USDA Matrix

Transaction	FICO	Number of Units	Maximum LTV/CLTV**
Primary Residence – Owner Occupied			
Purchase / Rate Term	620	1 - unit	100%*
Refinance (existing GRH Loan only)	620	1 - unit	100
1			

*Identity of Interest transactions are limited to 90% LTV
**Maximum LTV does not include the guarantee fee

Topic	Guideline
Guidelines	USDA, Guaranteed Rural Housing: https://www.rd.usda.gov/publications/regulations-guidelines/handbooks
Maximum Loan Amount	Conforming Loan amounts only.
Minimum Loan Amounts	Minimum Loan amount $50,000
Loan Type	30 year fixed only
4506 Transcripts	Full 1040 transcripts for the most recent two years are required for all borrowers
Assets	Large deposits may indicate additional income. If there is a large increase in the borrower's account or if the account was recently opened, the borrower must provide creditable explanation and documentation to source the funds. • Review unusual/large deposits that are not consistent with the borrower's previous depository history to determine the source and reoccurrence of funds as follows: • A deposit that resulted in an increase greater than 25% of the borrower's gross monthly income; or • The lesser of a deposit that is more than 2% of the sales price or that resulted in an increase greater than 25% of the borrower's gross monthly income.
AUS	GUS findings (Guaranteed Underwriting System) are required to be in the file for all loans.
Borrower Eligibility	• Maximum four borrowers per loan. • All borrowers must be natural persons. • All borrowers must be permanent resident aliens or non-permanent resident aliens with proof of lawful residency. • Non-U.S. citizens must meet USDA's "qualified alien" requirements.
Closing Costs	Closing costs may be included in the loan amount (excluding points) up to the difference between the appraised value and the purchase price
Credit Score	Credit Score Model- Classic FICO® only. VantageScore® 4.0 and FICO® Score 10T are ineligible. Minimum 620
Community Property States	• Arizona • California • Idaho • Louisiana • Nevada • New Mexico • Texas • Washington • Wisconsin

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Condominiums	• Condo projects must meet Fannie Mae, Freddie Mac, FHA or VA requirements
	• The following condo project types are not eligible:
	  ○ Condo projects with units less than 400 square feet.
	  ○ Manufactured home condo projects.
	  ○ Multi-dwelling unit condos.
	  ○ Continuing care condo communities.
	  ○ Condotels.
	  ○ Condo projects that include registration services and offer the rental of units for a term of 30 days or less.
	  ○ Condo projects that share facilities with a hotel or motel or that have services typically provided in a hotel/motel such as maid services, management desks, bellmen, etc.
	  ○ Condo projects that restrict the owner's ability to occupy the unit.
	  ○ New condo projects with undisclosed or excessive seller concessions.

Construction to Permanent	Not Allowed.
Credit Report	• An RMCR or tri-merge credit report is required for each borrower. • For manually underwritten loans, each borrower must generate at least two credit scores to be eligible.
Deed Restrictions	Age restricted properties only. All other properties with deed restrictions are ineligible.

Derogatory Credit - Manual	Foreclosure within 3 years is not allowed:
	• Including pre-foreclosure activity, such as a pre-foreclosure sale or short sale in the previous 3 years
	Bankruptcy within 3 years is not allowed
	• Exceptions to approved as a Manual Underwrite
	  ○ On a Chapter 7, an elapsed period of less than 3 years, but not less than 12 months, may be acceptable if the applicant meets the criteria for a USDA credit exception.
	  ○ Chapter 13 bankruptcy that been completed for 12 months or greater
	• Late mortgage payments if any mortgage trade line during the most recent 12 months shows 1 or more late payments of greater than 30 days.
	• Late rent payments paid 30 or more days late within the last 12 months.

DPA	Allowed
DTI	GUS Accept/Eligible decision – per GUS
Electronic Signatures	The following loan documents may not contain e-signatures: • Note and Riders to the Note; • Security Instrument and Riders; • Notice of Right to Cancel; and • Powers of Attorney.
Energy Efficient Mortgages (EEM)	Not allowed
Escrow/Impounds	Required. Waivers are not allowed.
Escrow Withholds	Not Allowed
Future Income/Employment	Not Allowed The borrower must be employed with documented income prior to closing.
Gift Funds	Gift funds wired directly to escrow/title require documentation to show the gift funds came from the donor's bank account. Cash is not an acceptable source of donor funds.
Guarantee Fee	Split guarantee fees are not allowed.
High Balance	Not Allowed.
Identity of Interest/Non-Arms-Length Transactions	Maximum LTV is limited to 90%.
Ineligible Borrowers	• Borrowers with diplomatic immunity • Foreign nationals • Foreign politically exposed persons • Inter-Vivos Trusts • Non-occupant co-borrowers; • Non-permanent residents;

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Ineligible Programs	• Community Land Trusts • Farm Residence Loans • Repair/Rehabilitation Loans • Rural Energy Plus • Section 8 Vouchers • USDA Alaska Native Program
Ineligible Properties	• Properties with ratings of C5, C6, Q6 • Properties with Zoning Violations • Assisted Living Facilities • Bed and Breakfast Establishments • Board and Care Facilities • Commercial Properties • Community Land Trusts • Co-ops • Dome and Log Homes • Hawaii properties in Lava Zones 1 and 2 • Houseboats • Illinois Land Trusts • Income Producing Property • Land Trusts of Any Type • Mobile Homes • Native American land • Working Farms and Ranches
Leaseholds	Not Allowed.
Loan Amount	Conforming loan amounts only. • No high balance
Geographic Restrictions	Hawaii- ineligible.
Manual Underwriting	Allowed
Manufactured Homes	Allowed per USDA GRH guidelines
Mortgage Interest Differential	Not Allowed.
Non-Traditional Credit	Not Allowed
PACE/HERO Obligation	Not Allowed
Sales Contracts	Assigned sales contracts are not allowed.
Section 8 Vouchers	Not Allowed
Split Guarantee Fee	Not Allowed
Streamlined Refinance	Allowed
Temporary Buy Down	Not Allowed
Texas 50(a)(6) Transactions	Not Allowed
USDA Pilot Programs	Not Allowed

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