in a flood zone at the time of the new loan closing, even if the area was not in a flood zone at the time of the original loan closing. A flood elevation survey is not required.</li> <li>• Evidence of previous 12 month mortgage payment history either by: <ul style="list-style-type: none"> <li>- A Verification of Mortgage history obtained from the current loan servicer; or</li> <li>- Mortgage Only credit report</li> </ul> </li> <li>• Insurance <ul style="list-style-type: none"> <li>- HOI</li> <li>- HO-6, if applicable</li> <li>- Flood insurance, if applicable</li> </ul> </li> <li>• The following documentation is not required: <ul style="list-style-type: none"> <li>- Waiver Request</li> <li>- A new appraisal</li> <li>- Any HUD Handbook minimum property determinations or any additional property inspections</li> </ul> </li> </ul>

