

Transaction	FICO	Number of Units	Maximum LTV/CLTV
Primary Residence – Owner Occupied			
Purchase / Rate Term	640	1 - Unit	100%
Refinance (existing GRH Loan only)	640	1 - Unit	100

Select USDA – (GRH) Product Code:	
30 Year Fixed	7000-00

Highlights

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Minimum Loan Amounts	<ul style="list-style-type: none"> Min loan amount \$60,000. Min loan amount \$75,000 for properties located in NY and TX.
4506 Transcripts	<p>Full 1040 transcripts for the most recent two years for all adult household members regardless of whether or not they are obligated on the loan are required.</p> <p>Note: This requirement has been suspended by USDA. Tax return transcripts for household members must not be ordered until further notice. Household members' income must be documented with traditional income documentation.</p>
Appraisals	<p>An Environment Property Inspection is required when the property is exposed to the environmental hazard of sulfur-containing drywall.</p> <p>A recertification of value dated within 30 days of the purchase date and supporting the original appraised value is required for loans purchased more than 60 days after the close dated. (Note date to purchase date)</p> <p>Transferred appraisals are not permitted.</p>
Appraisers	Appraisers must be FHA approved appraisers.
Assets	<p>Suspicious Activity Related to Deposits or Payments:</p> <ul style="list-style-type: none"> All asset documentation will be reviewed for patterns of unusual payments, deposits, and/or gift funds, regardless of when they were provided to the borrower that may be indicative of structuring to avoid compliance with the laws and regulatory reporting requirements of the United States or foreign countries. Unusual patterns can include, but are not limited to, large cash deposits, large and numerous gifts and any other unexplained activity not typical for the borrower. <p>Red Flags: Transactions which include any of the following characteristics will be given additional scrutiny:</p> <ul style="list-style-type: none"> A borrower receives multiple gifts of similar amounts wired from outside the U.S. A borrower receives gift funds in the form of a wire transfer from an individual with no ties to the borrower or the transaction. A borrower receives a wire from a business not associated with the transaction and it is explained as payment for services rendered or products provided. A borrower receives large deposits listed as tuition expenses comingled with funds for down payment from the same account. A borrower receives gift funds from a donor that transferred the funds through multiple financial institutions prior to the deposit into the borrower's account. <p>Cryptocurrency, such as Bitcoin and Ethereum, may NOT be used for down payment funds or closing funds. These types of assets must be backed out of the borrower's assets.</p>
AUS	Must use GUS (Guaranteed Underwriting System)
Community Property States	<ul style="list-style-type: none"> Arizona California

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	<ul style="list-style-type: none"> • Idaho • Louisiana • Nevada • New Mexico • Texas • Washington • Wisconsin
Condominium	<p>Must meet Fannie, Mae, Freddie Mac, FHA or VA project standards.</p> <ul style="list-style-type: none"> • Current financials and a budget are required. • The underwriter must certify the project on the USDA Condominium Certification Form.
Construction to Permanent	Not Allowed.
Credit Report	<ul style="list-style-type: none"> • A new credit report may not be pulled once the file has been submitted for underwriting. • A new credit report is allowed only after the existing credit report has expired.
Credit Score	640 - At least one borrower must meet the minimum loan score requirement. If other borrowers do not have credit scores, follow USDA requirements for borrowers who do not have a credit score.
Deed Restrictions	Not Allowed
DTI	If fees associated with the transaction have been paid outside of closing (POC) and are charged to the borrower's credit card but are not reflected on the credit report, then the updated payment must be documented and included in the DTI.
Flip Transactions	<p>Flip transactions are not eligible.</p> <ul style="list-style-type: none"> • A flip transaction is defined as a purchase transaction for a property that has recently been acquired by the seller and is being sold for a quick project. • A flip transaction exists if the title reveals several changes in ownership in the course of a few months.
Illegal Activity	<p>All sources of income must be legal in accordance with all applicable federal, state and local laws, rules and regulations without conflict. Indication of income obtained from illegal sources makes the transaction ineligible.</p> <p>All assets must be legal in accordance with all applicable federal, state and local laws, rules and regulations without conflict.</p> <p>If there is an indication of illegal activity occurring on the subject property that does not comply with federal, state, and local laws, rules and regulations the loan is ineligible.</p> <p>Note: Income or assets derived from a marijuana business or a marijuana producing property are ineligible regardless of state law. Marijuana income, assets and income producing property are illegal at the federal level.</p>
Ineligible	<p>Interest only</p> <p>Flip transactions</p> <p>Properties outside the US or in US territories, provinces or commonwealths including Guam, Puerto Rico and the Virgin Islands</p> <p>USDA Streamline Refinance</p> <p>USDA Rural Refinance Pilot</p> <p>Texas 50(a)(6)</p> <p>Loans to borrowers with diplomatic immunity</p>
LTV/CLTV	100%/100%
Manual Underwriting	Allowed
Manufactured Homes	Not Allowed.
Non-traditional Credit	Not Allowed.
Refinance	<p>Rate/term refinance of an existing USDA loan is eligible per USDA guidelines.</p> <p>Loan amounts may not exceed the current appraised value including the amount of the financed guarantee fee.</p>

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<p>Sales Contract</p>	<p>Renegotiated sales contracts that increase the sales price after the original appraisal has been completed are not allowed if:</p> <ul style="list-style-type: none"> • The appraised value is higher than the contracted sales price provided to the appraiser; and • The new sales contract and/or addendum used to modify the sales price is dated after the appraisal is received; and • The only change to the sales contract is an increase in sales price. <p>If the sales contract is renegotiated subsequent to the completion of the appraisal, the loan-to-value will be based on the lower of the original sales price or the appraised value unless:</p> <ul style="list-style-type: none"> • Renegotiation of only seller paid closing costs and/or prepaids when seller paid closing costs/prepaids are common and customary for the market and supported by the Comparables. These seller paid closing costs and/or prepaids cannot exceed the allowable USDA guidelines; or • An amended sales contract for new construction property is obtained due to improvements that have been made that impact the tangible value of the property. In the event of such changes an updated appraisal must be obtained to verify the value of the modifications/changes.
<p>Section 8 Housing Vouchers</p>	<p>Section 8 Homeownership Vouchers are an acceptable source of qualifying income. The monthly subsidy must be treated as income in determining the borrower’s DTI and may not be used to offset the mortgage payment.</p>
<p>Temporary Buydown</p>	<p>Not Allowed.</p>
<p>Third Party Originated Loans (TPO)</p>	<p>TPOs with lender paid broker compensation where the broker charges third party processing fees as a separate fee paid by the borrower, property seller, or other third party are not allowed.</p>