



**SOUTHPOINT**  
FINANCIAL SERVICES, INC.

**USDA**

PROGRAM GUIDELINES AND MATRICES



# USDA PROGRAMS PRODUCT MATRIX



	OCCUPANCY	LTV	UNITS	CLTV	STANDARD	PORTFOLIO FICO REQUIREMENTS
<b>Purchase</b>	0/0	100% <sup>1</sup>	1	100% <sup>1</sup>	620 <sup>2</sup>	<b>Not Available</b>
<b>Rate and Term</b>	0/0	100% <sup>1</sup>	1	100% <sup>1</sup>	620 <sup>2</sup>	
<b>Streamline – Assist<sup>3,4</sup></b>	0/0	N/A	1	N/A	620 <sup>2</sup>	
<p><sup>1</sup>Exclusive of Guarantee Fee  <sup>2</sup>Minimum FICO for Manufactured is 640  <sup>3</sup>Streamline Assist not eligible for Manufactured Homes 4Credit qualification required in West Virginia  <sup>4</sup>Credit qualification required in West Virginia</p>						
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• A full appraisal (Form 1004 or equivalent including Form 1004MC) is required for all submissions</li> <li>• All appraisals must include an interior and exterior inspection of the subject property</li> <li>• Age of Appraisal: 120 days from the note date.</li> <li>• The original appraisal can be extended for 30 days. Extension must be requested prior to expiration of appraisal</li> <li>• Property may not be located in an area that has been impacted by a federally declared disaster within 90 days of closing</li> </ul>					
<b>Age of Documents</b>	<ul style="list-style-type: none"> <li>• Credit documents must be no more than 90 days old including credit reports and employment, income and Title and asset documents.</li> </ul>					
<b>AUS</b>	<ul style="list-style-type: none"> <li>• All loans must be submitted through GUS</li> <li>• Manual UW allowed</li> </ul>					

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<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>• US Citizens</li> <li>• Permanent Resident Aliens, with proof of lawful permanent residence</li> <li>• Non-Occupant co-borrowers are ineligible</li> <li>• Title cannot be taken in the name of a trust</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Minimum FICO score of 620 (640 for manufactured housing)</li> <li>• Derogatory Credit - Per USDA Guidelines and as determined by GUS</li> <li>• Streamline Assist: 0 X 30 in the most recent 12 months</li> </ul>
<b>Condominiums</b>	<ul style="list-style-type: none"> <li>• Condos projects must meet HUD/FHA, VA, FNMA or FHLMC guidelines</li> <li>• Streamline Assist: Condo approval not required</li> </ul>
<b>Eligible Mortgage Products</b>	<ul style="list-style-type: none"> <li>• Fixed Rate: 30-year term only</li> </ul>
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Single Family Residence Attached/Detached</li> <li>• PUDs and Condominiums</li> <li>• Manufactured Housing <ul style="list-style-type: none"> <li>◦ Build on own land not eligible</li> <li>◦ Current guidelines only allow for new manufactured homes. Southpoint Financial is participating USAs pilot program to allow the financing of existing construction through the <a href="#">502 Direct Loan Program / 502 Pilot</a> <ul style="list-style-type: none"> <li>◦ Available states for pilot include: CO, IA, LA, MI, MT, NV, NH, NY, ND, OH, OR, PA, SD, TN, TX, UT, VT, VA, WA, WI, WY</li> </ul> </li> </ul> </li> <li>• Leasehold with a minimum lease length of 15 years beyond the maturity date of the loan</li> <li>• Property must be in an eligible rural area or an area that was eligible at the time of the original loan closing</li> </ul>
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>• Not Allowed</li> </ul>
<b>Escrows/Impounds</b>	<ul style="list-style-type: none"> <li>• An impound account for collection of taxes and insurance (or additional escrow items) is required</li> </ul>

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## Section 4 - Product Matrix

<p><b>Exclusionary List</b></p>	<ul style="list-style-type: none"> <li>• All borrowers must be screened by CAIVRS to determine there have been no late payments on Federal debt obligations</li> <li>• The HUD Limited Denial of Partnership (LDP) list and the General Services Administration (GSA) lists must be reviewed for all borrowers</li> </ul>
<p><b>Guarantee Fee</b></p>	<ul style="list-style-type: none"> <li>• Upfront Guarantee Fee: 1% of the loan</li> <li>• Can be financed above the appraised value</li> <li>• Annual Fee: 0.35%</li> </ul>
<p><b>Income</b></p>	<ul style="list-style-type: none"> <li>• The borrower's adjusted income may not exceed the <a href="#">Rural Housing's limit for the area</a>. Documentation that supports the income used for the transaction must be included in the file. See link at the end of the matrix.</li> <li>• Provide an acceptable WVOE for all borrowers that are a source of repayment</li> </ul>
<p><b>Income, Assets and Property Related to Illegal Activities</b></p>	<p>If the income or asset source is not acceptable under all laws, such as income generated through marijuana sales, then the loan is ineligible for Southpoint Financial; this includes both self-employed borrowers and wage earners working for a company. Likewise, all use of the subject property must be in compliance with all laws. Properties that have mixed-use that do not meet all local, state or federal laws are ineligible for Southpoint Financial.</p>
<p><b>Ineligible Properties</b></p>	<ul style="list-style-type: none"> <li>• Mobile Homes</li> <li>• Cooperatives</li> <li>• Condotels</li> <li>• Timeshares</li> <li>• Income producing properties that do not meet Rural Housing requirements. Examples includes, but are not limited to grain bins, silos, dairy, hog barns and multiple equestrian stables</li> <li>• Properties served by cisterns</li> <li>• Geodesic Homes</li> <li>• Unimproved land and property currently in litigation</li> <li>• 2-4 units</li> </ul>
<p><b>Judgments</b></p>	<ul style="list-style-type: none"> <li>• Court ordered judgments must be paid off if on title.</li> <li>• Judgments not on title may remain open if the borrower has a repayment plan in place with a minimum of two payments made prior to application or contract date, whichever is sooner. Additional documentation may be required</li> </ul>

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<b>Loan Limits</b>	<ul style="list-style-type: none"> <li>• Maximum loan amount is constrained by the limitations applied when considering the maximum annual income at the program's maximum DTI.</li> <li>• Both standard and high-balance loan amounts are allowed</li> <li>• Minimum loan amount \$55,000</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate &amp; Term Refinance</li> <li>• Streamline Assist Refinance</li> <li>• Not allowed: <ul style="list-style-type: none"> <li>◦ Construction Loans</li> <li>◦ Energy Efficient Mortgage Loans</li> <li>◦ Graduated Payment Mortgages</li> </ul> </li> </ul>
<b>Occupancy</b>	Owner Occupied Only
<b>Debt Ratios</b>	<ul style="list-style-type: none"> <li>• Determined by GUS. A debt ratio waiver request is not required for GUS "Accept" recommendations</li> <li>• "Refer, Refer/Eligible" and manually underwritten transactions <ul style="list-style-type: none"> <li>◦ Maximum 29%/41% debt ratio</li> </ul> </li> <li>• Streamline Assist - Ratios not calculated</li> </ul>
<b>Recently Listed Properties</b>	<ul style="list-style-type: none"> <li>• No Cash-Out Transactions - The listing must have been expired or withdrawn before the application date.</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• None Required</li> </ul>
<b>State Restrictions</b>	<ul style="list-style-type: none"> <li>• TX - Loans on properties in Texas 50 (a)(6)(cash out) are not allowed.</li> <li>• West Virginia - Maximum DTI is 50%</li> </ul>
<b>VVOE - Rural Streamlined-Assist</b>	<ul style="list-style-type: none"> <li>• VVOE (or third party verification) for income source for salaried and self-employed borrowers. Non W2 and non-self-employed borrowers do not require a VVOE</li> </ul>

USDA Income Eligibility

USDA Property Eligibility