



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. Existing Mortgage	<p>Rate & Term Refinance (Non-Streamlined) Only</p> <ul style="list-style-type: none"> • The existing USDA Guarantee loan must: <ul style="list-style-type: none"> ○ Have closed at least 180 days prior to the USDA receipt of a Conditional Commitment ○ Have a mortgage payment history which does not reflect a delinquency greater than 30 days within the previous 180 day period. ○ Not be able to qualify for conventional financing
4. Net Tangible Benefit	NA
5. 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
6. 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)
7. 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
8. Loan Limits	<ul style="list-style-type: none"> • Maximum loan amount <ul style="list-style-type: none"> ○ Continental US \$806,500 ○ Hawaii \$1,209,750 • https://www.fanniemae.com/singlefamily/loan-limits • 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
9. Temporary Buydown	<p>Permitted for the following</p> <ul style="list-style-type: none"> • Purchase transactions

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	<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
10. Automated Underwriting	<ul style="list-style-type: none"> • Accept/Eligible • Accept/Ineligible if reason for ineligibility can be resolved
11. Manual Underwrite	<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
12. Manual Underwrite Debt Ratio Waivers	<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. 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.

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	<ul style="list-style-type: none"> ○ Three months PITIA reserves ○ Continuous employment with the current primary employer ● The issuance of the Conditional Commitment for a Loan Note Guarantee represents Agency approval of the ratio waiver
13. Qualifying Rate	Note rate, including temporary buydowns
14. Types of Financing	<ul style="list-style-type: none"> ● Purchase ● Rate & Term Refi (Non-Streamlined Refi)
15. 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
16. Subordinate Financing	<ul style="list-style-type: none"> ● New subordinate financing not permitted ● Existing subordinate financing may be resubordinated
17. Occupancy	Primary residence
18. 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
19. 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
20. Eligible Borrowers	<ul style="list-style-type: none"> ● US citizen ● Permanent resident alien (Qualified alien) ● Non-permanent resident alien
21. Non-Occupant Co-Borrower	Not permitted

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22. Credit	Nontraditional credit permitted
23. 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
24. 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 • Rate & Term Refinance (Non-Streamlined): 0x30x6 prior to application date
25. 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
26. Rental Payment History	<ul style="list-style-type: none"> • GUS Accept: Not required • Manual underwrite: minimum 12 months or available history with 0x30x12
27. Seller Contributions	Maximum 6%
28. Reserves	None required
29. 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
Loan Limits	Updated new 2025 limits	01.06.2025 V25.1
Existing Mortgage	Added this section for Non-Streamlined Refi Only Rate & Term Refinance (Non-Streamlined) Only <ul style="list-style-type: none"> • The existing USDA Guarantee loan must: <ul style="list-style-type: none"> ○ Have closed at least 180 days prior to the USDA receipt of a Conditional Commitment ○ Have a mortgage payment history which does not reflect a delinquency greater than 30 days within the previous 180 day period. ○ Not be able to qualify for conventional financing 	01.08.2025 V25.2
Manual Underwrite Debt Ratio Waivers	Removed 30-day late payment for the previous 12 months is permitted.	
Mortgage Payment History	Added Rate & Term Refinance (Non-Streamlined) Mortgage Payment History information	

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