



## USDA Guaranteed Rural Housing Program Fixed Rate

Minimum credit score: <b>640</b>	Maximum LTV: <b>100%</b>	Minimum loan amount: <b>\$75,000</b>
Maximum DTI: <b>41%</b>	Maximum CLTV: <b>N/A</b>	Maximum loan amount: <b>\$417,000</b>

Doc type: **Full Doc**

Primary Residence						
Loan Type	Property Type <sup>1</sup>	LTV	CLTV <sup>4</sup>	Min FICO	Loan Amount <sup>2</sup>	Purpose
Fixed	1- Unit, SFR, PUD	100% <sup>3</sup>	N/A	640	\$417,000	P

Fees	
Up-Front Guarantee Fee	
Purchase	2.00%
Annual Guarantee Fee	
Purchase Transactions	0.30%

**Footnotes:**

1. Property must be located in an eligible Rural Development area as defined by the United States Department of Agriculture Rural Development. Refer to the Program Notes for details on determining eligibility. Property cannot be income producing.
2. Maximum loan amount is the appraised value plus the guarantee fee not to exceed the conforming loan limit.
3. Maximum 100% LTV , however if the guarantee fee is financed, the loan amount may exceed the appraised value by the amount of the financed guarantee fee (102% total LTV for purchase transactions). Properties in West Virginia limited to a maximum 100% LTV.
4. Subordinate financing ineligible.

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<b>Minimum credit score: 640      Maximum LTV: 100%      Maximum loan amount: \$417,000</b>	
<b>Available Markets</b>	<p>Eligible in the U.S. except for the following:</p> <ul style="list-style-type: none"> <li>• Alaska, Hawaii, Massachusetts, Guam, Puerto Rico, and the Virgin Islands</li> <li>• Refer to Section 600 of Icon's Lending Guide for specific state restrictions</li> <li>• Property must be located in a rural area. Rural areas include open country and places with a population of 10,000 or less and, under certain conditions, towns and cities with between 10,000 and 25,000 residents. Refer to the Rural Development Area topic for details.</li> </ul>
<b>Eligible Properties</b>	Single family residence, PUD and townhouse. Property must be contiguous to, and have direct access, from a street, road or driveway. Streets and roads must be hard surfaced or all-weather surface.
<b>Ineligible Properties</b>	Single family homes with a swimming pool, condominiums, condotels, co-op, manufactured home, common interest apartment, mobile home, mixed use property, 2-4 units, multi-family > 4 units, timeshare, leasehold estates, properties subject to resale/deed restrictions, income producing farm, ranch or orchard, property with more than 10 acres, income producing, unimproved land, property without a full kitchen, property without full utilities, property less than 600 sq.ft, property zoned and used for commercial or industrial purposes, property that represents a legal, but non-conforming use, property or project with pending structural litigation, property that restricts the owner's ability to occupy, properties located in Hawaii in Lava Zone 1 or 2, cantilevered property, houseboats, rehabilitation loans, properties with cisterns, and properties with a site value exceeding 30%.
<b>Eligible Transactions</b>	Primary residence purchase transactions. HUD-1 cannot reflect any cash back to the borrower except for items prepaid by the borrower outside of closing (e.g. appraisal, credit report, earnest money or pre-paid hazard insurance).
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>• Transactions where the borrowers income exceeds the income limits as published by the USDA Rural Development.</li> <li>• Transactions where the property is not located in an area deemed eligible by USDA Rural Development.</li> <li>• Non-arms length transactions may be ineligible. Refer to Icon's Lending Guide Section 641.13 for details.</li> <li>• Restructured loans are ineligible. A restructured loan is a mortgage loan in which the terms of the original transaction have changed resulting in the forgiveness of the mortgage or a restructure of the mortgage either through a modification or the origination of a new loan that results in any of the following:               <ul style="list-style-type: none"> <li>• forgiveness of a portion of the principal and/or interest on either the first or second lien.</li> <li>• application of a principal curtailment by or on behalf of the investor to simulate forgiveness.</li> <li>• conversion of any portion of the original mortgage debt to a soft subordinate mortgage</li> <li>• conversion of any portion of the original mortgage debt from secured to unsecured.</li> </ul> </li> <li>• Second home and investment properties</li> <li>• Interest-only</li> <li>• Buy downs</li> <li>• Rate/term and cash-out refinance transactions</li> <li>• Higher Priced Mortgage Loans (HPML)</li> <li>• Rural Development Streamline Refinance</li> <li>• Properties resold &lt; 90 days from time purchase (flip transactions)</li> <li>• High Balance loan amounts</li> </ul>
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>• Conforming loan limits apply.</li> <li>• The maximum loan amount is limited to the appraised value of the property plus the guarantee fee if financed.</li> <li>• Closing costs can be financed only if the appraised value is high enough to support the inclusion of the closing costs. Closing costs may also be paid by the Seller, subject to 6% seller concession limits or paid with over-par pricing.</li> <li>• Discount points may only be financed for applicants that are defined as "low-income" applicant by Rural Development.</li> </ul>
<b>Rural Development Area</b>	Property must be located within a Rural Development eligible area as defined by the United States Department of Agriculture (USDA) Rural Development. Refer to Available Markets topic for details. <b>Property eligibility MUST be verified using the following link:</b> <a href="http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do">http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do</a> . Select Single Family Housing under Property Eligibility from the menu on the left side of the screen and follow the prompts. A copy of the Property Eligibility screen indicating the subject property is eligible should be printed and included in the loan file.
<b>Rural Development Income Requirements</b>	<p>Borrower must meet USDA income eligibility requirements and the income limits established for each county.</p> <ul style="list-style-type: none"> <li>• <b>Income Limits</b> can be found at <a href="http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do">http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do</a> and from the menu on the left side of the under "Income Limits" select "Guaranteed" and follow the prompts.</li> <li>• <b>Income Eligibility</b> can be found at: <a href="http://eligibility.sc.egov.usda.gov/eligibility/incomeEligibilityAction.do?pageAction=state&amp;NavKey=income@11">http://eligibility.sc.egov.usda.gov/eligibility/incomeEligibilityAction.do?pageAction=state&amp;NavKey=income@11</a> Select the state the property is located in from the drop-down menu and enter the applicable requested information. A copy of the Single Family Housing Income Eligibility screen must be printed and included in the loan file. Additionally, Icon requires the borrower to complete Icon's Income Eligibility Questionnaire</li> <li>• <b>Annual income of all working adults, age 18 or over</b>, determines the income eligibility of the household for the program and is determined by the following:               <ul style="list-style-type: none"> <li>• Number of persons in household</li> <li>• Number of residents under 18, disabled or are full time students</li> <li>• Base employment income of applicant and other household members</li> <li>• Military income (no gross up allowed)</li> <li>• Bonus, commission income</li> <li>• Self-employment income</li> <li>• Dividend/interest income</li> <li>• Net rental income</li> <li>• Tips, supplemental income, child support, alimony, social security, pensions, unemployment income, etc. (minimum 12 months receipt)</li> <li>• Other household income, including income from an adult family member who is not applying for the loan</li> </ul> </li> </ul> <p>NOTE: Qualified annual child care, expenses for the care of a disabled occupant, &gt;3% of the annual income and medical expenses for elderly occupants are deductible from the income eligibility calculations. Any miscellaneous reported income &gt; \$5,000 <b>must</b> be included for qualifying purposes (i.e. dividends, interest, etc.).</p> <ul style="list-style-type: none"> <li>• <b>Repayment income</b> is based on the dependable income of the borrower(s) on the loan and is used in the loan decisioning. Repayment income generally varies from annual income. To be considered as repayment income, the income typically must have been received for 24 months or more. Tax exempt income may be grossed up in the amount of tax savings attributable to the non-taxable income (not a flat 25% gross up).</li> </ul>

<b>Minimum credit score: 640      Maximum LTV: 100%      Maximum loan amount: \$417,000</b>	
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• U.S. citizen</li> <li>• Permanent resident aliens with an Alien Registration Card and social security number NOTE: A social security number is NOT acceptable evidence of eligibility of employment.</li> <li>• To be eligible for the Guaranteed Rural Housing program, the borrower cannot have sufficient assets to meet down payment and closing cost requirements to obtain conventional financing and must provide written certification of such.</li> <li>• Borrower's adjusted gross income does not exceed 115% of the HUD Median Income Limit</li> </ul>
<b>First Time Homebuyer</b>	Eligible. First time homebuyer education is required in Georgia, Louisiana and South Carolina. A Certification of Completion is required to be in the loan file.
<b>Ineligible Borrowers</b>	<ul style="list-style-type: none"> <li>• Borrowers who are eligible for uninsured conventional financing</li> <li>• Borrowers whose adjusted household income exceeds the Rural Development income limit for the applicable area</li> <li>• Foreign Nationals</li> <li>• Non-permanent resident aliens</li> <li>• Living trust agreements</li> <li>• Borrowers with Diplomatic Immunity.</li> <li>• Borrowers without a valid social security number</li> <li>• Borrowers with no credit score or credit history</li> <li>• Non-occupying co-borrowers</li> </ul>
<b>AUS</b>	"Accept/Eligible" decision is required.
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Minimum credit score 640</li> <li>• All borrowers, regardless of whether their income and/or assets are being used to qualify, must meet the minimum credit score requirements.</li> <li>• All borrowers must have a minimum of (2) credit scores. If there are (3) credit scores for a borrower, the middle score is used. If there are (2) credit scores, the lower of the two scores is used.</li> <li>• The lowest decision score among all borrowers is used for loan qualification.</li> <li>• Non-traditional credit is not allowed.</li> </ul>
<b>Tradelines</b>	Borrowers are required to have an established credit history. Non-traditional credit is not eligible.
<b>Credit History</b>	<ul style="list-style-type: none"> <li>• A clear CAIVRS report is required for all borrowers in addition to a credit report. The LDP and GSA lists must also be checked.</li> <li>• Any open federal debt or judgment identified, is required to be paid in full or resolved prior to loan processing. Documentation must be provided by the borrower of payment or resolution.</li> <li>• Mortgage/rental history is determined by GUS. Must receive an "Accept/Eligible" Finding.</li> <li>• FHA guidelines for satisfaction of any outstanding collections should be followed.</li> </ul> <p>Rural Development considers the following indicators of unacceptable credit:</p> <ul style="list-style-type: none"> <li>• Greater than 1 x 30 in previous 12 months on any account</li> <li>• Two or more rent payments paid 30 days or more past due with the previous 3 years</li> <li>• Accounts that have gone into collection in the last 12 months</li> <li>• Tax liens or delinquent state or local government debts, regardless of age, that are due and payable</li> <li>• Judgments caused by non-payment in the last 12 months</li> <li>• Current outstanding collection accounts with no payment arrangement regardless of age</li> <li>• Foreclosure in the previous 3 years</li> <li>• Any debt written off in the previous 3 years (e.g. bankruptcy)</li> </ul>
<b>Bankruptcy/Foreclosure</b>	<ul style="list-style-type: none"> <li>• Bankruptcy must be discharged a minimum of 3 years</li> <li>• Foreclosure must have been dismissed for more than 3 years.</li> </ul> <p>Applicants who have defaulted on a previous Rural Development loan are ineligible unless the loss was beyond the applicant's control and the reasons for the default no longer exist.</p>
<b>DTI</b>	<p>Maximum DTI is 29%/41%.</p> <ul style="list-style-type: none"> <li>• Installment debt with 6 months or less remaining is not required to be included in the debt ratios unless it will have an impact on the borrower's ability to repay.</li> </ul>
<b>Payment Shock</b>	<p>Payment shock is considered if there is no history of housing or the proposed PITI is 100% or greater than the current housing payment.</p> <p>Calculate payment shock as follows: <math>\text{Proposed PITI} \div \text{current housing expense} - 1 = \text{_____} \times 100 = \text{payment shock \%}</math></p>
<b>Down Payment</b>	Down payment not required.
<b>Closing Costs/Fees</b>	Closing costs may be financed when there is equity above the contract price as supported by the appraisal (i.e. the appraised value is greater than the contract price).
<b>Cash Reserves</b>	Not required.
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>• Gift funds may be used for closing costs, voluntary down payments or guarantee fee. Gift funds must be fully documented including source, transfer and receipt by borrower. A gift letter signed by the donor and borrower is required (must comply with FHA gift fund requirements)</li> <li>• Gift funds may not be considered as cash reserves for compensating factors.</li> <li>• Allowable closing costs vary by region. The local RD office must be contacted to determine allowable closing costs.</li> </ul>
<b>Seller Contributions</b>	Maximum contribution is 6% based on the lesser of the sale price or appraised value.
<b>Asset Verification</b>	<p>When liquid assets are identified on the loan application or are used for qualifying the borrower, they must be verified. A VOD with one months bank statement or 2 months bank statements, all pages, are acceptable. A written VOD cannot be standalone documentation; if a VOD is used at least one months bank statement is required. Up to 60% of the vested amount of retirement accounts may be used.</p> <p>Documentation cannot be older than 75 days at the date of approval and 90 days from the Note date.</p>

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<b>Employment/ Income</b>	<p>A two year employment history with a high probability for continuance of income for three years is required.</p> <p><b>Wage Earner</b></p> <ul style="list-style-type: none"> <li>• Most recent 30 day paystub with YTD income and W-2's for previous 2- years. A written VOE cannot be standalone documentation.</li> <li>• A verbal verification of employment is required within 10 days of the Note.</li> </ul> <p><b>Self-Employed</b></p> <ul style="list-style-type: none"> <li>• Most recent 2- years personal tax returns with <b>all</b> schedules (W2s, 1099s, K1, etc.)</li> <li>• Filed business income tax returns for the previous 2-years (not required for sole proprietorships)</li> <li>• Verification of the business from a third party (CPA, regulatory agency, or applicable licensing bureau) <b>and</b> verification of business listing/telephone number using the telephone book, internet or directory assistance.</li> </ul> <p>Documentation cannot be older than 75 days at the date of approval and 90 days from the Note date.</p>
<b>4506-T</b>	Required for all borrowers at application and at closing. Must be processed and income validated for the most 2 years or 1 year for AU loans requiring less than 2 years of income/employment verification.
<b>Purchase Transactions</b>	Properties resold < 90 days from purchase are ineligible.
<b>Appraisals</b>	<ul style="list-style-type: none"> <li>• Full appraisal, including interior/exterior photos, (including a photo of the front of the house), by an FHA appraiser, with a Market Condition Addendum is required on all transactions. All appraisals must be Uniform Appraisal Data (UAD) compliant.</li> <li>• A water test is required to determine if the water meets acceptable health codes whenever there is a private well serving the property.</li> <li>• A third party inspection is required if the property is serviced by a private septic system and the appraiser notes that there is observable evidence of system failure.</li> <li>• A termite inspection is required if the appraiser notes active infestation or notes previous infestation, or if the property is located in a state that requires all homes sold to undergo pest inspections.</li> <li>• Appraisal must be ≤ 120 days from the Note date or a new appraisal will be required.</li> </ul>
<b>Multiple Properties Owned</b>	<p>Generally not allowed. If the borrower is purchasing a new primary residence and currently owns another property, the current property must be one of the following in order to be retained:</p> <ul style="list-style-type: none"> <li>• Not in the local commuting area, (local commuting area determined by local Rural Development office) or</li> <li>• The property is not structurally sound or is functionally inadequate. Documentation from a structural engineer, licensed home inspector, appraiser, county official is required for structural issues. Functionally inadequate properties (family of 8 living in a 2 bedroom home, etc.) require documentation.</li> </ul>
<b>Assumptions</b>	Not allowed.
<b>Escrow Waivers</b>	Not allowed.
<b>Prepayment Penalty</b>	Not allowed.
<b>Subordinate Financing</b>	Subordinate financing ineligible.
<b>Mortgage Insurance</b>	Not required.
<b>Up-Front Guarantee Fee</b>	Purchase transactions: 2% The guarantee fee is a required fee and may be financed into loans up to 102% LTV. When the guarantee fee is not being financed the maximum LTV is 100%
<b>Annual Fee</b>	An annual fee, payable to the USDA, of 0.30%, based on the unpaid principal balance, is required.
<b>Eligible Programs</b>	Fixed rate 30 year term only. Qualified at the Note rate using the fully amortized PITI payment.



This matrix is provided for your convenience and may not specify all rules and guidelines for a particular topic. Please contact your Icon Account Executive or reference Rural Developments Guaranteed Housing Program guidelines for complete details.

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