

USDA/Rural Housing Program Matrix

Updated 8/14/23

***All loans must meet [USDA guidelines](#) and [SNMC Policies & Procedures](#)

Program Information

Program Codes & Closing Plan ID

Program Codes & Closing Plan ID	Product Code	Product Description	Closing Plan ID	Doc Plan Code
	RH-30	30 Year Fixed	00000114	
	RH-F30BD	30 Year Fixed Temporary Buydown	00000114	C.SN.BUYDOWN.USDA
	RH-30S	30 Year Fixed Streamline	00000114	
	RH-30SA	30 Year Fixed Streamline Assist	00000114	

Program Information

Program Summary	<ul style="list-style-type: none"> Any underwriting or eligibility guidelines not listed specifically within these product guidelines in Rural Housing guidelines must adhere to FNMA/FHLMC guidelines. USDA's Fiscal Year runs from October 1 – September 30 each year. During the temporary lapse of funding, Rural Development will issue Conditional Commitments “subject to the availability of commitment authority” for purchase and refinance transactions. SNMC will allow Rural Housing loans to close and fund with this verbiage on the Conditional Commitment. All other conditions on the Conditional Commitment must be met.
Approved Programs	<ul style="list-style-type: none"> USDA Preferred Purchase USDA Preferred R/T Refinance USDA Streamline Refinance USDA Streamline-Assist Refinance <p>Ineligible Programs:</p> <ul style="list-style-type: none"> USDA Direct Single Close Construction Loans
Updates / Website	USDA SFH Guaranteed Lender USDA HB-1-3555 Handbook

Program Guidelines

Age of Documents

Age of Documents	Conditional Commitments are valid for 90 days from issuance by USDA.
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Borrower Eligibility

Non-Occupant Co-Borrowers	Not permitted.
Homebuyer Education	Certain USDA state offices require Home Ownership Counseling for first time homebuyers. Verify that the Homebuyer Education requirements of those states are met.

Compliance

Fees	<ul style="list-style-type: none"> USDA does not allow a Real Estate Transaction Fee to be paid by the Borrower. USDA requires a Technology Fee of \$25. This fee should be charged to the Borrower and disclosed in Section B of the LE and CD, and must be included in the APR.
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Credit

Credit	<ul style="list-style-type: none"> Minimum FICO: 600 All Borrowers must have a credit score. <p>Additional Requirements for Credit Scores <620</p>
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	<ul style="list-style-type: none"> No frozen credit allowed. Credit must be available from all three bureaus. At least one borrower whose income or assets are used for qualification must have at least two eligible tradelines to validate the borrower's credit score. Eligible tradelines consist of credit accounts with at least 12 months of repayment history reported on the credit report. For refinance transactions: <ul style="list-style-type: none"> The existing loan must have closed 12 months prior to the request for Conditional Commitment. The mortgage must be current for the 180-day period prior to USDA's receipt of a Conditional Commitment request. At the time of closing, at least (6) consecutive regularly scheduled monthly payments must have been made and applied on the existing loan. Refinances of loans on which fewer than six (6) consecutive regularly scheduled monthly payments have been made are not eligible for financing. For Streamline transactions: a 2055 exterior appraisal is required. <p>Streamline and Streamline-Assist</p> <ul style="list-style-type: none"> Credit report must be a tri-merged mortgage only report with scores. Additional Borrowers may be added to the new GRH loan or existing Borrowers may be removed from the current loan. However, at least one of the original Borrowers must be an Applicant for the new refinance loan
Credit Exception	<p>A USDA Adverse Credit Waiver Request or comments on the 1008 is required if any of the following apply:</p> <ul style="list-style-type: none"> Chapter 7 bankruptcy has been discharged less than 12 months. Applicant has a foreclosure discharged or a repossession reported in the previous 36 months prior to loan application. Applicant has a short sale closed 36 months prior to loan application.
Housing History (Mortgage History or Rent History)	0x30x12 for all mortgages.

Debt-to-Income (DTI) Ratios

Qualifying Ratios	<ul style="list-style-type: none"> Maximum DTI is 29%/41% or GUS Accept. A USDA Debt Ratio Waiver Request or comments on the 1008 is required when the ratios exceed 29%/41%, allowing up to 32%/44%. This is required even with GUS Accept.
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Geographic Restrictions

Geographic Restrictions	<ul style="list-style-type: none"> Hawaii Lava Zones 1 and 2 are ineligible. Kansas: additional requirements for LTV >100%. Email Policy@snmc.com for details. <p>Streamline and Streamline-Assist</p> <p>Kansas: Market value must be established using a 2055 Exterior Appraisal to determine if LTV is >100%.</p>
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Income – Other

Section 8 Homeownership Vouchers	Section 8 Homeownership Vouchers must go directly to the borrower. Payments to the servicer with a voucher are not eligible.
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Insurance

Flood Insurance	<ul style="list-style-type: none"> Flood insurance must cover the lesser of the outstanding principal balance of the loan, or Maximum amount of coverage allowed under FEMA's National Flood Insurance Program (NFIP) Unless a higher amount is required by state or federal law, the maximum deductible clause for a flood insurance policy should not exceed the greater of \$1,000 or 1 percent of the face amount of the policy.
Hazard Insurance	Properties should have replacement cost coverage in an amount equal to the insured value of the improvements or the unpaid principal balance with deductible(s) which does not exceed the greater of either \$1000 or 1% of policy coverage or the minimum deductible offered by the borrowers chosen insurance carrier.

Loan Amount

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Loan Amount	<p>Minimum loan amount: \$50,000.</p> <p>Streamline</p> <ul style="list-style-type: none"> ▪ The maximum loan amount may not exceed the original loan amount at the time of purchase ▪ The following items are eligible to be financed up to the original purchase price: <ul style="list-style-type: none"> ○ The principal balance of the existing loan and a reasonable fee for reconveyance of the existing USDA mortgage. ○ The upfront Guarantee Fee may be financed above the original purchase price <p>Streamline-Assist</p> <ul style="list-style-type: none"> ▪ The maximum loan amount may not exceed the original loan amount at the time of purchase ▪ The following items are eligible to be financed up to the original purchase price: <ul style="list-style-type: none"> ○ The principal balance of the existing loan ○ Eligible loan closing costs ○ Funds necessary to establish a new tax and insurance escrow account ○ The upfront Guarantee Fee ○ Permissible bona fide discount points not to exceed 2%
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Loan Purpose/Transaction Type

Purchases	<p>Assignment of the Purchase Contract</p> <p>If a Purchase contract has been signed by a buyer, that buyer cannot assign the contract to new party/buyer. Transactions with purchase contracts that have been assigned to another buyer are not eligible. A new contract must be executed between the seller and the new buyer.</p>
Refinances (General)	<ul style="list-style-type: none"> ▪ The existing loan must have closed 12 months prior to the request for Conditional Commitment. ▪ The mortgage must be current for the 180-day period prior to USDA's receipt of a Conditional Commitment request. ▪ The Note date of the refinance loan must be on or after the later of: <ul style="list-style-type: none"> ○ The date on which the borrower has made at least six consecutive monthly payments on the loan being refinanced; and ○ The date that is 210 days after the first payment due date of the loan being refinanced.
Streamline Refinance	USDA Direct loans may not be refinanced by a Streamline Refinance.
Streamline-Assist Refinance	<ul style="list-style-type: none"> ▪ The existing loan must have closed 12 months prior to the request for Conditional Commitment. ▪ The mortgage must be current for the 12-month period prior to USDA's receipt of a Conditional Commitment request.

Mortgage Insurance

Mortgage Insurance	<p>The Loan Guarantee Fee can always be fully or partially financed, regardless of the appraised value. Note: Loan amount must be in whole dollar amount. Use the USDA Guarantee Fee and Annual Calculator to calculate the upfront and annual fees.</p>		
	Transaction Type	Guarantee Fee not Financed	Guarantee Fee Financed
	Purchase and Rate/Term Transactions	<p>Multiply the loan amount by 1.0% and round to the nearest cent.</p> <p>Example: \$100,000 x .0100 = \$1,000</p>	<p>The fee is calculated as follows:</p> <ul style="list-style-type: none"> ▪ Divide the base loan amount by .99 and round to the nearest cent ▪ Multiply that number by .0100 and round to the nearest cent <p>Example: \$100,000 ÷ .9900 = \$101,010 \$101,010 x .0100 = \$1,010</p>

Property

Eligible Properties	<ul style="list-style-type: none"> ▪ Single Family Detached/Attached ▪ Planned Unit Development ▪ Factory Built/Modular ▪ Condominiums (must be FHA, VA, FNMA, or FHLMC eligible) ▪ Manufactured Homes (see Manufactured Homes section)
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Ineligible Property Types	<ul style="list-style-type: none"> Property Condition rating of C5 or C6 Property Quality rating of Q6 Hawaii Lava Zone 1 or 2
Manufactured Homes	<p>SNMC is participating in the pilot program for existing manufactured homes. To be eligible for financing under this pilot, existing manufactured homes (including new units which have been on the dealer's lot more than 12 months) must meet all pilot conditions in addition to all other program requirements. Please see USDA Manufactured Housing Pilots under the Section 502 Programs for more information.</p> <p>Loan Term 30-year fixed rate only</p> <p>Assets</p> <ul style="list-style-type: none"> 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. Gift Funds: Allowed for closing costs or may be applied to guarantee fee or for voluntary down payment on purchase transactions. <p>Appraisals</p> <ul style="list-style-type: none"> Manufactured Home Appraisal Report and addendum (FNMA Form 1004C/FHLMC Form 70B) for all manufactured homes. Full appraisal is 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. <p>Borrower Eligibility U.S. citizen, permanent resident alien, non-permanent resident alien. No co-signers or non-occupant co-borrowers.</p> <p>Credit</p> <ul style="list-style-type: none"> Minimum FICO: 640 Loans with "0" FICO Score are ineligible for purchase Tri-merged required. Non-borrowing spouse in community property states requires tri-merge credit report. All of the following are considered unacceptable: <ul style="list-style-type: none"> 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. <p>Credit > Housing History</p> <ul style="list-style-type: none"> FICO > 680: not required FICO ≤ 680: 12 month housing history required <p>Debt-to-Income (DTI) Ratio Maximum 45% regardless of 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.</p> <p>Geographic Restrictions Manufactured pilot is only available in the following states:</p> <ul style="list-style-type: none"> Colorado Iowa Louisiana Michigan Montana Nevada New Hampshire

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- New York
- North Dakota
- Ohio
- Oregon
- Pennsylvania
- South Dakota
- Tennessee
- Texas
- Utah
- Vermont
- Virginia
- Washington
- West Virginia
- Wisconsin
- Wyoming

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.
- 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.
- Business transcripts required if income is not validated on personal returns.

Loan Purpose/Transaction Type

Purchases only.

Power of Attorney

Not permitted.

Property Requirements

- The unit must have been constructed on or after January 1, 2006, in conformance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS), as evidenced by an affixed Housing and Urban Development (HUD) Certification Label.
- The unit inspection is required using one of two methods:
 - Form HUD-309, "HUD Manufactured Home Installation Certification and Verification Report" completed in accordance with 24 CFR 3286.511 by a qualified party as follows:
 - A manufactured home or residential building inspector employed by the local authority having jurisdiction over the site of the home, provided that the jurisdiction has a residential code enforcement program.
 - A professional engineer.
 - A registered architect.
 - A HUD-accepted Production Inspection Primary Inspection Agency (IPIA) or a Design Approval Primary Inspection Agency (DAPIA); or
 - An International Code Council (ICC) certified inspector.
 - Obtain a certification that the foundation design meets HUD Handbook 4930.3, "Permanent Foundations Guide for Manufactured Housing (PFGMH)." The foundation certification must be from a licensed professional engineer, or registered architect, who is licensed/registered in the state where the manufactured home is located and must attest to current guidelines of the PFGMH. The certification must be site specific and contain the engineer's or registered architect's signature, seal and/or state license/certification number. This certification can take the place of Form HUD 309.
- The unit must not have had any alterations or modifications to it since construction in the factory, except for porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials.
- The applicant and property must meet all other criteria set forth in 7 CFR Part 3550 and HB-1- 3550 for Direct loans or 7 CFR Part 3555 and HB-1-3555 for Guaranteed loans, as applicable. These criteria include, but are not limited to, the following:
 - The unit must have a floor area of not less than 400 square feet.
 - The unit must meet the Comfort Heating and Cooling Certificate Uo Value Zone for the location.

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	<ul style="list-style-type: none"> ▪ The towing hitch and running gear must have been removed; the manufactured home must be classified and taxed as real estate. ▪ The remaining economic life of the property must meet or exceed the 30-year term of the proposed loan. ▪ The unit replacement cost coverage must be equal to the insured value of the improvements or the unpaid principal balance with deductible(s) of up to but not exceeding the greater of \$1,000 or one percent (1%) of the policy. ▪ Properties with in-ground pools: the value of the pool cannot be included in the loan amount. ▪ Water Purification Systems that require an account to be held for ongoing maintenance and managing contracts are ineligible. ▪ Inspections: <ul style="list-style-type: none"> ○ 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. <p>Property > Ineligible Property Type</p> <ul style="list-style-type: none"> ▪ Community Land Trusts/all other Land Trusts are ineligible for purchase. ▪ Mixed-use properties are ineligible for purchase ▪ Properties that are located on Indian reservations or Native American tribal lands that are also subject to tribal governance requirements are ineligible. <p>Subordinate Financing Not eligible.</p> <p>Underwriting Guaranteed loan applications submitted under the pilot must be manually underwritten.</p> <p>Closing Interest credits are not permitted.</p>
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Subordinate Financing

Subordinate Financing	<p>Streamline</p> <p>Only existing subordinate financing is permitted and must be re-subordinated. New subordinate financing is not allowed.</p>
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Temporary Buydowns

Temporary Buydowns	<ul style="list-style-type: none"> ▪ Buydowns available: 2-1, 1-1, 1-0. ▪ Funds for buydown cannot be paid for by the borrower. ▪ All buydown funds must come from the same source. Split buydowns are not allowed. ▪ Fixed rate purchase transactions only. ▪ Qualifying rate is the Note rate. ▪ Not eligible for manufactured homes. ▪ High balance loans ineligible.
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Underwriting

Underwriting	<ul style="list-style-type: none"> ▪ SNMC's USDA Approval Number: 87-0512002. This must be entered on the 1008. ▪ Conditional Commitment from USDA must be reviewed thoroughly for any prior to funding requirements. <p>AUS/GUS</p> <ul style="list-style-type: none"> ▪ All loans must be decisioned through the GUS Automated Underwriting System and obtain an "Accept/Eligible" or "Refer" for Manual Underwriting. A copy of the last "final submission" GUS approval must accompany the file. ▪ All "Refer"/Manually Underwritten loans will require review by Rural Housing. <p>Streamline-Assist</p> <p>Streamline-Assist Loans may not be run through GUS, and must be manually underwritten and submitted to USDA for review and issuance of the Conditional Commitment.</p>
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	<p>Submitting for USDA Review</p> <ul style="list-style-type: none"> After the loan has been underwritten and approved by the SNMC Underwriter, the Branch will electronically submit the file to Rural Housing. Guidance for submission can be found at USDA LINC. Rural Housing will review and make a determination of the file. Rural Housing may ask for additional conditions to be cleared before closing. The underwriter should review the Rural Housing determination and add any applicable conditions to the Loan Approval. After the loan has been approved, Rural Housing will issue a Commitment for Loan Guarantee. This commitment is required before SecurityNational is able to close the loan. All information in the final GUS submission must be verified as accurate by the Underwriter and supported by loan documents. <p>Submitting Streamline-Assist Loans for USDA Review</p> <ul style="list-style-type: none"> Rural Housing Streamline-Assist loans must be emailed to Rural Housing securely through Encompass following the Encompass – Emailing Documents in the Efolder job aid. Email address for manual loan submissions to each USDA office are located: https://www.rd.usda.gov/page/sfh-guaranteed-lender.
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Closing/Funding

Closing Documents	Closing Disclosure must reflect MIC# which is located on the USDA Conditional Commitment and is referenced as Borrower ID.
Cash Back to Borrower	No cash back to Borrower allowed, other than refunds of Borrower-paid fees.
Principal Reductions	Allowed. No restrictions or max limits.

Resources

Contacts	<p>USDA Contact Center:</p> <ul style="list-style-type: none"> Phone: (833) ONE-USDA with representatives available 9:00am-5:30pm EST weekdays Website: (https://ask.usda.gov/) which is available 24/7 and includes live chat agents available 10:00am-6:00pm EST on weekdays Email: askusda@usda.gov
Job Aids	Emailing Documents in the eFolder GUS Job Aid
Websites / Links	SNMC Policies & Procedures USDA HB-1-3555 Handbook USDA Guarantee Fee and Annual Calculator USDA Adverse Credit Waiver Request USDA Debt Ratio Waiver Request USDA Attachment 9-B Income Worksheet USDA LINC USDA Property Eligibility

Revisions

8/14/23	Temporary Buydowns > Temporary Buydowns > Temporary Rate Buydown: clarified that all buydown funds must come from the same source and split buydowns are not allowed
2/24/23	Loan Purpose/Transaction Type: Purchases > assignments of the purchase contract are not eligible
1/31/23	Temporary Buydowns > Temporary Buydowns: added qualifying rate is the Note rate
11/30/22	Temporary Buydowns > Temporary Buydowns: removed overlay
11/4/22	Temporary Buydowns

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8/25/22	<ul style="list-style-type: none">▪ Income – Other > Section 8 Homeownership Vouchers▪ Property > Ineligible Property Type▪ Property > Manufactured Homes
4/25/22	Added temporary buydowns.
10/13/21	Corrected links.
10/6/21	Clarified seasoning requirements for refinances.