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Product Overview

**LTV/CLTV CREDIT SCORE MATRIX
Full Doc Primary Residence 1 Unit**

Purpose	Max LTV ¹	Max CLTV	Loan Amount ²	Minimum Credit Score ^{3,6}
Purchase	100.00%	100.00%	No Set Limit	580 ⁷
Non-Streamline Refinance ⁴	100.00%	100.00%	No Set Limit	580 ⁷
Streamlined-Assist Refinance ⁵	110.00%	110.00%	No Set Limit	580 ⁷
Streamline Refinance ⁴	100.00%	100.00%	No Set Limit	580 ⁷

Footnotes

- ¹ The maximum LTV when financing the guarantee fee can exceed 100%:
 - Guaranteed loans allow Sellers to lend up to 100% of the APPRAISED VALUE, plus the one-time guarantee fee may be rolled into the loan ABOVE the appraised value.
 - Eligible closing costs, seller fees, repairs, etc. may be rolled into the loan amount.
 - 100% LTV may only be exceeded when financing the upfront guarantee fee.
 - Existing subordinate financing must be resubordinated; no new subordinate financing.
- ² A borrower’s maximum loan amount is determined by their ability to repay the loan.
- ³ Credit Score Overlays Apply
- ⁴ Loan being refinanced must be a USDA Guaranteed Rural Housing loan.
 - Conventional, FHA & VA loans cannot be refinanced under this program.
- ⁵ Streamlined-Assist Refinance – available nationwide
- ⁶ Borrowers with no credit score are eligible with manual underwriting only.
- ⁷ Minimum credit score for properties located in the state of New York is 600

Program Overview & Highlights

- Homebridge follows the [HB-1-3555](#); where guidelines are silent follow 7 CFR 3555. All loans must adhere to all USDA guidelines except where noted below.
- [Underwriting and Loan Closing Documentation Matrix](#)

USDA Guaranteed Rural Housing Program Highlights:

- GRH program offers 100% financing for low to moderate income buyers in rural areas subject to availability of funds from the USDA
- Income must be \leq 115% of the area median
- No maximum purchase price
- Not limited to first-time homebuyers
- No down payment required
- No reserves required

Guidelines	
Eligible Transactions	Per the 7 CFR 3555 (Guaranteed) except those shown as ineligible in these guidelines.
Ineligible Transactions	<ul style="list-style-type: none"> • Cash-Out • Temporary Buydowns • Refinance of any loan that is not a current Rural Development loan – no pay offs of subordinate financing including Property Assessed Clean Energy (PACE) loan • NY CEMA • Rural Housing Direct Loan (purchase transactions) • Land Trusts / Community Land Trusts • Loans on Native American Restricted Land • Single-close combination Construction to Permanent loans or Rehabilitation/Repair loans. • Loans with qualifying income earned from state-legalized marijuana businesses, as this is not considered as legally-derived income based on Federal law. • Loans where a borrower(s) has a Deferred Action for Childhood Arrivals (DACA) status • Prepayment penalties.
Eligible Properties	<ul style="list-style-type: none"> • Must meet HUD Handbooks 4000.1 • Property must be eligible based on USDA Rural Area Maps effective 02/02/2015; for verification: http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do • Single Family 1 Unit Properties • Condominiums; FNMA/FHLMC/HUD or VA Approved • Manufactured Homes • Townhomes & PUD's – Attached/Detached • Modular – Existing and New Construction • TBD (To Be Determined) Properties

Ineligible Properties

- Income producing properties
- Properties with buildings or equipment for specific income producing purposes
- Properties with large farm service buildings
- Properties with windmills, wind turbines or cell phone towers located on the property
- Properties identified by Rural Development as “remote” rural
- Properties located in Lava Zone 1 and 2 (Hawaii)
- 2-4 Unit properties
- Manufactured Homes in the state of New York
- Existing properties located in Special Flood Hazard Areas are ineligible unless;
 - Flood insurance through FEMA’s NFIP program is available.
 - New or proposed home is SFHA will not be guaranteed unless;
 - The Seller obtains LOMA to remove property from SFHA
 - The Seller obtains LOMR to remove property from SFHA; OR
 - FEMA flood elevation certificate confirms lowest habitable floor (including basement) for dwelling and all related improvements is at or above the 100-year flood plain elevation.
 - See Flood Insurance: [HB-1-3555 Chapter 12](#) for further information.

Guidelines	
Age of Documents	<ul style="list-style-type: none"> • Credit documents include the credit report, employment, income and assets. For all loans (existing and new construction), the documents must be no more 120 days from the date of disbursement. • The appraisal must be no more than 150 Days from the effective date of the appraisal report. • Preliminary title policies must be no more than 120 days before the Note date.
Appraisal	<ul style="list-style-type: none"> • The Seller must have appraisal policies in place including but not limited to: AIR, AMC (if applicable), ROV. • All appraisals must adhere to USDA guidelines. • For additional appraisal requirements, refer to the Homebridge Seller Guide.
AUS	<ul style="list-style-type: none"> • Approve/Eligible • Refer/Eligible – Full file submitted to USDA for underwriting and approval
GUS	<ul style="list-style-type: none"> • Accept Recommendation Received <ul style="list-style-type: none"> ○ The Seller must retain all documentation to support the credit decision ○ RD may request evidence to support 7 CFR Part 3555 is met if eligibility is questionable. • Refer Findings <ul style="list-style-type: none"> ○ The 1008 must list the specific compensating factors.

Guidelines

Borrowers - Eligible

- To be eligible for USDA assistance, the borrower must be a U.S. Citizen, a U.S. non-citizen national or a qualified permanent alien and provide acceptable evidence of eligible immigration status. Any borrower who is not a U.S. Citizen, a U.W. non-citizen national or a qualified permanent alien should be rejected.
 - For Qualified Aliens, refer to the [USDA Job Aid](#) for instructions to assist in determining the eligibility of qualified aliens for the Single Family Housing Guaranteed Loan Program (SFHGLP)
 - A U.S. Non-Citizen National is generally a person born in American Samoa or Swains Island on or after the date the U.S. acquired American Samoa or Swains Island, or a person whose parents are U.S. non-citizen nationals.
 - In addition, Native Americans born in Canada may also be eligible as lawfully admitted for permanent residence.
- Borrowers who do not qualify for conventional credit and whose income does not exceed the maximum limit set by USDA for the applicable area.
- Borrower must be a person who does not own a dwelling in the local commuting area or owns a dwelling which is not structurally sound, functionally adequate.
- Be without sufficient resources to provide the necessary housing and be unable to secure the necessary conventional credit without an RHCDS guarantee upon terms and conditions which the borrower could reasonably be expected to fulfill.
- U.S. Citizen
- Permanent Resident Alien
 - Unexpired Green Card issued by the U.S. Citizenship and Immigration Services (USCIS). A copy of both the front and back of the card is required.
- All borrowers are required to have a valid social security number; a TIN is not acceptable.
- Active Duty Military Borrowers
 - Must occupy as primary residence
 - Must express intent to meet the occupancy requirements upon his/her discharge from the service and,
 - Serviceperson who cannot physically reside in a property because they are on active duty will be considered to meet occupancy requirements if:
 - Serviceperson’s family will continue to occupy property as their primary residence.

Guidelines	
Borrowers – Ineligible	<ul style="list-style-type: none"> • Foreign Nationals • Borrowers with diplomatic immunity • Borrowers without a social security number • Non-U.S. Citizens with no lawful residency in the U.S. • Non-Permanent Resident Aliens • Borrowers with a Deferred Action for Childhood Arrival (DACA) status • Non-Occupant Co-Borrowers • Co-Signers • Borrowers who qualify for Conventional financing • Borrowers previously convicted of mortgage fraud
Credit Inquiries	<p>The borrower(s) must address all inquiries listed on their credit report within the past 90 days. All inquiries listed on the credit report must be addressed by the borrower, specifically stating the creditor(s) and verifying no extension of credit.</p> <ul style="list-style-type: none"> ○ Acceptable response: The inquiries by Chase, Wells & Bank of America have not resulted in any extension of credit. ○ Unacceptable response: We have not obtained any additional credit as a result of the inquiries listed on our credit report. (Does not name the creditors - Chase, Wells & Bank of America).

Guidelines

**Credit -
Validating the
Credit Score to
Establish
Borrower Credit
Reputation**

GUS Accept Files: No credit score validation is required.

GUS Refer, Refer with Caution and Manually Underwritten Files:

- At least one borrower whose income or assets are used for qualification must have at least two (2) historical trade line payment references that have existed for at least 12 months to establish a credit reputation and validate the credit score.
- The tradelines may be open, closed and/or paid in full by the borrower when a payment history is reflected. Eligible tradelines include:
 - Loan (secured or unsecured);
 - Revolving (generally a credit which is not repaid by a certain number of installments);
 - Installment credit (generally repaid through a specified number of installments, such as automobile, recreational vehicle or student loans);
 - Credit card (offered by banking institutions, commercial enterprises and individual retail stores. Consumers make purchases on credit and if payment is made within a stipulated period of time, no interest is charged);
 - Collection (an account whereby an original creditor transfers an unpaid, delinquent balance to a collection agency to retrieve any monies owed);
 - Charge-off (is the declaration by a creditor that an amount of debt is unlikely to be collected)
 - Authorized user accounts may not be considered in the credit score and credit reputation analysis unless the borrower provides documentation that they have made payments on the account for the previous twelve (12) months prior to application
- The following are not considered as eligible tradelines to validate the credit score:
 - Public records such as bankruptcies, tax liens and judgments that appear on the credit report are not considered an extension of credit and therefore not included in this credit analysis step
 - Disputed accounts are not considered in the credit score and are not considered an eligible tradeline to validate credit.
- If the credit report cannot establish the required number of eligible tradelines to validate the credit score, establish a minimum payment history through use of a non-traditional report. A combination of eligible tradelines reported on the credit report and eligible non-traditional tradelines may represent the minimal number of tradelines necessary to validate the credit score. Non-traditional credit may not be used to enhance poor payment records or low credit scores.

Guidelines									
Credit Scores	<p>Determining the credit score for manual underwriting:</p> <ul style="list-style-type: none"> • If the borrower’s credit report has three (3) scores, the middle score should be used as the representative score. • If the borrower has two (2) scores, the lower of the two should be used as the representative score. • If the borrower has a repeating score, that score will be utilized. • If the borrower has one (1) score, a NTMCR must be developed for manually underwritten loans. Each borrower must be evaluated separately. 								
Credit Score – Determining the Representative Credit Score	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="background-color: #e1f5fe; text-align: center;">Determining the Individual Borrower Representative Score when duplicate scores exist from three (3) repositories</th> </tr> <tr> <th style="background-color: #e1f5fe; text-align: left;">Scores Received:</th> <th style="background-color: #e1f5fe; text-align: left;">Representative Score: (use the duplicate score)</th> </tr> </thead> <tbody> <tr> <td>700, 700, 680</td> <td>700</td> </tr> <tr> <td>700, 640, 640</td> <td>640</td> </tr> </tbody> </table>	Determining the Individual Borrower Representative Score when duplicate scores exist from three (3) repositories		Scores Received:	Representative Score: (use the duplicate score)	700, 700, 680	700	700, 640, 640	640
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Scores Received:	Representative Score: (use the duplicate score)								
700, 700, 680	700								
700, 640, 640	640								
Credit – Borrower with Prior Homebridge Foreclosure	<p>If the Borrower(s) on the loan application has a prior foreclosure with Homebridge:</p> <ul style="list-style-type: none"> • The loan must be elevated to Homebridge for prior approval. Contact the Homebridge Secondary Marketing department. • A detailed memo explaining the reason(s) for the foreclosure is required. <ul style="list-style-type: none"> ○ The memo must include the factors that are considered the reasons for the foreclosure, as well as the monetary loss incurred by Homebridge. ○ The explanation should be for “extraordinary” situations, such as prolonged serious medical condition and/or death of a household wage-earner. • The loan must otherwise meet all FNMA guidelines that apply for foreclosure. 								
Debt Certification	<p>If it is discovered prior to purchase that a Borrower has taken on new debt after the Note date or has incurred new debt not considered prior to the Note date, the loan must be re-qualified.</p>								
Down Payment Assistance Programs	<p>Funds from a Down Payment Assistance (DPA) program are eligible for down payment, closing costs, etc. The DPA program must be acceptable to USDA.</p>								
Escrows/Impounds	<p>Required.</p>								
Income Documentation Requirements	<ul style="list-style-type: none"> • The Seller must verify employment income for all borrowers whose income is used to qualify for the mortgage loan in accordance with USDA guidelines. • Homebridge will only accept a fully completed VOE as a supplement to further explain the type of income earned (example: breakdown of income; Base, OT, Bonus, Commission, etc.). 								

Guidelines	
Non-Purchasing Spouse	<ul style="list-style-type: none"> • The debts of the non-purchasing spouse must be included in the borrower’s debt ratios unless specifically excluded by state law; if: <ul style="list-style-type: none"> ○ The borrower resides in a community property state, or ○ The property being purchased is in a community property state. <ul style="list-style-type: none"> ▪ The credit of a non-purchasing spouse is not considered a reason to deny a loan; however, their obligations must be considered in the DTI unless excluded by state law. A full credit report for the non-purchasing spouse must be obtained to determine if the obligations should be included in the DTI. • Note: Loans that receive “Accept” findings in GUS do not require a downgrade to “Refer” when manually inputting and capturing debts of a non-purchasing spouse.
Power of Attorney	<p>A Power of Attorney may be used for loan closing documents however Borrowers must provide a valid reason that prevents them from attending the closing or performing borrower requirements.</p> <p>The original Power of Attorney must be shipped to: Homebridge Financial Services, Inc. Attn: Warehouse 99 Wood Avenue South, Suite 301 Iselin, NJ 08830</p>
Prior Mortgage Fraud	<ul style="list-style-type: none"> • Homebridge will not purchase any loan when the borrower(s) or any interested parties in the transaction have been previously convicted of mortgage fraud. • There are NO exceptions.
Properties Financed with Homebridge	<p>At the time of purchase, Homebridge will limit our exposure to four (4) finance properties including the subject property. If the Seller has a loan file will result in exceeding the financed four (4) properties, prior approval from Homebridge must be obtained.</p>
Social Security Numbers - Multiple	<ul style="list-style-type: none"> • The social security number (SSN) on all loan file documents must match. In addition, the Seller must review the additional social security number(s) section located on the borrower’s credit report. • If there is any variance of SSN within the loan file or if there are any additional SSNs appearing on the credit report, the Seller must provide documentation of satisfactory resolution.
Tax Exemptions / Abatements	<ul style="list-style-type: none"> • There can be no uncertainty about whether the borrower qualifies for the homestead, abatement or other tax exemption or reduction. • For the lower amount to be used for qualifying purposes, evidence the abatement, homestead or exception is unconditionally approved prior to the first mortgage payment for a purchase transaction or is in effect for a refinance transaction and remains in place for a minimum of three (3) years after closing is required.

Guidelines	
Verbal VOE	<ul style="list-style-type: none"> • A Verification of Employment must be obtained within 120 calendar days prior to the note date. • A Reverification of Employment must be obtained. <ul style="list-style-type: none"> ○ For salaried borrowers, the reverification must be within 10 business days prior to the note date. ○ For self-employed borrowers, the reverification must be within 20 business days prior to the note date. • Business License, CPA Letter or Federal Tax ID Certificate required for all Self-Employed Borrowers (3rd party verification required). • Minimum of two (2) years employment history must be verified.
Verification of Deposit	<p>On an exception basis only, Homebridge will allow the use of a completed Verification of Deposit (VOD) in lieu of bank statements with a satisfactory explanation as to why bank statements are not available.</p>