

MAXIMUM LTV

Maximum LTV	Maximum Loan Amount	Minimum FICO	Maximum Ratios	Mortgage History
Based on loan amount – no LTV restriction	Determined by county maximum limits and payoff amount	620	N/A	0x30 last 12 months

USDA STREAMLINE ASSIST REFINANCE LOAN PROGRAM

- 620 Min FICO
- No review of credit history required
- NO Asset Verification
- Unlimited LTV Refinance
- NO home inspections
- NO calculation of debt ratios
- At least a \$50 net reduction to principal, interest, real estate taxes, and homeowner's insurance (PITI) payments compared to current PITI.

LHFS PRODUCT NAMES AND CODES	
PRODUCT CODE	PRODUCT DETAIL
G30USDASTRML-000	W Fixed 30 USDA Streamline Refinance
WG30USDASAR-000	W Fixed 30 USDA Streamline Assist Refinance
G30HBUSDASAR-000	W Fixed 30 HB USDA Streamline Assist Refinance

HELPFUL LINKS:

- [USDA Rural Development Home Page](#)
- [USDA Program Revisions](#)
- [USDA Guidelines](#)



USDA STREAMLINE REFINANCE

The USDA Streamlined-Assist Refinance option is designed to assist existing guaranteed loan borrowers, to refinance their homes with greater speed and ease.

The Streamlined-Assist Refinance Option is available to borrowers in eligible states (see below) where steep home price declines, unemployment, and persistent poverty rates can make refinancing a current mortgage into more affordable terms. Borrowers in these states can now refinance their homes to secure lower interest rates and lower monthly payments without obtaining a new credit report, new appraisal, Handbook minimum property determinations, or property inspections. The existing loan must be a Guaranteed loan

- The new interest rate must be a fixed interest rate and not exceed the rate of the loan being refinanced. The rate must not exceed the rate described in RD HB-1-3555.105(a)
- The new term of the refinance loan must be 30 years
- The existing loan must have closed 12 months prior to request for a refinance
- New borrowers may be added to the new refinance, but existing borrower may not be removed
- The loan may include the principal and interest balance of the existing loan, eligible loan, closing costs, funds necessary to establish a new tax and insurance escrow account, and the upfront guarantee fee.
- No cash out is permitted to the borrower. Subsidy recapture must be paid in full by the borrower or the subordinated.
- The borrower must receive a tangible benefit to refinance under this option. A tangible benefit is defined as \$50 or greater reduction in the principal, interest, taxes, and insurance (PITI) which includes the annual fee payment on the new guaranteed loan when compared to the existing PITI including the annual fee payment.
- The current upfront and annual fee applies
- The home must remain the borrower(s) primary residence
- A new appraisal, new credit report, Handbook determination and additional property inspections are not required.
- The borrower is not required to meet the repayment provisions as outlined in Chapter 9 of the [Guaranteed Rural Housing Loan Program handbook](#).
- GUS may not be utilized and all loans must be manually underwritten.
- Customary and reasonable closing costs and other fees may be collected from the borrower by LHFS. Such charges may not exceed the cost paid by LHFS or charged to LHFS by the broker.
- Origination fees and charges not exceeding those published in the Federal Register by the [CFPB 12 CFR § 1026.43\(3\)](#)



GENERAL REQUIREMENTS	
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 Tax transcripts for personal tax returns are processed for the previous 2 years 4506-T results must be validated against the income documentation prior to requesting the Conditional Commitment
Assumptions	<ul style="list-style-type: none"> Not allowed
Borrower Eligibility	<ul style="list-style-type: none"> Current guaranteed loan borrowers must: <ul style="list-style-type: none"> Meet current household income eligibility requirements, http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do Reside in an eligible rural area that was eligible at the time of the original loan closing, and <ul style="list-style-type: none"> http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do NOTE: If the property shows "ineligible" the RD State Office must be contacted to confirm the property was eligible at the time of the original loan closing. <ul style="list-style-type: none"> http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=GetRHContact&NavKey=contact@12 Have made timely mortgage payments for the 12-month period prior to the refinance.
Cash Out	<ul style="list-style-type: none"> Cash-out not permitted. Any overage MUST be applied to the principle balance.
Credit	<ul style="list-style-type: none"> 620 Minimum FICO Existing mortgage must be paid as agreed for the 12 months prior to application for a streamlined-assist refinance. LHFS may verify mortgage payment history through: <ul style="list-style-type: none"> A Verification of Mortgage obtained directly from the servicing lender or A credit report: If a credit report is ordered to determine timely mortgage payments, other credit accounts will not be reviewed.
Documentation Requirements	<ul style="list-style-type: none"> Form RD 3555-21 "Request for Single Family Housing Loan Guarantee" Full income verifications / documentation for all adult household members Uniform residential loan application (1003) Evidence of qualified alien status, if applicable Evidence the existing mortgage was paid as agreed for 12 months prior to application for the streamline-assist refinance. LHFS must verify the mortgage payment history through a mortgage only credit report with FICO's and factors All other requirement of RD HB-1-3555 and applicable administrative notices
Eligible Property Types	<ul style="list-style-type: none"> The loan security must include the same property as the original loan. The security property must be owned and occupied by the applicants as their principal residence The security property must have been in an eligible rural area at the time of the original closing. <ul style="list-style-type: none"> http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do Eligible property types include: <ul style="list-style-type: none"> Single Family Residence - 1 Unit Condominiums (3555.205) Must be approved or accepted by HUD/FHA, VA, Fannie Mae, or Freddie Mac PUD's (3555.207)
Escrow	<ul style="list-style-type: none"> Escrow waiver is not permitted Impound accounts are required
Gift Funds	<ul style="list-style-type: none"> Allowed for closing costs or be applied to guarantee fee



GENERAL REQUIREMENTS (continued)	
Guarantee Fee	<p>The USDA mortgage insurance rates are:</p> <ul style="list-style-type: none"> • For purchases: 1.00% upfront fee paid at closing, based on the loan size. • For purchases: 1.00% upfront fee paid at closing, based on the loan size. • For all loans: 0.35% annual fee paid at closing, based on the average annual scheduled unpaid principal balance for the life of the loan. • To confirm the upfront and monthly amounts, use the USDA Guarantee Fee Calculator at: https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do • Two months of the monthly guarantee fee payments are collected at time of closing
Ineligible Property Types	<ul style="list-style-type: none"> • Assisted Living Projects • Builder Model Leaseback • Houseboats • Investment Securities • Manufactured Homes • Mobile Homes • Multi-family dwellings containing more than four units • Properties not suitable for year-round occupancy • Condo-Hotels • Properties with resale restrictions • Properties without full utilities installed to meet all local health and safety standards • Properties used for commercial or industrial purposes <ul style="list-style-type: none"> • Residential properties with a permanently affixed manufactured home on property • Tax-sheltered syndicates • Timeshare units • Unimproved land • Properties zoned commercial • Properties zoned agricultural • Working farm, ranch, or orchard • Co-op's • Properties served by cisterns • Geodesic Domes • 2-4 Units
Ineligible	<ul style="list-style-type: none"> • Texas 50(a)(6) is not permitted
Maximum Loan Amount	<ul style="list-style-type: none"> • Principal and interest balance of the existing loan • Eligible closing costs • Funds necessary to establish tax and insurance escrow • Upfront guarantee fee
Mortgage Payment History	<ul style="list-style-type: none"> • 0x30 in 12 months. Minimum 6-month payment history required on subject mortgage.
Occupancy	<ul style="list-style-type: none"> • Owner occupied only – 1 unit, primary residence
Power of Attorney	<ul style="list-style-type: none"> • Allowed on an exception basis for closing only; cannot be used for the execution of the initial application and disclosures.
Reserves	<ul style="list-style-type: none"> • Not required
Subordinate Financing	<ul style="list-style-type: none"> • No new subordinate financing. Existing subordinate financing cannot be included in the new loan amount. Any existing subordinate financing must subordinate to the new first lien
Temporary Buydowns	<ul style="list-style-type: none"> • Not allowed
Underwriting Method	<ul style="list-style-type: none"> • GUS is not applicable on USDA Streamline-Assist Refinance loans. All loans are manually underwritten.

Any item not covered in the guidelines can be accessed by referring to [USDA Handbook](#).

For specific scenario requests, please go to the eScenarios tab located in eXPRESS - www.LHFSWholesale.com, and post your scenario.

Guidelines are for use by mortgage professionals only and subject to change without notice.

