



USDA Guaranteed Rural Housing Matrix

Primary Residence Only			
Transaction Type	Units	LTV/CLTV ¹	Credit Score
Purchase	1	100%	640
Non-Streamlined Refinance ²	1	100%	680

Footnotes:

- The LTV may exceed 100 percent of the market value of the property when the Guarantee Fee is financed. Max CLTV unlimited if secondary financing is from a government entity.
- Loan being refinanced must be a USDA GRH or 502 Direct loan. Conventional/ FHA/VA loans may **not** be refinanced under this program.

LTV Restrictions	
Identity of Interest and Non-Arm's Length	<ul style="list-style-type: none"> Primary residence purchase transactions only. Purchase transactions are not eligible if property transferred within 90 days. Verify and document the deposited of earnest money amount and source of funds. Transactions involving assignment of the sales contract are not eligible. The purchase contract must be reviewed for irregular terms and concessions and the Closing Disclosure must not show any a typical disbursement for non-lien items. A written explanation from the borrower is required stating the relationship to seller and rationale of purchase.

Quick References	
4506-C	Seller must provide a completed and signed IRS Form 4506-C for all adult household members for the previous two tax years at the time of loan application. The 4506-C must be used to request full transcripts with all schedules.
Age of Documents	Credit/income/asset documentation must be ≤ 120 days from Note date.
Appraisal	Full appraisal required. Subject Property must meet HUD Handbook 4000.1 minimum property requirements. Appraisal transfers allowed. Appraisals must be completed within 150 days of loan closing and must be valid at the time of Conditional Commitment request.
Assets	VOD or 2 months bank statements on purchase transactions required. Retirement funds that allow for immediate withdrawal are eligible at 60% of the vested account balance to allow for withdrawal penalties.
AUS Findings	All loans must be submitted to GUS and receive an "Accept/Eligible" or "Refer/Eligible." As a reminder, USDA requires full file documentation and documented mitigating circumstances/compensating factors when approving a loan that received a "Refer" from GUS. "Refer with caution" are not eligible.
Borrowers Adding/Deleting	Refinance transactions, borrowers may be added and may be deleted as long as one original borrower remains on the loan.
Borrowers – Eligible	U.S. citizen, permanent resident alien, non-permanent resident alien. No co-signers or non-occupant co-borrowers.
Credit History	All of the following are considered unacceptable; more than one 30 day late in the past 12 months (unless GUS Accept) , BK or foreclosure in previous 3 years, outstanding tax lien or delinquent government debt, outstanding judgment within past 12 months, any account converted to a collection account in the past 12 months, outstanding collection and outstanding collection accounts with no satisfactory payment arrangements.
Credit Report	Tri-merged required. Non-borrowing spouse in community property states requires tri-merge credit report on purchase transactions.
Credit Score	Purchase - 680 Minimum Non-Streamlined Refinance - 640 Minimum
Down Payment	Not required.
DTI	Per GUS Findings. Debts of the non-purchasing spouse must be included in the borrower's qualifying ratios if the borrower resides in or the property is located in a community property state.

Quick References Continued		
Employment		Two-year employment history required. > 30-day gap requires LOE from borrower. VVOE required within 10 days of Note date and 30 days for self- employed.
Escrow Holdbacks		Permitted.
Gift Funds		Allowed for closing costs or may be applied to guarantee fee or for voluntary down payment on purchase transactions.
Impound Account		Required
Income		Borrower's income is subject to Rural Development income limits at USDA Income Eligibility . Current pay stubs for previous 30 days with YTD income and W -2s for previous 2 years. Self-employed 2 years signed tax returns w/all schedules. YTD P&L with balance sheet and YTD Income & Expense Statement. Annual income includes all household members, regardless of whether they will be parties to the Note.
Inspections		On purchase transactions, a well inspection may be required if noted by the appraiser, or at the discretion of the underwriter. Properties with a well, water quality test is required; Properties with sewage systems require an inspection. Termite/pest inspection required if appraiser indicates issues.
Insurance – HOI		Deductibles should not exceed the greater of \$1,000, 1% of the policy coverage, or the minimum deductible offered by the borrower's chosen insurance carrier
Loan Amount		Refinance: The maximum loan may include the principal and interest balance of the existing loan, reasonable and customary closing costs up to the new appraised value. The appraised value may only be exceeded by the amount of the financed upfront guaranteed fee. Purchase: The fair market value per the appraisal plus the up-front guarantee fee.
Mortgage History		GUS Accept/ Accept with Full Documentation No Verification of Rent (VOR) is required. No credit exception is required. GUS Refer, Refer with Caution, or Manually Underwritten Loans
	•	A VOR may be required. Refer to the GUS Underwriting Findings Report to determine if a VOR is required for a complete loan application.
	•	If a full 12-month VOR is not available, Sellers may verify the amount of rental history that has been unpaid.
Program Parameters		100% financing (no down payment required.) Guarantee fee may be financed. Owner-occupied 1-unit properties located in rural area as defined by USDA Rural Development. Refinance transactions as long as property in rural area at time of original loan, outside at refi okay. To determine property eligibility go to USDA Property Eligibility. Borrower income cannot exceed income limits per USDA. Borrower cannot receive cash back except for out-of-pocket expenses.
	Property Owned	Cannot own another home within the local commuting area unless it was deemed unsafe/structurally unsound, or functionally inadequate.
Product		30-year fixed rate only.
Properties		Single family residence, PUD, attached/detached condos (FNMA, FHA, and VA approved projects), new construction. Existing properties with in-ground pools; new construction or properties that have no previously been occupied, in-ground pools are prohibited. No second home or investment properties.
Reserves		Not required.
Subordinate Financing		Eligible on purchase transactions when provided by a government entity. Must be resubordinated on refinance transactions; may not be included in new loan amount.

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