



Correspondent Lending  
 USDA Rural Housing  
 Fixed Rate Product Profile

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Government		ELIGIBILITY MATRIX & SUMMARY GUIDELINES				
Occupancy		30 YR Fixed Rates				
Occupancy		Primary Residence				
		Purchase				
	Property Type	Maximum LTV (1)	CLTV (1)	Maximum Loan Amount (2)	Minimum Credit Score	AUS Response
	1 Unit, PUD & Condo	100%	100%	Varies by County	620	GUS Accept/Eligible response
Occupancy		Primary Residence				
		Rate/Term Refinance				
	Property Type	Maximum LTV (1)	CLTV (1)	Maximum Loan Amount (2)	Minimum Credit Score	AUS Response
	1 Unit, PUD & Condo	100%	100%	Varies by County	620	GUS Accept/Eligible response
1. LTV/CLTV are Exclusive of Financed RD Guarantee Funding Fees 2. Maximum loan amount may not exceed \$417,000						
Eligibility Requirements*						
Age of Documents	<ul style="list-style-type: none"> <li>Credit documents must be no more than 120 days old (180 days for New Construction) on the date the Note is signed, including credit reports and employment, income and asset documents</li> <li>Preliminary Title Policies must be no more than 180 days old on the date the Note is signed</li> <li>Flood Hazard Determination Certification must be no more than 180 days old on the date the note is signed</li> </ul>					
Appraisals	<ul style="list-style-type: none"> <li>Refer to RD 3555 Technical handbook for appraisal requirements</li> <li>Appraiser must be USPAP approved and must not appear on the ineligible appraisers list published by State office. Please refer to Resources section for link to Appraisal Subcommittee website to locate appraiser.</li> <li>LenderLive will purchase loans secured by properties with "unpermitted" structural additions under the following conditions:               <ul style="list-style-type: none"> <li>The subject addition complies with all investor guidelines</li> <li>The quality of the work is described in the appraisal and deemed acceptable ("workmanlike quality") by the appraiser</li> <li>The addition does not result in a change in the number of units comprising the subject property (e.g. a 1 unit converted into a 2 unit)</li> <li>If the appraiser gives the unpermitted addition value, the appraiser must be able to demonstrate market acceptance by the use of comparable sales with similar additions and state the following in the appraisal:                   <ul style="list-style-type: none"> <li>Non-Permitted additions are typical for the market area and a typical buyer would consider the "unpermitted" additional square footage to be part of the overall square footage of the property</li> <li>The appraiser has no reason to believe the addition would not pass inspection for a permit</li> <li>Appraiser to state all of the work was completed in a workman like manner</li> </ul> </li> </ul> </li> </ul>					
Assignment of Mortgages	<ul style="list-style-type: none"> <li>All loans must be registered with MERS at time of delivery to LenderLive and a MERS transfer of beneficial rights and transfer of servicing rights must be initiated by the Seller, to LenderLive (MERS ORG ID # 1010320), within 24 hours of purchase</li> </ul>					
AUS / Underwriting Method	<ul style="list-style-type: none"> <li>All loans must be submitted to Guaranteed Underwriting System (GUS)</li> <li>Sellers must include the Accept/Eligible findings</li> </ul>					
Borrowers: Eligible	<ul style="list-style-type: none"> <li>U.S. Citizens</li> <li>Permanent Resident Aliens</li> <li>Qualified Non-permanent residents</li> <li>Inter Vivos Revocable Trust and Power of Attorney: Refer to Seller Guide for eligibility requirements</li> <li>See Property: Maximum Number of Properties Owned (for information regarding borrowers who currently own a property)</li> </ul>					



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<b>Borrowers: Ineligible</b>	<ul style="list-style-type: none"><li>• <u>Any individual without a valid U.S. Social Security Number</u></li><li>• <u>Individuals with a U.S. Individual Taxpayer Identification Number (ITIN) only</u></li><li>• Non-occupant borrowers and co-borrowers</li><li>• Co-signers/Guarantors</li><li>• Limited Partnerships, Corporations &amp; LLC</li><li>• Investors</li><li>• <u>Foreign nationals and borrowers with diplomatic immunity</u></li><li>• <u>Illegal aliens</u></li><li>• Non-revocable trusts or Guardianships</li><li>• Borrowers with diplomatic immunity</li><li>• <u>Employees / Principals / Owners of TPO</u></li><li>• Any individual on exclusionary lists</li></ul>
<b>Condominiums / PUDS</b>	<ul style="list-style-type: none"><li>• The condominium / PUD project must meet HUD/FHA, VA, Fannie Mae, or Freddie Mac guidelines. The 1008 must be marked with the appropriate warranty and include all documentation utilized to make the condo warranty determination.</li><li>• Please refer to Chapter 12 - Section 5 of 3555 for complete details</li></ul>
<b>Contributions</b>	<ul style="list-style-type: none"><li>• Maximum 6% seller contributions</li></ul>
<b>Credit</b>	<ul style="list-style-type: none"><li>• <u>Each borrower must have at least two credit scores to be eligible;</u></li><li>• Selecting the FICO score for underwriting (Tri-merged credit reports or an in-file report with a minimum of 2 reported credit bureau)<ul style="list-style-type: none"><li>• 3 scores: Middle</li><li>• 2 scores: Lowest</li><li>• 1 Score: <u>Ineligible (requires manual underwrite)</u></li><li>• repeating score, that score will be utilized</li><li>• No Score: <u>Ineligible (requires manual underwrite)</u></li></ul></li><li>• At least one applicant whose income or assets are used for qualification must have at least 3 historical (any account that is open and active with repayment underway or any account that has been open, but now be closed) trade line payment references that have existed for at least 12 months to establish a credit reputation and validate the credit score</li><li>• A letter of explanation is required for recent credit report inquiries made within in the previous 90 days</li><li>• Correspondents are responsible for determining that all debts incurred or closed by the borrower, up to and concurrent with settlement on the subject mortgage loan, are disclosed on the final loan application that is signed by the borrower at closing. These debts must be evaluated and included in the qualification for the subject mortgage loan; pursuant to USDA requirements</li><li>• Gap Report is highly recommended within 10 days of mortgage Note date; prior to closing/funding of the transaction<ul style="list-style-type: none"><li>• New debts, liabilities, inquiries and/or public records must be addressed pursuant to RD requirements</li><li>• Material discrepancies from the prior credit report must be addressed pursuant to FHA requirements</li><li>• Note: A Gap Report is also known as a LQI Report, Undisclosed Debt Monitoring Report or Credit Refresh Report). It is intended to identify any changes in a borrower's credit report (excluding credit scores) between original credit report pull date and pre-funding. It is not intended to pull new credit scores</li></ul></li></ul>
<b>Assets</b>	<ul style="list-style-type: none"><li>• <u>Bitcoin accounts are an ineligible source of large deposits and source of funds to close/reserves</u></li></ul>



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<b>Credit: Liabilities</b>	<ul style="list-style-type: none"><li>• Non-Purchasing Spouse (NPS)<ul style="list-style-type: none"><li>• When a borrower resides or the subject property is located in a community property state, a credit report for the NPS must be obtained.</li><li>• The debts of the NPS must be included in the borrower's debt ratio, except for those specifically excluded by state law. The NPS's credit history is not a reason to deny the loan application.</li><li>• Community property states include: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin. Alaska is an opt in community property state; property is separate unless both parties agree to make it community property through a community property agreement or a community property trust</li></ul></li><li>• Verification of rent/mortgage history<ul style="list-style-type: none"><li>• Not required with a GUS accept</li></ul></li><li>• Installment and revolving credit accounts<ul style="list-style-type: none"><li>• Installment debts with more than 10 months repayment remaining must be included in the debt ratio</li><li>• Revolving debts with reported loan balances on the credit report must have a monthly payment included in the debt ratios. If a payment is not listed, the lender may estimate a monthly payment of 5% of the loan balance</li></ul></li><li>• Student Loans<ul style="list-style-type: none"><li>• Lenders must include the greater of 1% of the outstanding loan balance reflected on the credit report or the verified fixed payment as reflected on the credit report<ul style="list-style-type: none"><li>▪ Exception: Monthly payment amounts listed on the credit report, which are less than 1% of the outstanding balance may be used when evidence from the loan servicer is obtained indicating 1) the borrower is on a fixed repayment plan not subject to change under the terms of the current agreement 2) and the monthly payment amount due</li><li>▪ Fixed payments have a monthly amount that is not subject to change through the fixed repayment time frame</li><li>▪ Income Based Repayment (IBR) plans, graduated plans, adjustable rates, interest only and deferred plans are examples of repayment plans that are subject to change and do not qualify for the exception</li><li>▪ No additional documentation is required if a credit report is obtained and the lender can confirm the payment represented is a fixed payment as noted above</li></ul></li></ul></li><li>• Co-signed debt/previous mortgage without release of liability<ul style="list-style-type: none"><li>• Must provide 12 month's payments from the other party in order to exclude the payment from total debt. Joint debt must be included in the DTI payments that will come due in the next 24 months, including deferred loans and balloon payments</li></ul></li></ul>
<b>Derogatory Credit</b>	<ul style="list-style-type: none"><li>• The applicant must have a credit history which indicates a reasonable ability and willingness to meet obligations as they become due.</li><li>• Indicators of unacceptable credit<ul style="list-style-type: none"><li>• More than one 30 day late payment in the last 12 months</li><li>• Foreclosure within the last 36 months</li><li>• Bankruptcy within the last 3 years<ul style="list-style-type: none"><li>▪ Chapter 7 bankruptcy discharged in the previous 3 years</li><li>▪ Chapter 13 bankruptcy open or discharged less than 12 months</li></ul></li><li>• Outstanding tax liens or delinquent governmental debts, regardless of age as long as they are currently due and payable</li><li>• Judgments caused by non-payment within the last 12 months or currently outstanding</li><li>• Accounts converted into collections in the last 12 months</li><li>• Collection accounts outstanding, with no payment arrangements, regardless of age if they are currently due and payable</li><li>• Any debts written off within the last 36 months</li></ul></li><li>• The lender may consider mitigating circumstances to establish the borrower's intent for good credit when the applicant provides documentation that:<ul style="list-style-type: none"><li>• The circumstances were of a temporary nature and were beyond the applicant's control, and have been removed (e.g. loss of job, delay or reduction in government benefits or other loss of income, increased expenses due to illness, death, etc.) or</li><li>• The adverse action or delinquency is result of refusal to make payments due to defective goods or services, or justifiable dispute related to such goods or services.</li></ul></li><li>• Lender approved Adverse Credit Waivers must include all documentation provided by applicant to support the credit waiver</li><li>• The following are <b>not</b> indicators of unacceptable credit:<ul style="list-style-type: none"><li>• "No history" of credit transactions by the borrower</li><li>• A bankruptcy in which applicant was discharged more than 36 months before application</li><li>• A satisfied judgment or foreclosure with no loss of security which was completed more than 12 months before the date of application</li></ul></li></ul>
<b>Disaster Policy</b>	<ul style="list-style-type: none"><li>• <u>LenderLive may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster</u></li><li>• <u>See LenderLive Disaster Policy in Seller Guide for details</u></li></ul>
<b>Down Payment Assistance</b>	<ul style="list-style-type: none"><li>• <u>Down Payment Assistance programs are permitted in accordance with Agency Guidelines. The source of the Down Payment Assistance must be a Government Entity. (i.e., Non Profits and Trade Unions are not permitted)</u></li><li>• <u>Seller funded down payment assistance programs are ineligible</u></li></ul>



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<b>Exclusionary Lists</b>	<ul style="list-style-type: none"><li>All borrowers must receive clear Credit Alert Interactive Voice Response System (CAIVRS) and GSA</li></ul>
<b>Eligible Mortgage Products</b>	<ul style="list-style-type: none"><li>Fixed Rate 30 yr term</li></ul>
<b>Ineligible Mortgage Products and Special Features</b>	<ul style="list-style-type: none"><li>Only loans programs/mortgage types identified in the SFGLP guide 3555 . USDA loans that are not specifically allowed in the Eligible Mortgage Types above, including but not limited to the following:<ul style="list-style-type: none"><li>USDA MFH (Multi-Family)</li><li>USDA RHS (Rural Rental Housing )</li><li>USDA Dealer Direct Manufactured Housing</li><li>USDA Indian Loans (Section 184)</li><li>USDA 502 Direct Loans</li><li>Rural Energy Loans</li><li>Section 502 Guaranteed Loan Program Rural Refinance Pilot</li><li>Construction loans</li><li>Streamline Refinance</li><li>Cash Out Refinance</li></ul></li></ul>
<b>Documentation Type, Tax Transcripts &amp; 4506-T</b>	<p>Determined by AUS</p> <p><u>Tax transcripts are required for each borrower whose income is utilized as a source of repayment. Transcripts must be provided for the number of years of income used to qualify the borrower. Tax transcripts are required to support the income used to qualify the borrower. If only W2 income is used to qualify, the lender may obtain W2 transcripts as long as tax returns are not included in the loan file. Generally, when the documentation used to verify income is from the same calendar period as the tax transcript, the information must match exactly. If tax transcripts are not available (due to a recent filing) a copy of the IRS notice showing "No record of return filed" is required along with documented acknowledgement receipt (such as IRS officially stamped tax returns or evidence that the return was electronically received) from the IRS and the previous 2 years tax transcripts</u></p> <p>A 4506-T, signed at application and closing, is required for all transactions</p>



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<b>Employment / Income Documentation</b>	<ul style="list-style-type: none"><li>• For salaried employees the verbal verification of employment must be completed within 10 business days prior to the note date</li><li>• For self-employed borrowers the verbal verification of employment must be completed within 30 days prior to the note date</li><li>• For borrowers in the military, a military Leave and Earnings Statement dated within 30 days prior to the note date is acceptable in lieu of a verbal verification of employment.</li><li>• <u>Borrowers with employment contracts: borrowers must begin employment before the lender delivers the loan to LenderLive.</u> The lender must obtain a paystub from the borrower that includes sufficient information to support the income used to qualify the borrower prior to delivering the loan to LenderLive</li><li>• See 'Documentation Type, Tax Transcripts &amp; 4506-T' section of this Product Profile for additional requirements</li><li>• Mortgage Credit Certificates (MCCs) may be considered in determining an applicant's repayment ability.<ul style="list-style-type: none"><li>• The subsidy amount may be used to directly offset the mortgage payment before calculating the qualifying ratios</li><li>• The agency issuing the MCC determines the amount of the tax credit</li><li>• The amount is limited to the applicant's maximum tax liability</li><li>• No portion of the MCC is included in the annual income calculation</li></ul></li><li>• When calculating the borrower's debt-to-income ratio, treat the maximum possible MCC income as an addition to the borrower's income, rather than as a reduction to the amount of the borrower's mortgage payment. Use the following calculation when determining the available income: <math display="block">[(\text{Mortgage Amount}) \times (\text{Note Rate}) \times (\text{MCC \%})] \div 12 = \text{Amount added to borrower's monthly income}</math><p>For example, if a borrower obtains a \$100,000 mortgage that has a note rate of 7.5% and he or she is eligible for a 20% credit under the MCC program, the amount that should be added to his or her monthly income would be \$125 (<math>\\$100,000 \times 7.5\% \times 20\% \div 12 = \\$125</math>).</p></li><li>• Lender must provide the following documentation when applying an MCC:<ul style="list-style-type: none"><li>• A copy of the MCC to include the rate of credit allowed</li><li>• The applicant's newly filed IRS W-4 "Employee's Withholding Allowance Certificate" form to reflect that the applicant is taking the tax credit on a pay period basis</li><li>• Lender certification that the applicant completed and processed all necessary documents in order to receive the credit</li></ul></li></ul>
<b>Escrows / Impounds</b>	<ul style="list-style-type: none"><li>• Escrow Impounds Accounts must be established for taxes and insurance premiums (or additional items) in accordance with USDA guidelines</li></ul>
<b>Escrow Holdbacks (Postponed Repairs / Improvements)</b>	<ul style="list-style-type: none"><li>• Escrow holdbacks are allowed in accordance with USDA guidelines, including but not limited to the following requirements/restrictions:<ul style="list-style-type: none"><li>▪ Holdbacks permitted for inclement <u>weather related</u> reasons only</li><li>▪ <u>Holdbacks permitted for external repairs/improvements only</u></li><li>▪ <u>Must hold back 150% of cost of repairs/improvements</u></li><li>▪ <u>Cost of repairs may not exceed 10% of 'as completed' appraised value</u></li><li>▪ <u>Repairs must be completed within 180 days of note date</u></li><li>▪ Repairs/improvements may not affect safety, soundness, habitability and structural integrity of subject property. Unacceptable repairs/improvements include but are not limited to the following:<ul style="list-style-type: none"><li>– Plumbing, electrical, septic, or HVAC systems not fully functional</li><li>– Kitchen not fully functional</li><li>– Partially completed addition or renovation</li><li>– Roofing issues, including coupling /curling shingles and leaks, past or present, unless certified as having been repaired</li><li>– Foundation cracks or settling including leaks past or present unless certified as having been repaired</li><li>– Water seepage, including water in basement</li><li>– Siding or fascia along eaves that is missing or has significant damage</li><li>– Mold of any significance</li></ul></li></ul></li><li>• A post funding stipulation for a copy of a 1004D confirming completion will be placed on loans where the appraisal is "subject to" improvements</li><li>• A post funding stipulation for a final title policy endorsement that ensures the priority of the first lien will be required on any loan where the appraisal is "subject to" improvements. Holdbacks may not adversely affect title. Clear title required</li><li>• A copy of the escrow agreement will be required that states how the escrow account will be managed and how the funds will be disbursed</li></ul>



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Flood Insurance	<ul style="list-style-type: none"><li>Existing Dwellings<ul style="list-style-type: none"><li>Existing dwellings are eligible under the SFHGLP only if flood insurance thru FEMA's National Flood Insurance Program (NIFP) is available for the community and flood insurance whether NFIP, 'write your own', or private flood insurance, as approved by the lender, is purchased by the borrower</li><li>Lenders are required to accept private flood insurance policies meeting the requirements of 42USC4012a(b)(1)(a)</li><li>Flood insurance must cover existing residential structures located on the property including decks and carports, etc. when any portion of the structure is determined to be located in SFHA</li></ul></li><li>New or proposed construction in an Special Flood Hazard Area (SFHA) is ineligible for loan guarantee unless:<ul style="list-style-type: none"><li>A final Letter of Map Amendment (LOMA) or final Letter of Map Revision (LOMR) removes the property for the SFHA is obtained from FEMA; or</li><li>The lender obtains a FEMA NFIP Elevation Certificate</li><li>Please refer to 7 CFR 3555.5 Section 4 for complete details</li></ul></li></ul>
Funds to Close	<ul style="list-style-type: none"><li>Checking/Saving, provide the most recent two months statements. Any large deposits must be sourced</li><li>Gifts are allowed in accordance with Rural Housing guidelines. Gifts must be specifically identified as a gift in GUS in order to omit from reserves</li><li><u>Cash on Hand is not permitted</u></li><li>Two consecutive months bank statements dated within 45 days of the initial loan application</li></ul>
Guarantee Fee	<p>The upfront guarantee fee for all purchase and rate and term refinance transactions is 2.75% of the base loan amount. The annual guaranteed fee is 0.50% which is collected and escrowed monthly</p>
High Cost / Higher Priced Mortgage Loans (Revised)	<ul style="list-style-type: none"><li><u>LenderLive will not purchase High Cost Loans</u></li><li>LenderLive will purchase Higher Priced Mortgage Loans (HPML) that comply with all state and federal laws, including Regulation Z and Home Mortgage Disclosure Act (HMDA) amendments, as well as underwriting and consumer protection requirements. Additional requirements are as follows:<ul style="list-style-type: none"><li>Submission of the rate spread (difference) as required by Regulation Z, HMDA, and any other local or state statutes. This may be evidenced by a providing a screenshot of the results from the Federal Financial Institutions Examination Council's <a href="#">FFIEC Rate Spread Calculator</a> or results from Mavent, ComplianceEase or similar compliance testing software for the rate spread,</li><li>The loan must be a Qualified Mortgage</li><li>An escrow account must be established for taxes and insurance premiums (including flood insurance) on any transaction secured by a principal residence<ul style="list-style-type: none"><li>Escrow account must be established for a minimum of 60 months</li><li>Note: For condominium loans, if the Homeowners' Association (HOA) maintains a master policy insuring the unit (meeting LenderLive Credit Policy requirements), only the tax portion is required to be escrowed</li></ul></li><li>A full internal/external appraisal is required</li><li>A second appraisal is required if the property was:<ul style="list-style-type: none"><li>Acquired by the seller 90 or fewer days prior to the consumer's agreement to purchase the property and price has increased by more than 10% . See Property Flipping Policy section of this document for additional information</li><li>Acquired by the seller between 91 and 180 prior to the consumer's agreement to purchase the property, and price has increased by more than 20%</li></ul></li><li>No waiver of appraisal waiting periods prior to closing is permitted</li><li>Prepayment Penalty is not permitted (Note that LenderLive does not purchase loans with Prepayment Penalties regardless of HPML status)</li><li><u>Loan must receive GUS Accept /Eligible</u></li><li>Borrower must meet minimum Residual Income requirements that mirror VA requirements</li><li>PITI reserves as required by product guideline and/or AUS findings</li></ul></li></ul>



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<p><b>Homeownership Counseling</b></p>	<p>Certain Rural Housing State Offices require Home Ownership Counseling for first time homebuyers. It is the lender's responsibility to ensure the home buyer education is completed in those states and include documentation to satisfy Rural Housing's requirements in the file. Please refer to Resources section below for link to Housing Counselor Director.</p>
<p><b>Income - Annual Eligibility and Requirements</b></p>	<ul style="list-style-type: none"> <li>• The household's adjusted income must not exceed Rural Housing 's applicable moderate income limit</li> <li>• Income from all adult household members must be considered; refer to USDA Income and Property Eligibility website link in Resources section below</li> <li>• Positive net rental income must included in annual household income (refer to 7 CFR 3555.151)</li> <li>• 2 years Employment and Income required (Income requirement is 2 years W-2's for each household member and 2 years Tax returns)</li> <li>• <u>File must include copy of Annual Income Calculation worksheet</u> supporting the annual income calculations on 3555-21 Request for Conditional Commitment</li> </ul>
<p><b>Length of Ownership</b></p>	<p><b>Rate/Term Refinance:</b></p> <ul style="list-style-type: none"> <li>• Loan must have closed at least 12 months prior to Rural Housing's receipt of a conditional commitment request for refinance</li> <li>• Existing loan must be a Guaranteed loan or 502 Direct loan</li> </ul>
<p><b>Loan Purpose</b></p>	<p><b>Purchase Transactions</b> are permitted</p> <ul style="list-style-type: none"> <li>• Closing costs may be financed when there is equity above the sales contract price</li> <li>• Subordinate financing cannot be included in the new loan</li> </ul> <p><b>Rate/Term Refinance</b></p> <ul style="list-style-type: none"> <li>• Proceeds must be used to pay off an existing Guaranteed loan or 502 Direct loan</li> <li>• Subordinate financing cannot be included in the new loan</li> <li>• The maximum loan amount may not exceed the balance of the loan being refinanced, including accrued interest, the guaranteed fee and reasonable and customary closing costs. for 502 Direct loans, any recapture amount owed may be included in the loan amount or deferred as long as the recapture amount takes a subordinate position to the SFGLP loan</li> <li>• The interest rate of the new loan must be at least 100 basis points below original rate of loan being refinanced</li> <li>• The existing loan being refinanced must have been current for 180 days prior to conditional commitment request</li> <li>• Borrowers may be added or deleted from the refinance transaction. At least one borrower must remain active to qualify as a refinance transaction</li> <li>• <u>Streamline refinance option is not available</u></li> <li>• <u>Section 502 Guaranteed Loan Program Rural Refinance Pilot program is not available</u></li> </ul> <p><b>Cash Out Refinance is not permitted</b></p>
<p><b>Maximum Loan Amount</b></p>	<p>Maximum loan amount is constrained by the limitations applied when considering the maximum annual income at the program's maximum DTI        Please see Resource section below for link to Rural Development Single Family Housing- Area Loan Limits</p>



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<p><b>Maximum Number of GHR Insured Properties</b></p>	<ul style="list-style-type: none"> <li>An applicant who owns a dwelling to which they will retain ownership is eligible for a guaranteed loan to purchase another home with the following considerations:             <ul style="list-style-type: none"> <li>Only 1 GHR insured loan per borrower</li> <li>Must be borrower's primary residence</li> <li>Current home owned no longer meets the applicant's needs (overcrowded, limited mobility of household that cannot be accommodated without substantial retrofitting of property or relocation)</li> <li>Borrower is financially qualified</li> <li><u>LenderLive reserves the right to limit the number and/or aggregate dollar amount of \$1,500,000</u></li> </ul> </li> </ul>
<p><b>Minimum Loan Amount</b></p>	<ul style="list-style-type: none"> <li><b><u>\$50,000</u></b></li> </ul>
<p><b>Modular Home Definition</b></p>	<p>The property must meet all the of the following criteria to be a modular home:</p> <ul style="list-style-type: none"> <li>Modular homes are built in sections at a factory</li> <li>Modular homes are built to conform to all state, local or regional building codes at their destinations</li> <li>Sections are transported to the building site on truck beds, then joined together by local contractors</li> <li>Local building inspectors check to make sure a modular home's structure meets requirements and that all finish work is done properly</li> <li>These structures are not titled until installed onsite and become part of the real property</li> </ul>
<p><b>Occupancy</b></p>	<ul style="list-style-type: none"> <li>Primary Residence only</li> </ul>
<p><b>Principal Reductions (Curtailments)</b></p>	<ul style="list-style-type: none"> <li>Principal reductions permitted in accordance with applicable Agency guidelines</li> </ul>
<p><b>Property: Eligible Types</b></p>	<ul style="list-style-type: none"> <li>1 -Unit property</li> <li>Condo</li> <li>PUD</li> <li>Modular Homes (see definition in this document)</li> <li>Purchase transactions             <ul style="list-style-type: none"> <li>The property must be located in an area designated as acceptable for Rural Housing. Refer to <b>USDA Income and Property Eligibility</b> link in <b>Resource Section</b> of this guide</li> </ul> </li> <li>Refinance transactions are permitted for properties in areas that have been determined to be non-rural since the existing loan was made</li> </ul>
<p><b>Property: Eligible Title to Property &amp; Estate Type</b></p>	<ul style="list-style-type: none"> <li><u>Title to property must be held in Fee Simple only</u></li> <li><u>Other forms of property ownership, including but not limited to Life Estates, Leasehold Estates, Fee Tail Estates, Cooperatives, etc. are not eligible for sale to LenderLive</u></li> </ul>





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Most recent updates in red font

<b>Property: Ineligible Types</b>	<p>In addition to ineligible property types identified in RD Technical Handbook 3555, the following property types are ineligible:</p> <ul style="list-style-type: none"> <li>• <u>Condominium Conversions that were converted within the last three years</u></li> <li>• Condotels</li> <li>• Cooperatives</li> <li>• Geodesic Domes</li> <li>• <u>Hawaii properties in lava zones 1 and 2</u></li> <li>• Hotel Condominiums</li> <li>• <u>Land Trusts, including Illinois Land Trusts</u></li> <li>• <u>Leaseholds</u></li> <li>• <u>Manufactured Homes</u></li> <li>• <u>Mobile Homes (also referred to as single wide or double wide homes)</u></li> <li>• Property currently in litigation (for condominiums, refer to Condominium Litigation section of this Guide for allowances and restrictions)</li> <li>• <u>Properties on Indian (Native American) tribal or Indian Trust Land or Restricted Land or where borrower has a leasehold interest in same</u></li> <li>• Timeshares</li> <li>• Unimproved Land</li> <li>• Working Farms and Ranches/Orchards</li> <li>• Refer to LenderLive Seller Guide for complete list of ineligible property types</li> </ul>
<b>Property Flipping Policy</b>	<ul style="list-style-type: none"> <li>• <u>Properties resold 90 days or fewer following the date of acquisition by the seller are not eligible for RD financing</u></li> <li>• <u>Properties resold within first 12 months from date of acquisitions are subject to additional scrutiny and additional conditions may apply</u></li> </ul>
<b>Pre Payment Penalty</b>	<ul style="list-style-type: none"> <li>• Not permitted</li> </ul>
<b>Qualifying Rate</b>	<ul style="list-style-type: none"> <li>• Note rate</li> </ul>
<b>Ratios / DTI</b>	<ul style="list-style-type: none"> <li>• As determined with GUS <i>Accept/Eligible</i> recommendation;</li> </ul>
<b>Recently Listed Properties</b>	<ul style="list-style-type: none"> <li>• For a Limited Cash Out Refinance:             <ul style="list-style-type: none"> <li>▪ The subject property must not be currently listed for sale. It must be taken off the market on or before the disbursement date of the new mortgage loan. Borrowers must confirm their intent to occupy the subject property (for principal residence transactions)</li> </ul> </li> <li>▪ Cash Out Refinances are not permitted</li> </ul>



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<b>Rental Income</b>	<ul style="list-style-type: none"> <li>Applicants must meet eligibility requirements as per 7 CFR 3555.151</li> <li>Repayment Income for rents received less than 24 months           <ul style="list-style-type: none"> <li>Must qualify for all mortgage liabilities and must be included in long-term debt liability</li> <li>Rental income cannot be used to qualify borrower</li> </ul> </li> <li>Repayment Income for rents received 24 months or greater           <ul style="list-style-type: none"> <li>Must be documented with most recent 2 years tax returns, executed copy of written lease agreement, IRS form 1040 Schedule E               <ul style="list-style-type: none"> <li>Schedule E depreciation or depletion may be added back to the net income or loss for repayment income,</li> <li>Negative income must be treated as a recurring liability for repayment ratios</li> </ul> </li> </ul> </li> <li>Annual income calculation for determination of eligibility of the household           <ul style="list-style-type: none"> <li>Any positive net rental income must be included in the calculation of the annual income to determine eligibility of household income for the SFHGLP</li> <li>Rental income must be considered regardless of its duration</li> <li>Rental income (for annual income calculation purposes) is considered the total rental real estate income reported on the most recent IRS Form 1040 Schedule E for the previous 12 months (in the absence of Schedule E, cancelled checks, money order receipts, bank statements or other documentation may be used to support the amount of rents received for annual income purposes.</li> <li>Negative net rental income is treated as zero for the purposes of calculating annual income</li> </ul> </li> </ul>															
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li><u>Illinois Land Trust vesting's - not eligible</u></li> <li><u>Texas 50(a)(6) refinances - not eligible</u></li> <li><u>U.S. Territories and Possessions, including but not limited to American Samoa, Guam, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands - not eligible</u></li> </ul>															
<b>New York CEMA</b>	<ul style="list-style-type: none"> <li>Ineligible</li> </ul>															
<b>Subordinate Financing</b>	<p>Refer to 3555 Technical Handbook - <b>Chapter 6 Attachment 6-A Refinancing Rural Development Mortgages</b></p> <ul style="list-style-type: none"> <li>Subordinate financing such as home equity seconds and down payment assistance "silent" seconds cannot be included in the new loan amount.</li> <li>The SFHGLP may not be used to refinance a leveraged loan from a non-Rural Development source that was closed simultaneously with a Section 502 Direct Loan. Any existing secondary financing must be subordinate to the new first lien</li> <li><u>Max CLTV is 100%</u></li> </ul>															
<b>Temporary Buydown</b>	<p><u>Not eligible</u></p>															
<b>Upfront Guarantee Fee</b>	<ul style="list-style-type: none"> <li>The lender will submit the closing documents and fee so it is received by Rural Development within 30 days of loan closing</li> <li>Seller must include evidence of payment of the Guarantee fee Mortgage Loan File at time of delivery</li> </ul>															
<p><i>*Seller shall deliver loans originated in accordance with the USDA Technical Handbook 3555, unless otherwise noted in the LenderLive Product Profile or Seller Guide. Product Profile is as an aid to help determine whether a property/loan qualifies for certain financing. It is not intended as a replacement for USDA guidelines.</i></p> <p><u>Overlays to USDA Rural Housing guidelines are underlined.</u></p>																
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Appraisal Subcommittee Website

Link to website

<https://www.asc.gov/National-Registry/FindAnAppraiser.aspx>