

USDA Refinance Comparison & Cheat Sheet

	USDA Non-Streamlined Refinance	USDA Streamline	USDA Streamline Assist
Loan Type	<p>This is a standard rate/term refinance. Loan may not include any junior liens or 2nd mortgages. Closing costs and escrow amounts may be included in the new loan amount.</p> <p>Unpaid fees, past due interest, and late fees due to the servicer cannot be included in the new loan amount</p>	<p>This is a no cash out loan used to refinance and payoff the outstanding USDA loan balance. Closing costs or escrow amounts may be included in the refinance loan amount.</p> <p>Unpaid fees, past due interest, and late fees due to the servicer cannot be included in the new loan amount</p>	<p>The loan type will allow the USDA loan that is being refinanced as well as closing costs and escrows to be financed</p> <p>Unpaid fees, past due interest, and late fees due to the servicer cannot be included in the new loan amount</p>
Max Loan Amount	May include: P&I balance, closing costs, subsidy recapture and upfront guarantee fee	May include: P&I balance, closing costs and upfront guarantee fee	May include: P&I balance, closing costs and upfront guarantee fee
Max LTV	100%	100%	100%
Minimum Credit Score	620	620	620
Minimum Loan Amount	\$30,000	\$30,000	\$30,000
Interest Rate	<p>The interest rate of the new loan must be fixed and cannot exceed the interest rate of the loan being refinanced</p> <p>Provide the current mortgage note to document</p>	<p>The interest rate of the new loan must be fixed and cannot exceed the interest rate of the loan being refinanced</p> <p>Provide the current mortgage note to document</p>	<p>The interest rate of the new loan must be fixed and cannot exceed the interest rate of the loan being refinanced</p> <p>Provide the current mortgage note to document</p>
Seasoning Requirements	<p>The existing USDA loan must have closed 12 months prior to request for a refinance and be paid as agreed for 180 days prior to request for refinance.</p> <p>Credit will be reviewed by underwriting for acceptance</p>	<p>The existing USDA loan must have closed for 12 months and be paid as agreed for 180 days prior to request for a refinance.</p> <p>Credit will be reviewed by underwriting for acceptance</p>	<p>The existing USDA loan must have closed AND be paid as agreed for 12 months prior to request for a refinance.</p> <p>Credit will be reviewed by underwriting for acceptance</p>
No Score Borrowers Allowed	Never allowed on a refinance	Never allowed on a refinance	Never allowed on a refinance

USDA Refinance Comparison & Cheat Sheet

Contract for Deed Allowed	<p>Contract for deed is allowed, but must be completed as a purchase transaction.</p> <p>A purchase contract may be required, depending on the transaction details.</p>	Loan type does not allow	Loan type does not allow
Appraisal	<p>Always required with a full interior/exterior inspection and pictures of all rooms, attic access, crawl space and mechanicals</p> <p>HUD statement must be on the appraisal: Home meets requirements of HUD 4000.1 (or acceptable variation)</p>	<p>Appraisal is not required</p> <p>Unless a Direct loan is being paid off</p>	<p>Appraisal is not required</p> <p>Unless a Direct loan is being paid off</p>
New Construction end loan allowed?	<p>If the current loan is a construction loan/interim financing, USDA will allow this to be refinanced.</p> <p>USDA will allow New Construction on a purchase loan scenario</p>	No	No
Occupancy	<p>Primary Residence Only Borrower must prove property is currently occupied by them through standard loan documentation</p>	<p>Primary Residence Only Borrower must prove property is currently occupied by them through standard loan documentation</p>	<p>Primary Residence Only Borrower must prove property is currently occupied by them through standard loan documentation</p>
AUS	<p>GUS findings will be required. Must be approve/eligible or refer/eligible. If refer/eligible, manual guidelines must be met</p>	<p>Gus findings will be required. Must be approve/eligible or refer/eligible. If refer/eligible, manual guidelines must be met</p>	<p>No Findings</p> <p>Do Not Run AUS as a Streamline is a Manual Underwrite</p> <p>With USDA – Streamlines have a different department they are sent to for</p>

USDA Refinance Comparison & Cheat Sheet

			review. Standard turn times will not apply to streamline loans
Non-Owner Occupant Borrower	Not allowed	Not Allowed	Not Allowed
Removal/Addition of any Current Borrowers	Borrowers may be removed and added as needed but one original borrower must stay on the loan	Removal is allowed, but one original borrower must stay on the loan Addition of borrower is allowed	Removal not allowed unless a current borrower is deceased Addition of borrower is allowed
Household Members	All household members must be listed on the 3555-21 and other USDA disclosures that request this information. This must include ALL adult and minor household members. Any adult household member that is not on the loan must provide the same income documentation as a borrower, including written authorization to allow FSB to order a VOE Income will be calculated for both qualifying income and Annual income	All household members must be listed on the 3555-21 and other USDA disclosures that request this information. This must include ALL adult and minor household members. Any adult household member that is not on the loan must provide the same income documentation as a borrower, including a written authorization to allow FSB to order a VOE Income will be calculated for both qualifying and Annual income.	All household members must be listed on the 3555-21 and other USDA disclosures that request this information. This will include ALL adults and minors in the household. Adult members of the household must supply income documentation. Income will not be used to calculate qualifying income or ratios analysis
Application	Full 1003 is required	Full 1003 is required	Full 1003 is required
Ratios	Approve/Eligible – ratios determined by AUS Refer/Eligible – ratios capped at 29/41 for manual underwrite	Approve/Eligible – ratios determined by AUS Refer/Eligible – ratios capped at 29/41 for manual underwrite	Ratios not calculated on this product

USDA Refinance Comparison & Cheat Sheet

	Debt ratio waiver can be requested when borrowers have a 680 credit score or better and can meet one of USDA's compensating factors. Waiver may not exceed 32/44	Debt ratio waiver can be requested when borrowers have a 680 credit score or better and can meet one of USDA's compensating factors. Waiver may not exceed 32/44	
Credit Reports	Full credit report required	Full credit report required	Full credit report required
Net Tangible Benefit	No benefit required, but loan must not be considered predatory lending	No benefit required, but loan must not be considered predatory lending	The borrower must receive a benefit of at least \$50 less than the current PITI payment
Discount Points	Can be charged but must be customary and not excessive. The fees charged must be similar to those charged to all borrowers.	Can be charged but must be customary and not excessive. The fees charged must be similar to those charged to all borrowers.	Can be charged, but must be minimal.
Cash out	Not Allowed	Not Allowed	Not Allowed
Property Inspections	Not Required May include water test, septic inspection, etc If the appraisal is subject to or notes deficiencies, the lender may still require the inspections to confirm adequate collateral	Not Required May include water test, septic inspection, etc If the appraisal is subject to or notes deficiencies, the lender may still require the inspections to confirm adequate collateral	Not Required May include water test, septic inspection, etc
Properties located in formerly approved areas	Properties located in areas since determined by USDA to be non-rural(Ineligible) remain eligible for a refinance. Lenders may continue to submit loan requests in GUS with an ineligible property determination for these situations	Properties located in areas since determined by USDA to be non-rural(Ineligible) remain eligible for a refinance. Lenders may continue to submit loan requests in GUS with an ineligible property determination for these situations	Properties located in areas since determined by USDA to be non-rural(Ineligible) remain eligible for a refinance. Lenders may continue to submit loan requests in GUS with an ineligible property determination for these situations

USDA Refinance Comparison & Cheat Sheet
