

USDA Purchase

This matrix is intended as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for USDA guidelines. Users are expected to know and comply with USDA requirements.

NOTE: This matrix includes overlays, which may be **more restrictive** than USDA requirements. A thorough reading of this matrix is recommended.

Program Qualifications

- Impac's USDA Fixed Rate program is designed for the purchase of owner occupied single family residences using a USDA single Family Housing Guaranteed insured home loan.

Eligibility Matrix Loan Amount & LTV Limitations

USDA - Primary Residence Purchase

Units	Maximum LTV	Total LTV (including guarantee fee)	CLTV	Minimum Credit Score
1	100%	102%	Ineligible	620
The base loan amount plus closing costs cannot exceed 100% of the appraised value, excluding the Guarantee Fee. Under certain circumstances the LTV may be exceeded.				

Maximum Loan Amount

- \$417,000

Product Description

- Fixed Rate 30 year term; fully amortized

Product Codes

Years	Product Code
30 Years	UF30

Eligibility Requirements

Appraisal Requirements	<p>Appraisals must be ordered through Impac approved AMC (appraisal management company) One full appraisal (FNMA 1004/FHLMC 70)</p> <p><u>Age of Appraisal</u> The appraisal must have been completed within 6 months of the date the request for a conditional commitment is submitted to USDA.</p> <p>The appraisal must meet the requirements of the Uniform Appraisal Dataset (UAD) (see AN 4601). FHA appraiser must certify that the property meets Minimum Property Requirements found in HUD Handbooks 4150.2 and 4905.1. The preferred method to document compliance is on page three under the "Comment" section of the appraisal report.</p> <p>See AN 4688, Outbuildings and Property Eligibility, for specific information related to outbuildings and farm service buildings.</p>
Appraiser Requirements	<p>Appraisers must be on FHA's approved list on the FHA Connection with State Certification designation of Certified General or Certified Residential The assigned appraiser must perform the physical inspection of the property and may not sign the appraisal performed by another appraiser. Only appraisers who are properly licensed or certified, as appropriate, to make residential real estate appraisals in accordance with the criteria set forth by the Appraiser Qualification Board of the Appraisal Foundation regardless of the amount of the loan.</p>
Assets	<p>Borrower Eligibility Borrower must lack sufficient resources to obtain traditional uninsured conventional financing (Borrower has less than 20% down payment) See AN 4687, Definition of Conventional Credit.</p> <p>Borrower Investment</p> <ul style="list-style-type: none"> No borrower investment required toward down payment Cash on hand is ineligible. Funds must be validated in an account All funds used for GUS approval must be fully documented

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	<ul style="list-style-type: none"> If the borrower(s) receive any cash back at loan closing, the amount must not exceed the documented contributions made from their own funds for eligible loan purposes (e.g., earnest money deposit, lender/home inspection fees paid out of pocket, etc.). Loan funds or seller paid concessions may not be distributed to the borrower. Loan fees paid by the borrower with credit cards or other short term loans may not be reimbursed at loan closing. <p>Seller Contributions</p> <ul style="list-style-type: none"> Maximum 6% (based upon the lesser of the sale price or appraised value) <p>Gifts</p> <ul style="list-style-type: none"> Eligible Must fully document the source, transfer and receipt of gift funds. Comply with FHA gift documentation requirements. Donor must be disinterested third party (may not have an interest in the sale of the property) Donor may <u>not</u> be another person living in the household <p>Reserves</p> <ul style="list-style-type: none"> None required <p>Closing Costs</p> <ul style="list-style-type: none"> All closing costs may be financed within allowable LTV maximums, except discount points, unless borrower is below RD low income limit and receives a note rate below the maximum legal rate. All closing costs and prepaids may be paid by seller contribution <p><u>Verification of Funds</u> Verification of funds is not required unless the borrower's contribution is greater than 2% of the purchase price in which case the entire amount of borrower's contribution must be verified.</p>
Assumptions	Ineligible
Borrower Eligibility	<p>US Citizens Permanent Resident Aliens</p> <ul style="list-style-type: none"> Verify Alien Registration Card, I-551 Must provide valid Social Security number <p>Ineligible</p> <ul style="list-style-type: none"> Borrowers who are eligible for uninsured conventional financing (have 20% down payment) Borrowers whose adjusted household income exceeds the Rural Development income limit for the applicable area Foreign Nationals Full time students Inter Vivos Trust Land Trusts Non-Permanent Resident Aliens <p>The respective state Rural Development office determines whether First Time Home Buyer (FTHB) education is required.</p> <p>First Time Home Buyer Education is required in Georgia, Louisiana, and South Carolina</p> <ul style="list-style-type: none"> Training must be provided by homebuyer counselors that are certified by any of the following: <ul style="list-style-type: none"> Department of Housing and Urban Development (HUD), NeighborWorks America (NWA), National Federation of Housing Counselors (NFHC), State Housing Finance Agency or other qualified state organization, or National American Indian Housing Council (NAIHC). <p>The First Time Home Buyer Education requirement may not be limited to the states mentioned above. Be sure to confirm your state's requirements with the local Rural Development office.</p> <p>When mandated, a Certification of Completion is required and must be retained in the loan file. Refer to www.rurdev.usda.gov/ (state abbreviation)</p>
Co-borrowers/Co-signers	<ul style="list-style-type: none"> Co-borrower must occupy the property Co-borrower must take title to the property AND sign the Note and the Security Instrument Co-signors are ineligible The co-borrower cannot be an interested party to the transaction (e.g., seller, builder, real estate agent, etc.) Non-occupant co-borrowers are ineligible

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Credit	<p>Minimum Credit Score Requirements</p> <ul style="list-style-type: none"> • Minimum 620 credit score • Non-Traditional Credit is ineligible <p>Must receive a clear CAIVRS (Credit Alert Interactive Voice Response System)</p> <p>Housing Payment History</p> <ul style="list-style-type: none"> • Mortgage/Rental History: <ul style="list-style-type: none"> • GUS Accept/Eligible: Credit evaluated by GUS <p>Bankruptcy/Foreclosure/Deed-In-Lieu</p> <ul style="list-style-type: none"> • Bankruptcy must have been discharged for more than 36 months • Foreclosure must have been dismissed for more than 36 months <p>Above is measured by discharge or dismissal date until date of application</p>
Escrow Holdback	Ineligible
Escrow Waivers	Ineligible
Financing Types	Purchase Mortgages only
Geographic Locations/Restrictions	<p>Eligible states are as follows:</p> <ul style="list-style-type: none"> • Wholesale: AK, AL, AR, AZ, CA, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MN, MS, MT, NC, ND, NE, NV, OK, OR, SC, SD, TN, TX, UT, VA, WA, WI, WV <p>Additional restrictions as follows: Texas Cash-out 50(a)(6) is ineligible State specific regulatory requirements supersede all underwriting guidelines set forth by Impac.</p> <p>Homes must be located in rural areas. Rural areas include:</p> <ul style="list-style-type: none"> • Open country • Populations of 10,000 or less • Under certain conditions, towns and cities with populations between 10,000 and 25,000 • Property eligibility must be verified using the following link: http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do
Guarantee Fee	<p>USDA must issue a conditional commitment prior to funding the loan</p> <p>Up Front Guarantee Fee</p> <p>The amount of the fee is determined by multiplying the percentage by the total loan amount as follows:</p> <ul style="list-style-type: none"> • New Section 502 Guaranteed Loan – 2% of the total loan amount • See below for calculations when Guarantee Fee is paid in cash or financed <p><u>When the Guarantee Fee is paid in cash:</u></p> <ul style="list-style-type: none"> • Multiply the base loan amount by 2% to arrive at the guarantee fee (102%LTV) • Total Loan Amount = Base Loan Amount/0.98 <p><u>When the Guarantee Fee is financed into the loan:</u></p> <ul style="list-style-type: none"> • Divide the base loan amount by .98 (Base loan amount /0.98) to arrive at the Total Loan Amount including Guarantee Fee • This will result in a Guarantee Fee of approximately 2.0408% <p>Annual Fee</p> <ul style="list-style-type: none"> • 0.40% of the outstanding principal balance • The annual fee is calculated based on the guaranteed loan amount and on the average annual scheduled unpaid principal balance for the life of the loan. <p>Guarantee Fee and Annual Fee Calculators are available on the USDA LINC Training And Resource Library at: https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do. The calculators are in the Loan Origination section under Documentation and Resources.</p>
Income	<p>Ability to Repay Income:</p> <p>Repayment Income</p> <ul style="list-style-type: none"> • Only the income from the borrower(s) on the loan application may be used in calculating the ratios • Refer to the Rural Development Instruction 1980-D sections 1980.345, 1980.347, 1980.348 for additional clarification of eligible Annual Income, Adjusted Annual Income and Repayment Income. http://www.rurdev.usda.gov/SupportDocuments/1980d.pdf <p>Employment Gaps – Income Continuity</p> <p>All gaps in employment of greater than one month over the last two years must be documented.</p>

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	<p>Form 4506-T</p> <ul style="list-style-type: none"> • 4506T must be signed and processed prior to closing. • A new 4506-T is required to be signed with closing docs package as well as at application even when the form has been processed <p>Installment Debt – Include all installment debts greater than 6 months Primary Income – 2 year history required Self-employment – 2 years of 1040s and P&L required Alimony/Child Support – 1 year history, with proof of 3 years continuance Part-time, Over-time & Bonus – 2 year history Disability Benefits – 1) Benefits letter required; 2) 3 years continuance; 3) Gross up based on tax bracket Social Security Income Benefits - 1) Benefits letter required; 2) 3 years continuance; 3) Gross up based on tax bracket</p> <p>Program Eligibility Income Household Income</p> <ul style="list-style-type: none"> • Income from all working adult members (age 18 or older) residing in the home must be included in the household income. The total of that income cannot exceed the moderate-income limits established for the area in which they are purchasing the home. <p>Household income used to determine program eligibility is defined as Annual Income and Adjusted Annual Income and can be determined by using the following link: http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do (Income Limits - Single Family Housing – Guaranteed)</p>				
Internet Links	<p>USDA LINC Training and Resource Library: https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</p> <p>USDA Rural Development Administrative Notices: http://www.rurdev.usda.gov/rd-an_list.html</p> <p>USDA Eligibility Page (Property and Income): http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do</p> <p>USDA Income Limits: http://www.rurdev.usda.gov/HSF-Guar_Income_Limits.html Rural Development State Websites (format) - www.rurdev.usda.gov/ (state abbreviation) Example: For Washington, add WA, e.g., www.rurdev.usda.gov/wa</p> <p>USDA Rural Development Administrative Notices: http://www.rurdev.usda.gov/rd-an_list.html</p> <p>RD AN 4688 – Outbuildings and Property Eligibility: http://www.rurdev.usda.gov/SupportDocuments/an4688.pdf</p> <p>RD AN 4702 – Lender Charges and Fees: http://www.rurdev.usda.gov/SupportDocuments/an4702.pdf</p> <p>RD 1980-21 (Rev. 02-13) Request for Single Family Housing Loan Guarantee: http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1980-21.PDF</p> <p>Underwriting and Loan Closing Documentation Matrix: https://usdalinc.sc.egov.usda.gov/docs/rd/sfh/loanorigination/UW_Loan_Closing_Matrix_Document.pdf</p>				
Limitations on Other Real Estate Owned	<p>Borrower may not own any other real property. A manufactured home that is personal property is allowed.</p>				
Loan Amount	<p>No minimum loan amount</p>				
Manufactured Home Criteria	<p>The following table contains overlays, clarifications, and additions to existing guidelines regarding manufactured homes.</p> <table border="1" data-bbox="412 1528 1529 1866"> <tr> <td data-bbox="412 1528 597 1776">Appraisal</td> <td data-bbox="602 1528 1529 1776"> <p>Full interior and exterior appraisal must be completed (Form 1004C) All comparables should be sales of manufactured homes on permanent foundation similar to subject (e.g., similar configuration and quality) Distance of the comparable sales must be reasonable The following are ineligible:</p> <ul style="list-style-type: none"> • If the site or manufactured home is substantially non-conforming with the neighborhood it is ineligible • Creating comparable sales by combining vacant land sales with the contract purchase price of the home is prohibited </td> </tr> <tr> <td data-bbox="412 1782 597 1866">Documentation</td> <td data-bbox="602 1782 1529 1866"> <p>Evidence of surrender of certificate of title or that no certificate was issued, refer to individual state requirements.</p> <ul style="list-style-type: none"> • Confirm property is legally classified and taxed as real property, on a permanent foundation, and owner owns both land and MFH </td> </tr> </table>	Appraisal	<p>Full interior and exterior appraisal must be completed (Form 1004C) All comparables should be sales of manufactured homes on permanent foundation similar to subject (e.g., similar configuration and quality) Distance of the comparable sales must be reasonable The following are ineligible:</p> <ul style="list-style-type: none"> • If the site or manufactured home is substantially non-conforming with the neighborhood it is ineligible • Creating comparable sales by combining vacant land sales with the contract purchase price of the home is prohibited 	Documentation	<p>Evidence of surrender of certificate of title or that no certificate was issued, refer to individual state requirements.</p> <ul style="list-style-type: none"> • Confirm property is legally classified and taxed as real property, on a permanent foundation, and owner owns both land and MFH
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	Eligible Costs	<p>Rural Development may guarantee a loan used for the following purposes related to manufactured homes when a real estate mortgage covers both the unit and the site:</p> <ul style="list-style-type: none"> Purchase of a new manufactured home, transportation, permanent foundation, and installation costs of the manufactured home, and purchase of an eligible site if not already owned by the applicant; and Site development work properly completed to HUD, state and local government standards, as well as, the manufacturer's requirements for installation on a permanent foundation.
	Loan Amount	<p>Loans may be guaranteed for the following purposes when the security covers both the unit and the lot:</p> <ul style="list-style-type: none"> A new unit and related site development work on a site owned or purchased by the borrower which meets USDA guidelines, and Transportation and set-up costs for a new unit <p>Loans may not be guaranteed for:</p> <ul style="list-style-type: none"> An existing unit and site The purchase of a site without also financing the unit Existing debts owed by the applicant/borrower A unit without an affixed certification label indicating the unit was constructed in accordance with the Federal Manufactured Home Construction and Safety Standards Alteration or remodeling of the unit when the initial loan is made Furniture, including movable articles of personal property such as drapes, beds, bedding, chairs, sofas, lamps, tables, televisions, radios, stereo sets, and similar items. <p>NOTE: Items such as wall-to-wall carpeting, refrigerators, ovens, ranges, clothes washers or dryers, heating or cooling equipment, or similar items, <u>may be financed</u>.</p>
	MFH Property Requirements	<p>Manufactured homes must be new, less than 12 months old, never occupied, and include the site.</p> <ul style="list-style-type: none"> A unit is considered new if the purchase agreement is dated within 12 months of the date the unit was manufactured. The date of manufacture is available on the factory installed plate on the unit. New manufactured homes must be purchased from an approved dealer/contractor. The local USDA Guaranteed Loan Program office can provide a list of those approved in a particular state. <p>Minimum 400 square feet of gross living area Multi-width only, no single wide The land where the manufactured home rests must be fee simple The MFH must be a one-unit dwelling legally classified as real property The towing hitch, wheels, and axles must be removed The MFH must assume the same characteristics of a site-built housing The MFH must have sufficient square footage and room dimensions to be acceptable to purchasers in the subject market area The MFH must be located on an all-weather accessible road</p> <p>The MFH must have been built in compliance with Federal Manufactured Home Construction and Safety Standards (FMHCSS) that were established June 15, 1976 as amended and in force at the time the home is manufactured, and additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 as evidenced by:</p> <ul style="list-style-type: none"> HUD Data Plate/Compliance Certificate – A paper document located on the interior of the subject property that contains, among other things, the manufacturer's name and

		<p>trade/model number. In addition the data plate includes pertinent information about the unit including a list of factory-installed equipment; and</p> <ul style="list-style-type: none"> • HUD Certification Label (sometimes referred to as a HUD “seal” or “tag”) – A metal plate located on the exterior of each section of the home <p>MFH unit must also be constructed in compliance with the HUD heating and cooling requirements for the State in which the unit will be located. Any alterations, such as garage construction, as a new unit, must comply with FMHCSS</p> <p>The MFH unit must be properly installed on a permanent foundation according to HUD standards, and the manufacturer’s requirements for installation on a permanent foundation. A certification of proper foundation is required.</p> <p>The site development, installation and set-up must conform to the HUD requirements and the manufacturer’s requirements for a permanent installation. The unit must meet or exceed the International Energy Conservation Code (IECC) in effect at the time of construction.</p> <p>The lender must maintain documentation of construction plans and required certifications.</p> <p>The appraisal form 1004C must indicate evidence of both the HUD Data Place/Compliance Certificate and the HUD Certification Label The MFH must be attached to a permanent foundation system The MFH must be permanently connected to the septic or sewage system The MFH must be permanently connected to all necessary utilities (water, electricity, gas service, etc.) The MFH must not have been installed or occupied previously at any other location or site (re-siting)</p> <p><u>Warranty requirements</u> The borrower must receive a warranty in accordance with HUD requirements for new manufactured homes on permanent foundations. The warranty must identify the unit by serial number. The lender and borrower must obtain certification that the manufactured home has sustained no hidden damage during transportation and , if manufactured in separate sections, that the sections were properly joined and sealed according to the manufacturer’s specifications. The lender must retain a copy of all manufacturers’ warranties in the lender file.</p> <p>HUD requirements The FMHCSS and HUD requirements may be found at www.access.gpo.gov/nara/cfr/waisidx_04/24cfr3280_04.html</p> <p><u>Title and Lien requirements</u> The following conditions must be met and documented in the lender’s file:</p> <ul style="list-style-type: none"> • MFH must be secured by a perfected lien on real property consisting of the manufactured home and the land; • The MFH must be taxed as real estate as applicable under State law, including relevant statutes, regulations, and judicial decisions: • The security instrument must be recorded in the land records and must identify the encumbered property as including both the home and the land; • If applicable state law so permits, any certificate of title to the MFH must be surrendered to the appropriate state government authority. If the certificate of title cannot be surrendered, the lender must indicate its lien on the certificate; • The mortgage must be covered by a standard real property title insurance policy and any other endorsement required in the applicable jurisdiction for MFH ensuring the manufactured home is part of the real property that secures the loan; and • The borrower must acknowledge the unit is a fixture and part of the real estate securing the mortgage.
	USDA References	RD Instruction 1980-D 3555.208 Special requirements for manufactured homes
	Restrictions	<ul style="list-style-type: none"> • The following are ineligible: <ul style="list-style-type: none"> ○ Non-traditional credit ○ ARMs ○ High Balance loans

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	<ul style="list-style-type: none"> ○ Re-siting of manufactured home ○ Single Width manufactured home ○ Manufactured home in condominium project ○ Manufactured home on leasehold ○ MFH properties within SFHA (Special Flood Hazard Area) or any property that requires flood insurance
Mortgage Insurance	Refer to <i>Guarantee Fee</i> for specifics
Occupancy	Primary Residence
Prepayment Penalty	Ineligible
Processing	Standard
Property Types	<p>Eligible</p> <ul style="list-style-type: none"> • 1 unit <ul style="list-style-type: none"> • SFR's • PUDs • Townhouse • Modular Pre-Cut/Panelized Housing • Manufactured Housing (see separate <i>Manufactured Home Criteria</i> section) <p>Ineligible</p> <ul style="list-style-type: none"> • 2 – 4 Units • Condominiums • Condo Hotels • Co-ops • Income producing farms • Leasehold • Properties located within designated Coastal Barrier Resource system (CBRS) areas. • Properties with in-ground swimming pools are ineligible – this exclusion is not applicable to PUD developments with a common pool • Properties with resale/deed restrictions • Rehabilitation loans • Farm related property, vacant land, or properties used primarily for agricultural, farming, farm operation or commercial enterprise are ineligible <p>Properties with a site value exceeding 30%:</p> <ul style="list-style-type: none"> • If site value is greater than 30%, USDA requires the appraiser to note that it is common for the area and the property is not subdividable. If both of these conditions are not met, the loan is denied. <p>Flood and mudslide hazard area precautions:</p> <ul style="list-style-type: none"> • Rural Home Loan policy is to discourage lending in designated flood and mudslide hazard areas. Loan guarantees shall not be issued in designated flood/mudslide hazard areas unless there is no practical alternative. (1980.318)
Qualifying Rate and Ratios	<p>Qualify at note rate</p> <p>Ratios</p> <ul style="list-style-type: none"> • GUS Accept/Eligible – GUS determines acceptable ratios, a waiver is not required • Manual Underwrite – 29/41 – A debt ratio waiver request with suitable compensating factors must be submitted to USDA when ratios exceed 29/41. See AN 4729 <i>Debt Ratio Waivers and Compensating Factors</i> http://www.rurdev.usda.gov/SupportDocuments/an4729.pdf <p>USDA will not grant waivers in excess of 32/44 ratios</p>
Secondary Financing	Ineligible
Special Requirements/Restrictions	<p>The Request for Single Family Housing Loan Guarantee must be completed and executed by all borrowers who will be a party to the note. Multiple forms may be utilized. See Internet Links for link to form.</p> <p>Form 4506-T must be processed prior to underwriting.</p> <ul style="list-style-type: none"> • A new IRS Form 4506 T is required to be signed with the closing package as well as at application even when the form has been processed. <p>CAIVR System</p> <p>Access the FHA Connection to check CAIVRS for all borrowers on the transaction: Borrowers, co-borrowers and co-signors if applicable</p>

Limited Denials of Participation (LDP) List

- Examine/Search the list for all parties to the transaction: all borrowers, sellers, listing and selling real estate agents and loan officers. The appraiser, termite co, and all licensed professionals contracted to provide mechanical certifications such as heating, plumbing, air conditioning, roofing and electrical companies should also be searched

Government Services Administration’s (GSA) Lists of Parties Excluded from Procurement or Non-procurement Programs

- Examine/Search the list for all parties to the transaction: all borrowers, sellers, listing and selling real estate agents and loan officers. The appraiser, termite co, and all licensed professionals contracted to provide mechanical certifications such as heating, plumbing, air conditioning, roofing and electrical companies should also be searched

Non-Purchasing Spouse in a Community Property State

Community Property States are as follows.

- Arizona
- California
- Idaho
- Louisiana
- Nevada
- New Mexico
- Texas
- Washington
- Wisconsin

If property is located in a community property state, or the borrower resides in a community property state, the following requirements apply

A credit report for the non-purchasing spouse is required to determine any joint or individual debts. The spouse’s authorization to pull a credit report must be obtained. If the spouse refuses to provide authorization for the credit report, the loan must be rejected

- Even if the non-purchasing spouse does not have a social security number, the credit reporting company should verify that the non-purchasing spouse has no credit history and no public records recorded against him/her.
- Credit Company should be given non-purchasing spouse information: Name(s), address, birth date and any other significant information requested in order to do the records check.

The debts of the non-purchasing spouse must be considered in the qualifying ratios, except for those specifically excluded by state law.

The greater of the monthly payment amount or 5% of the outstanding balance if minimum payment is not reflected on credit report of the non-purchasing spouse must be included in the qualifying ratios.

All defaulted federal debt, open judgments and liens, including those of the non-purchasing spouse, must be satisfied prior to or at closing.

Disputed debts of the non-purchasing spouse need not be counted provided the file contains documentation to support the dispute.

Credit history of the non-purchasing spouse should not be the basis for declining the loan.

Additional State Specific restrictions:

Idaho

- Married borrowers must have BOTH spouses on the loan or meet Idaho requirements for Sole and Separate applicants. If both spouses are not on the loan the file must meet all of the requirements of Idaho AN No. 1862 dated February 7, 2014 pertaining to “Sole and Separate” applicants. This is an Idaho Rural Development office rule.
http://www.rurdev.usda.gov/SupportDocuments/ID_AN_SF_Housing_Loans_to_Sole_and_Separate_Applicants.pdf

Wood Destroying Insects/Organism (Termite) Requirements

All geographic areas as required by USDA, and/or:

- There is evidence of active infestation
- It is mandated by the state or local jurisdiction
- It is customary to the area
- At lender’s discretion

	<p><u>Private Septic System</u> The septic system must be free of observable evidence of failure. An FHA roster appraiser, government health authority, licensed septic professional, or qualified home inspector may perform the septic system evaluation. An FHA roster appraiser or qualified home inspector may require an additional inspection due to their observations. Existing dwellings appraised by a HUD roster appraiser, who has indicated the dwelling meets the required HUD handbooks does not require further septic certification.</p> <p><u>Private Well/Water Supply</u> The local health authority or a state certified laboratory must perform a water quality analysis. The water quality must meet state/local standards. The Safe Water Drinking Act does not apply to private wells.</p> <p><u>Private Road Maintenance Agreements</u> Properties located on private roads require evidence in the loan file of a permanent recorded easement (non-exclusive, non-revocable roadway/driveway easement without trespass from the property to a public street/road). Private road maintenance agreements are <u>not</u> required.</p>
<p>Underwriting</p>	<p>All loans must be submitted to GUS (Guarantee Underwriting System)</p> <p>Loans which receive an underwriting recommendation of "Refer" or "Refer with Caution" require a manual underwrite per USDA guidelines.</p> <p>A GUS underwriting recommendation of "Accept" may require a manual downgrade to "Refer" if:</p> <ul style="list-style-type: none"> • Open authorized user tradelines are reported on the credit report • Credit report indicates a tradeline or public record is in dispute • Installment and/or revolving debts not listed on the credit report were manually entered into GUS <ul style="list-style-type: none"> ○ Exception: The manual entry of Non-Purchasing Spouse (NPS) debts (community property states only) will <u>not</u> require an "Accept" to be downgraded to a "Refer" <p>The manual entry of child support, alimony, garnishments, or other court ordered debts, or business debts into GUS will not require an "Accept" to be downgraded to a "Refer".</p> <p>If GUS renders an underwriting recommendation of ACCEPT and ELIGIBLE, the loan is eligible for Rural Development's guarantee. All files must be submitted to the RD office in the state in which the property is located to obtain a Conditional Commitment prior to closing. The Conditional Commitment must be retained in the file.</p> <p>Refer to the Underwriting and Loan Closing Documentation Matrix Administrative Notice (AN) 4699 for required documentation for all loans at the following link: https://usdalinc.sc.gov.usda.gov/docs/rd/sfh/loanorigination/UW_Loan_Closing_Matrix_Document.pdf</p> <p><u>Property Flipping</u> When the Seller of the property has been on title less than 90 days extra diligence must be taken with the transaction. Underwriter in its sole discretion reserves the right to condition for additional information and collateral support to include desk review, field review, or additional appraisal in order to support value. There is not a specific USDA requirement.</p>

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