



USDA Purchase and Rate & Term Refinance (Non-Streamlined) Product Summary: Correspondent

Newrez overlays are identified with yellow highlighting

PURCHASE AND STANDARD RATE & TERM (NON-STREAMLINED) REFINANCE ELIGIBILITY MATRIX					
Occupancy	Units	Credit Score	LTV	CLTV	DTI
GUS ACCEPT					
Primary Residence	1	580	100%	100%	Per GUS
MANUAL UNDERWRITE¹					
Primary Residence	1	600	100%	100%	34 ² /41
LTV may exceed 100% only by the amount of the Guarantee Fee financed					
¹ Nontraditional Credit: Follow Manual Underwrite requirements for LTV, CLTV and DTI					
² Waivers are not permitted to increase the PITIA ratio above 34% for purchase transactions					

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1. Loan Terms	Fixed Rate: 30-year term
2. Product Codes	W92 USDA Fixed Rate 30 Year
3. Net Tangible Benefit	NA
4. Guarantee Fee	<ul style="list-style-type: none"> • Guarantee Fee is required on all transactions • Guarantee Fee and Annual Fee Calculators are available on the USDA LINC Training and Resource Library in the Loan Origination section under Documentation and Resource
5. Upfront Guarantee Fee	<ul style="list-style-type: none"> • Up-front Guarantee Fee: 1.0% • The upfront guarantee fee is calculated by multiplying the following percentage by the Total Loan Amount <ul style="list-style-type: none"> ○ 1% of Base Loan Amount (when G-Fee is paid in cash) ○ Total Loan Amount = Base Loan Amount/0.99 (when G-Fee is financed)
6. Annual Guarantee Fee	<ul style="list-style-type: none"> • Annual Fee: .35% (of the outstanding principal balance) • The Annual Guarantee Fee is calculated on the Total Loan Amount and is based on the average annual scheduled unpaid principal balance for the life of the loan
7. Loan Limits	<ul style="list-style-type: none"> • Maximum loan amount <ul style="list-style-type: none"> ○ Continental US \$766,550 ○ Hawaii \$1,149,825 https://www.fanniemae.com/singlefamily/loan-limits <ul style="list-style-type: none"> • Minimum loan amount \$25,000 <ul style="list-style-type: none"> ○ \$10,000 (Michigan) • Base loan amount cannot exceed <ul style="list-style-type: none"> ○ The conforming loan limit, and ○ The appraised value • Maximum financing is the appraised value plus Guarantee Fee
8. Temporary Buydown	<p>Permitted for the following</p> <ul style="list-style-type: none"> • Purchase transactions <p>Eligible Buydown Plans</p> <ul style="list-style-type: none"> • 1-0: payment will be calculated at 1.00% below the Note Rate for payments 1-12 • 1-1: payment will be calculated at 1.00% below the Note Rate for the first two years • 2-1: payment will be calculated at a rate that is 2.00% below the Note rate for payments 1-12 and 1.00% below the Note rate for months 13-24
9. Automated Underwriting	<ul style="list-style-type: none"> • Accept/Eligible • Accept/Ineligible if reason for ineligibility can be resolved

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<p>10. Manual Underwrite</p>	<ul style="list-style-type: none"> All loans must be submitted to GUS except loans under the Pilot program for existing manufactured homes. See Eligible Property section for additional details. If a Refer or Refer with Caution decision or loan is manually downgraded, manually underwrite in accordance with USDA guidelines
<p>11. Manual Underwrite Debt Ratio Waivers</p>	<p>Debt ratio waiver when Total Debt ratio exceeds 41% may be granted if all of the following conditions are met:</p> <ul style="list-style-type: none"> Acceptable ratio thresholds are met: <ul style="list-style-type: none"> The maximum PITIA ratio cannot exceed 34%, and The Maximum Total Debt ratio cannot exceed 44% A debt ratio waiver may be granted with a ≥ 680 credit score for each borrower and one of the following compensating factors <ul style="list-style-type: none"> Three months PITIA reserves Borrower(s) have been continuously employed with their current employer for a minimum of two-years The proposed PITIA does not exceed the applicant's current verified housing expense by more than \$100 or 5 percent, whichever is less, for the 12-month period preceding loan application. Verification of the housing payment must be documented, and no more than one 30-day late payment for the previous 12 months is permitted. A history of less than 12 months will not be considered an acceptable compensating factor. The issuance of Form RD 3555-21 <i>Request for Single Family Housing Loan Guarantee</i> represents Agency approval of the ratio waiver <p>Non-Streamlined Refinance</p> <ul style="list-style-type: none"> Compensating factors for debt ratio waiver requests <ul style="list-style-type: none"> Minimum 680 credit score for each borrower The proposed PITIA does not exceed the borrower's current verified mortgage payment by more than \$100 or 5 percent, whichever is less, for the 12-month period preceding loan application. Verification of the housing payment must be documented, and no more than one 30-day late payment for the previous 12 months is permitted. A history of less than 12 months will not be considered an acceptable compensating factor. Three months PITIA reserves Continuous employment with the current primary employer

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	<ul style="list-style-type: none"> The issuance of the Conditional Commitment for a Loan Note Guarantee represents Agency approval of the ratio waiver
12. Qualifying Rate	Note rate, including temporary buydowns
13. Types of Financing	<ul style="list-style-type: none"> Purchase Rate & Term Refi (Non-Streamlined Refi)
14. Properties Listed for Sale	<ul style="list-style-type: none"> Property must be taken off the market before application date Borrower provides written confirmation of intent to occupy if primary residence
15. Subordinate Financing	<ul style="list-style-type: none"> New subordinate financing not permitted Existing subordinate financing may be resubordinated
16. Occupancy	Primary residence
17. Property Location Eligibility	<ul style="list-style-type: none"> Property must be located in a rural area as defined by the local USDA office (http://eligibility.sc.egov.usda.gov) Verification of property location eligibility must be printed and retained in the loan file
18. Eligible Property Types	<ul style="list-style-type: none"> 1-unit Condos: Must be reviewed by PRD (Non-Delegated Clients) Leasehold estate Manufactured homes <ul style="list-style-type: none"> Purchase: New construction, eligible in all states (Delegated Clients only) Refinance of an existing USDA loans eligible in all states Purchase and Refinance of existing manufactured homes in the following states under the Pilot program: CO, IA, LA, MI, MS, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VA, VT, WA, WV, WI, WY <ul style="list-style-type: none"> Pilot program loans must be manually underwritten. GUS is only used to enter basic loan information and to upload loan documents. Refer to USDA job aid for details. For additional information see Underwriting Guide section 4D.1(h) Manufactured Housing Pilot Program Modular home PUD
19. Eligible Borrowers	<ul style="list-style-type: none"> US citizen Permanent resident alien (Qualified alien) Non-permanent resident alien
20. Non-Occupant Co-Borrower	Not permitted
21. Credit	Nontraditional credit permitted

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22. Program Income Eligibility	<p>Annual Income</p> <ul style="list-style-type: none"> • The income used to determine program eligibility • Used as basis for computed adjusted annual income • Based on anticipated income for the coming year • Includes the annual income of all adult household members, including adult household members not on loan <p>Annual Adjusted Income</p> <ul style="list-style-type: none"> • Annual income of all adult household members less the allowed deductions • The borrower’s annual adjusted household income must meet the adjusted income limits in accordance with size of household, county, and State in which the borrower(s) will reside
23. Mortgage Payment History	<ul style="list-style-type: none"> • GUS Accept: Follow GUS • Manual Underwrite: 0x30x12 based on the number of payments made at the time of loan application
24. Forbearance	<ul style="list-style-type: none"> • Refinance of mortgages that are in a current forbearance status, including mortgages under a CARES Act forbearance plan are not eligible • A borrower who was granted a mortgage payment forbearance and continues to make payments as agreed under the terms of original Note is not considered delinquent or late and will be treated as if not in forbearance status, provided that the forbearance plan is terminated prior to closing • A borrower who has deferred mortgage payments as result of a recent forbearance plan <ul style="list-style-type: none"> ○ Must have resumed making payments for at least three months; and ○ 0x30x6, excluding the time the loan was in forbearance
25. Rental Payment History	<ul style="list-style-type: none"> • GUS Accept: Not required • Manual underwrite: minimum 12 months or available history with 0x30x12
26. Seller Contributions	<p>Maximum 6%</p>
27. Reserves	<p>None required</p>
28. Appraisal	<ul style="list-style-type: none"> • An interior and exterior appraisal report is required • Re-use of an appraisal from a previously closed transaction is not permitted

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Version History		
Section	Update	Date
Temporary Buydowns	Remove Manufactured Home from Ineligible	04.12.2023 v23.1
Manual Underwrite Debt Ratio Waivers	Updated Debt ratio waiver information	04.18.2023 v23.2
Geographic Restrictions	Removed below <ul style="list-style-type: none"> • Ineligible for Newrez Underwriting <ul style="list-style-type: none"> ○ Alaska ○ Hawaii 	05.17.2023 V23.3
Credit	Nontraditional Credit permitted	08.30.2023
Eligible Property Types	Add section of the Guide to find additional information for Manufactured Home Pilot Program	V23.4
Loan Limits	Minimum Loan Amount \$10,000 in the state of Michigan	
Loan Limits	Updated Maximum loan amounts	12.26.2023 V23.5
Eligibility Matrix	Removed West Virginia: Maximum 50% DTI	07.30.2024 V24.1
Eligibility Matrix	Update Manual UW DTI	08.29.2024
Manual Underwrite Debt Ratio Waivers	Updated Compensating Factors	V24.2
Manual Underwrite	Added below in red <ul style="list-style-type: none"> • All loans must be submitted to GUS except loans under the Pilot program for existing manufactured homes. See Eligible Property section for additional details. 	10.24.2024 V24.3
Eligible Property Types	GUS is only used to enter basic loan information and to upload loan documents. Refer to USDA job aid for details.	
Eligible Borrowers	Remove Inter vivos revocable trust from Eligible Borrowers	11.25.2024 V24.4

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