

STOCKTON MORTGAGE

FUNDING

RD Streamlined Assist

- Minimum FICO 580
- Owner Occupied only
- 30 year term only
- DTI ratios are not calculated
- No appraisal required
- All borrowers on current loan being refinanced must be on new loan
- Borrowers not on current loan may be added to new loan
- Full tri-merge credit report required with 12 months mortgage history reflecting 0 x 30 in last 12 months
- Mortgage being refinanced must have closed at least 12 months prior to the application for the streamlined-assist loan
- Clear CAIVRS required
- Upfront and annual guarantee fees paid on current loan
- Rate and term only
 - Loan amount may include the principal balance plus upfront guarantee fee, accrued interest and eligible closing costs/prepays
 - Unpaid fees to the current servicer that may be included in the payoff may NOT be financed into the new loan
 - No cash out is permitted to borrower...any excess funds (which should be minimal) must be applied as a principal reduction
- Borrower must receive a net tangible benefit defined as a \$50 or greater reduction in principal, interest, taxes and insurance which includes the annual fee payment on the new guaranteed loan when compared to the existing piti including the annual fee payment.
- Property must be an eligible area or was in a eligible area at the time of original loan closing
- Manual underwrite only – DO NOT run loan through GUS
- Fully Executed RD 3555-21 is required
- Borrower's adjusted annual income may not exceed RD income eligibility limits for the property area Refer to the USDA income and property eligibility website.
 - To validate income documentation and disclosure provided by the borrower's and other adult household members that will reside in the home, Lenders will require each adult member of the household to complete and execute IRS Form 4506-T (or comparable IRS form) for the previous two years at the time of the loan application. Validation from the IRS must be received by the Lender prior to request for Conditional Commitment for Loan Note Guarantee, and
 - Full income verifications/documentation for all borrowers and adult household members is required. In order to verify current income eligibility, income must be documented with the following, as applicable: -

- Wage Earner Income:
 - Option1: - WVOE with current, year-to-date and previous year's employment earnings, and – The most recent pay stub; OR
 - Option2: - The most recent pay stub(s) covering 30 days with YTD information, and – W-2s for the previous two years, and –VVOE meeting Rural's requirement in the Technical Handbook Ch 9.3 E 2.
- Self-Employed Income:
 - Two consecutive years of signed federal personal and business income tax returns with all applicable schedules, or IRS-issued transcripts as long as the transcripts contain the information from all applicable schedules, and
 - YTD P&L, and
 - YTD Balance sheet.
- Non-Employed Income Sources: A copy of the most recent award letter, 1099, or verification through individual federal income tax returns for the most recent tax year or other appropriate documents.
 - Documents must be no more than 120 days old.