



SINGLE FAMILY GUARANTEED LOAN PROGRAM (USDA) STREAMLINED-ASSIST REFINANCE OPTION

PROGRAM SPECIFICATIONS	
Description	Current USDA direct and guaranteed borrowers have a streamline option available to help them reduce their payments quickly and easily with the Streamlined-Assist Refinance Option. Available nationwide, with reduced fees and relaxed underwriting requirements.
Channels	<ul style="list-style-type: none"> • Broker • Correspondent <ul style="list-style-type: none"> ○ Table Funded ○ Non-Delegated UW ○ Delegated UW
FICO	<ul style="list-style-type: none"> • 620 minimum qualifying credit score for all qualifying borrowers <ul style="list-style-type: none"> ○ 2 credit scores required for all qualifying borrowers
UW Method	<ul style="list-style-type: none"> • Manual Underwriting – GUS not permitted
Eligible Borrowers	<ul style="list-style-type: none"> • Current Section 502 Direct or Guaranteed Loan Borrowers must: <ul style="list-style-type: none"> ○ Meet current household income eligibility requirements, <ul style="list-style-type: none"> ▪ http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do ○ Reside in an eligible rural area that was eligible at the time of the original loan closing, and <ul style="list-style-type: none"> ▪ http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do <p>Note: If property shows “ineligible” the RD State Office must be contacted to confirm the property was eligible at the time of the original loan closing.</p> <ul style="list-style-type: none"> ▪ http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=GetRHContact&NavKey=contact@12 • Have made timely mortgage payments for the 12-month period prior to the refinance.
Eligible Terms	<ul style="list-style-type: none"> • 30 Yr. Fixed
Eligible Property Types	<ul style="list-style-type: none"> • The loan security must include the same property as the original loan. • The security property must be owned and occupied by the applicants as their principal residence • The security property must have been in an eligible rural area at the time of the original closing <ul style="list-style-type: none"> ○ http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do • Eligible Property Types include: <ul style="list-style-type: none"> ○ 1 Unit ○ Condominiums (3555.205) <ul style="list-style-type: none"> ▪ Must be approved or accepted by HUD/FHA, VA, Fannie Mae or Freddie Mac ○ PUDs (3555.207) ○ Manufactured Housing (3555.102 and 3555.208) <ul style="list-style-type: none"> ▪ Singlewide & Multi-width
Guidelines	<ul style="list-style-type: none"> • The existing loan must be a Section 502 Direct or Guaranteed loan • The new interest rate must be a fixed interest rate and not exceed the rate of the loan being refinanced. The rate must not to exceed the rate described in RD HB-1-3555.104(a) • The new term of the refinance loan must be 30 years • The existing loan must have closed 12 months prior to request for a refinance • New Borrowers may be added to the new refinance, but existing borrower may not be removed • The loan may include the principal and interest balance of the existing loan, eligible loan closings costs, funds necessary to establish a new tax and insurance escrow account and the upfront guarantee fee. • No cash out is permitted to the Borrower. Subsidy recapture due for direct loan Borrowers is not eligible to be part of the refinance loan. Subsidy recapture must be paid in full by the Borrower or subordinated. • The borrower must receive a tangible benefit to refinance under this option. A tangible benefit is defined as \$50 or greater reduction in the principal, interest, taxes and insurance (PITI) which includes the annual fee payment on the new guaranteed loan when compared to the existing PITI including the annual fee payment. • The current upfront and annual fee applies • The home must remain the Borrower’s primary residence • A new appraisal, new credit report, HUD Handbook determination and additional property inspections are not required





	<ul style="list-style-type: none"> ○ Direct loan Borrowers may require a new appraisal to calculate subsidy recapture that may be due, but it will not be used for loan-to-value purposes. The cost of this appraisal is an eligible loan closing cost. If the direct loan Borrower has never received subsidy and the statement of the loan balance from the Centralized Servicing Center (CSC) confirms that subsidy was not utilized at any time for the loan, a new appraisal will not be required. • The borrower is not required to meet the repayment provisions as outlined in Chapter 9 of the Handbook. • GUS may not be utilized and all loans must be manually underwritten. • Customary and reasonable closing costs and other fees may be collected from the Borrower by the Lender. Such charges may not exceed the cost paid by the Lender or charged to the Lender by the Service Provider. • Origination fees and charges not exceeding those publishing in the Federal Register by the CFBP, found in 12 CFR 1026.43€(3).
Documentation	<ul style="list-style-type: none"> • Form RD 3555-21 “Request for Single Family Housing Loan Guarantee” • Full income verifications/documentation for all adult household members • Uniform Residential Loan Application • Evidence of qualified alien status, if applicable • FEMA Form 086-0-32 “Standard Flood Hazard Determination Form”. Appropriate flood insurance must be obtained if the property is in a flood zone at the time of the new loan closing, even if the area was not in a flood zone at the time of the original loan closing. A flood evaluation survey is not required for this program. • Evidence the existing mortgage was paid as agreed for 12 months prior to application for the streamlined-assist refinance. The Lender must verify the mortgage payment history through a mortgage only credit report with FICOs and factors. • All other requirements of RD HB-1-3555 and applicable Administrative Notices continue to apply.
Maximum LTV/CLTV	<ul style="list-style-type: none"> • No calculation required
Maximum DTI	<ul style="list-style-type: none"> • No calculation required
Maximum Loan Amount	<ul style="list-style-type: none"> • Principal & Interest Balance of the Existing Loan • Eligible Closing Costs • Funds Necessary to Establish Tax and Insurance Escrow • Upfront Guarantee Fee
Guidelines	<ul style="list-style-type: none"> • https://content.govdelivery.com/attachments/topic_files/USDARD/USDARD_427/2016/05/26/file_attachments/557709/Rule%2Band%2BHB%2BRevision%2BDocument%2B6%2B2%2B2016_557709.pdf
OVERLAYS	
<ul style="list-style-type: none"> • AFR requires a mortgage only credit report with FICOs and factors on all transactions • Prior to ordering the final Statement of Loan Balance on a Direct Loan with a subsidy recapture, AFR will require an appraisal. AFR will require the actual recapture to be identified and will not permit maximum amount. <p>Disclaimer: All overlays herein are subject to change by AFR without notice. Where AFR is silent, the UW must follow all guidelines outlined in the Guaranteed Rural Housing Loan Program Technical Handbook (HB-1-3555).</p>	

