

USDA Streamlined Assist Product Guidelines

Occupancy	Min Credit Score	Max DTI Ratio	Max Loan Amount	Max LTV	Mortgage Rating
CONFORMING & HIGH BALANCE					
Primary Residence	620	N/A	See page 3	N/A	0x30 for 12 mos prior to application date*
<i>*Mortgages must remain current through the month prior to disbursement. If less than 12 months of history on the mortgage, all mortgage payments must be made within the month due.</i>					
General Eligibility					
Subject Mortgage Seasoning	The existing loan must have closed 12 months prior to application date, and have a satisfactory 12 month mortgage history.				
Eligible Borrowers	U.S. Citizen, Permanent Residents, and qualified Non-Permanent Residents with valid documentation to support legal residency. Maximum of 4 borrowers per transaction. Borrowers must not qualify for conventional financing to be eligible for USDA financing (see "Qualification").				
Ineligible Borrowers	Borrowers without a valid SSN, borrowers with a history of utilizing a SSN that was not legally obtained, borrowers with no credit score, Borrowers classified under Diplomatic Immunity, Temporary Protected Status, Deferred Enforced Departure, or Humanitarian Parole.				
Eligibility	The subject property is not required to be in an "eligible" location, however borrowers Annual Income must be below the established "moderate-income level" based on the property location. Income eligibility can be determined at https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?NavKey=home@1 . Borrower must have an existing USDA Guaranteed mortgage				
Ineligible	Temporary rate buy downs, escrow waivers, Energy Efficient Mortgages (EEM), Mortgage Credit Certificates (MCC), leased equipment, PACE Obligations.				
Minimum Loan Amt	\$75,000				
Guarantee Fees	Upfront Fee: 1% of loan. When the fee is to be financed in the loan amount, calculate as: (loan amount / 0.99) - loan amount. When not financed, calculate as: loan amount x 1%. Annual Fee: 0.35%				
Maximum Interest Rate	The rate may not exceed 1% over the current Fannie Mae yield for 90-day delivery (actual/actual) for 30-year fixed rate conventional loans, rounded up to the nearest one-quarter of 1 percent. The Fannie Mae website to confirm acceptable interest rates is: https://www.efanniemae.com/sf/refmaterials/hrny/index.jsp .				
Net Tangible Benefit	The net tangible benefit test must be performed using existing principal, interest, and Annual Fee payment as compared to proposed principal, interest, and Annual Fee payment resulting in a minimum \$50 benefit.				
ARM	Not permitted.				
Loan Term	30 year fixed rate only				
Subordinate Financing	Subordinate financing not permitted.				
Living Trusts	Not permitted.				
Power of Attorney	Acceptable for military or incapacitated borrowers only. For military borrowers, a POA may only be used on either the initial or the final application & disclosures, not both; the borrower must be on overseas duty or unaccompanied tour. For incapacitated borrowers, sufficient evidence of their inability to sign must be provided. The POA in both cases must provide specific authority to encumber the property and obligate the borrower. See HB 1-3555 for full requirements.				

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E-signature	E-signatures acceptable. E-signature must be validated with some type of authentication, tracking, or independent verification. Copy and pasted PDF signatures are NOT acceptable. E-sign vendor must be on JMAC's approved list: https://jmacclending.app.box.com/s/999ut9v8rvmlhfmt7yqr
4506T	4506T authorization form required on all transactions for borrowers only. Full 1040 transcripts are verified to validate the documentation used for the annual income calculation.
Occupancy	All borrowers must occupy the subject property as their primary residence.
Non-Occupant Co-Borrower	Not permitted.
Credit	
Social Security #	SSN must be fully validated on income documents. Discrepancies require processing of SSA-89.
Credit Report	A mortgage-only trimerge credit report is required. All borrowers must have a credit score.
Credit History	Not considered.
Housing Rating	0x30 for 12 months prior to application date, and remain 0x30 through closing.
Judgments	Non-Federal Judgments may remain unpaid if the borrower documents an existing repayment plan with at least 3 months of payments made prior to the date of the application. Payments cannot be prepaid to meet the 3 month requirement. Borrower must have a satisfactory repayment history. Otherwise judgments must be paid in full, and all funds used to satisfy the account must be sourced. Any lien corresponding to the judgment must be subordinated if remaining in a repayment plan. Any Federal (non-tax) judgment must be paid in full.
Liens	Federal Tax Liens may remain unpaid if the borrower documents an existing repayment plan with at least 3 months of payments made prior to the date of the case number assignment. Payments cannot be prepaid to meet the 3 month requirement. Borrower must have a satisfactory repayment history. If the lien is reporting on title it must be subordinated to the new first mortgage. All other liens must be paid in full and satisfied.
Government Debt	Borrowers cannot have any outstanding delinquent Federal Debt or Obligation including IRS debt that has not yet become a lien.
Income & Assets	
Income	Full income documentation is required for all adult household members. Income calculations to determine eligibility for the GRH program are based on the adjusted annual income of all adult household members. Refer to HB 1-3555 for detailed guidance on the annual income calculation. Repayment income (for DTI) is not calculated.
Verification of Employment	Verbal re-verification of employment required for all wage earners within 10 days of the note. Self employed borrowers must be verified by an acceptable third party within 30 days of the note. 411.com, Manta, Chamber of Commerce, or other website where business owners add their own information are not acceptable sources of verification.
DTI	Not calculated
Assets	A two month average monthly balance of liquid assets most accurately represents the true value of the account since accounts, such as checking accounts often fluctuate significantly during the month from deposit to average monthly balance. The lesser of the two month average balance or actual balance (as reported on the most recent statement) will be used. Assets for all members of the household must be disclosed, and analyzed for the annual income calculation.
Joint Accounts	Access letter for all joint accounts where any account holder is not a borrower on the loan.
Unacceptable Assets	Cash for which the source cannot be verified, funds from any party to the transaction other than eligible gift donors, unsecured borrowed funds.

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Gift Funds	Permitted; must be documented in accordance with standard RD guidelines. Cannot be used for reserves. Donors bank statement always required. Funds cannot come from an unallowable source, including a business account unless the donor is a sole proprietorship, or the borrowers employer; cash is not an acceptable source of gift funds.
VOD	A VOD obtained directly from the financial institution may be used, and must reflect the current and 2 month average balance. Two months consecutive bank statements may be used in lieu of a VOD.
Business Funds	CPA letter indicating the use of business assets will not materially affect the daily business operation. Borrower must have 100% ownership interest in the business.
Collateral	
Eligible Properties	SFR, PUD, 2-4 Units or Condos. Project review and approval are not required.
Ineligible Properties	Condos without a current and valid Condo Project Approval, or with pending litigation. Manufactured or mobile homes, Co-Ops, commercial or industrial properties, unique or irregular properties (dome/log/etc.), working farms, marijuana producing properties, properties secured by Community Land Trusts, properties located in a designated Coastal Barrier Resource System (CBRS), properties located in Wrightwood, CA, or properties located on Indian Reservations or Tribal Lands. The property must not include buildings typically used for income-producing purposes.
Land Subsidence	Properties with evidence of land subsidence (sinkholes, or equivalent activity) are ineligible.
Lava Zones	Lava Zones 1 & 2 are ineligible.
Hazard Insurance	Hazard insurance coverage (dwelling limit plus any extended replacement) must be sufficient to cover the loan amount or have guaranteed replacement cost coverage. Condo's and attached PUD's must provide master policy, and evidence of "walls-in" coverage, otherwise a separate HO-6 policy is required.
PACE	Not permitted.
Deed Restrictions	Properties subject to deed restrictions, or any type of restriction on conveyance other than acceptable age restricted communities (55+), are not eligible.
Repair Escrow/ Holdbacks	Not permitted.
Transaction Specific	
Loan Amount	The maximum loan amount may include the principal and interest balance of the existing loan, eligible loan closing costs, funds necessary to establish a new tax and insurance escrow account, and the upfront guarantee fee. Payoff of Section 502 Direct Loans is not permitted, existing mortgage must be a Section 502 Guaranteed Loan.
Borrower Additions & Deletions	Borrowers may be added, but not deleted from the existing loan. All borrowers must be occupants.
Max Cash Back	Not permitted. Any incidental cash back must be applied as a principal reduction.
Texas	If prelim indicates any prior Texas 50(a)(6) refinances, property is ineligible for refinance. Cash out not permitted in Texas, borrower may not receive ANY funds back at closing (not even \$0.01). Any existing secondary financing must be subordinated with a recorded subordination agreement (automatic subordination not permitted).