

USDA STREAMLINED ASSIST REFINANCE

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	• Broker • Correspondent ◦ Non-Delegated UW ◦ Delegated UW
FICO	• Minimum Qualifying Credit Score: ◦ 580 all qualifying borrowers • Non-Credit qualifying Streamline: ◦ Require a soft pull credit report with one bureau. Reflected score must be a 580 or higher and show current mortgage payment history.
UW Method	• Manual Underwriting – GUS not permitted
Eligible Borrowers	• Current Section 502 Direct or Guaranteed Loan Borrowers must: ◦ Meet current household income eligibility requirements, ▪ SFH Section 502 GLP Eligibility Check Worksheet (usda.gov) ◦ Reside in an eligible rural area that was eligible at the time of the original loan closing, and ▪ https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp • 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. ▪ https://www.rd.usda.gov/resources/usda-linc-training-resource-library • Have made timely mortgage payments for the 6-month period prior to the refinance.
Eligible Terms	• 30 Yr. Fixed
Eligible Property Types	• 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 ◦ https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfhprev • Eligible Property Types include: ◦ 1 Unit ◦ Condominiums (3555.205) ▪ Must be approved or accepted by HUD/FHA, VA, Fannie Mae or Freddie Mac ◦ PUDs (3555.207) ◦ Manufactured Housing (3555.102 and 3555.208) ▪ Singlewide & Multi-width
Guidelines	• 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 • 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 ◦ 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(e)(3). • Refinance Seasoning: ○ The existing USDA loan being refinanced must have closed at least 180 days prior to the request for Conditional Commitment. ○ The existing USDA loan being refinanced must have a mortgage payment history which does not reflect a delinquency greater than 30 days within the previous 180-day period.
Documentation	• 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	• No calculation required
Maximum DTI	• No calculation required
Maximum Loan Amount	• Principal & Interest Balance of the Existing Loan • Eligible Closing Costs • Funds Necessary to Establish Tax and Insurance Escrow • Upfront Guarantee Fee
Geographic Restrictions	• Hawaii ○ AFR does not operate in the state of Hawaii and does not permit loans with a subject property in Hawaii for all programs in all channels with the exception of Correspondent Delegated UW transactions. • AFR requires the use of AFR's Texas counsel on all Texas transactions with the exception of Correspondent Delegated loans. AFR utilizes this 3rd party for document preparation and require 48 hours for both title review and to generate a closing package.
Guidelines	• https://www.rd.usda.gov/sites/default/files/3555-1chapter06.pdf
OVERLAYS	
• AFR requires a mortgage only credit report with FICOs and factors on all transactions • Minimum Qualifying Credit Score: ○ 580 all qualifying borrowers • Non-Credit qualifying Streamline: ○ Require a soft pull credit report with one bureau. Reflected score must be a 580 or higher and show current mortgage payment history. • 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. 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).	