

## ditech RURAL DEVELOPMENT FIXED RATE STREAMLINED ASSIST REFINANCE

<b>1. PRODUCT DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• USDA Rural Development Fixed Rate Mortgage</li> <li>• 30-year term</li> <li>• Fully amortizing</li> <li>• Servicing retained</li> <li>• Qualified Mortgage (QM) Safe Harbor loans are permitted</li> <li>• Qualified Mortgage (QM) Rebuttable Presumption loans are <b>not</b> permitted</li> </ul>
<b>2. PRODUCT CODES</b>	USDA Fixed Rate 30 Year (W92)
<b>3. CURRENT FIRST MORTGAGE ELIGIBILITY</b>	Permitted on properties where the existing mortgage is a <ul style="list-style-type: none"> <li>• Section 502 Guaranteed or</li> <li>• Direct Rural Development Loan</li> </ul>
<b>4. TEMPORARY BUYDOWNS</b>	Not permitted
<b>5. QUALIFYING RATE AND RATIOS</b>	<p><b>Qualifying Rate</b></p> <ul style="list-style-type: none"> <li>• Qualify using the note rate</li> </ul> <p><b>Qualifying Ratios</b></p> <ul style="list-style-type: none"> <li>• None required</li> </ul>
<b>6. TYPES OF FINANCING</b>	<ul style="list-style-type: none"> <li>• Interest rate on the new loan must be less than or equal to the interest rate of the loan being refinanced</li> <li>• All original borrowers must be retained on the new loan</li> <li>• Existing loan must have closed at least 12 months prior to RD's receipt of a conditional commitment request for refinance</li> <li>• Properties that have been listed for sale within the last six months are eligible, subject to the following <ul style="list-style-type: none"> <li>• Property must be taken off the market on or before the application date</li> <li>• Borrower provides written confirmation of intent to occupy, if a primary residence</li> </ul> </li> <li>• Cash out limited to the reimbursement of personal funds used for eligible loan purposes as part of the refinance transaction, such as appraisal fees or credit report fee (does not include fees paid by credit card or short-term loan). Evidence showing use of personal funds is required</li> <li>• Cash out as result of overestimate of escrow holdback and per diem interest calculations must be applied to principal reduction of the new loan</li> <li>• Underwriting conditions and closing instructions must indicate "No cash back to borrower is permitted" (not even one dollar is permitted)</li> <li>• Owner occupied properties located in Texas <ul style="list-style-type: none"> <li>• A copy of the current mortgage or note is required to determine the previous terms are not subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust)</li> <li>• If the first mortgage is subject to Texas Section 50(a) (6), USDA financing is not permitted. (Once a cash-out, always a cash-out)</li> <li>• If an existing second lien is subject to Texas Section 50(a) (6), USDA financing is not permitted. (Once a cash-out, always a cash-out)</li> </ul> </li> </ul>
<b>7. GUARANTEE FEE</b>	<ul style="list-style-type: none"> <li>• Guarantee Fee is required on all transactions</li> <li>• Up-front Guarantee Fee: 1%</li> <li>• Annual Fee: 0.35%</li> <li>• Guarantee Fees must be paid to USDA</li> </ul>

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	<ul style="list-style-type: none"> <li>Guarantee Fee and Annual Fee Calculators are available on the USDA LINC Training and Resource Library at <a href="https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do">https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do</a>. The calculators are located in the Loan Origination section under Documentation and Resources</li> </ul> <p><b>Upfront Guarantee Fee</b></p> <ul style="list-style-type: none"> <li>The upfront guarantee fee is calculated by multiplying the following percentage by the Total Loan Amount                             <ul style="list-style-type: none"> <li>1% of Base Loan Amount (when G-Fee is paid in cash)</li> <li>Total Loan Amount = Base Loan Amount / 0.99 (when G-Fee is financed)</li> </ul> </li> </ul> <p><b>Annual Guarantee Fee</b></p> <ul style="list-style-type: none"> <li>0.35% of the outstanding principal balance                             <ul style="list-style-type: none"> <li>The Annual Guarantee Fee is calculated on the Total Loan Amount and is based on the average annual scheduled unpaid principal balance for the life of the loan</li> </ul> </li> </ul>									
<b>8. LOAN AMOUNT</b>	<table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">MAXIMUM LOAN AMOUNT</th> </tr> <tr> <th style="text-align: center;">UNITS</th> <th style="text-align: center;">CONTINENTAL US</th> <th style="text-align: center;">ALASKA &amp; HAWAII</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">\$453,100</td> <td style="text-align: center;">\$679,650</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>No minimum loan amount</li> <li>Maximum loan amount includes Guarantee Fee, if financed</li> </ul>	MAXIMUM LOAN AMOUNT			UNITS	CONTINENTAL US	ALASKA & HAWAII	1	\$453,100	\$679,650
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<b>9. LOAN AMOUNT CALCULATION</b>	<ul style="list-style-type: none"> <li>Loan amount may include:                             <ul style="list-style-type: none"> <li>Outstanding principal balance</li> <li>Current interest charges</li> <li>Closing costs</li> <li>Funds to establish tax and insurance escrow</li> <li>Upfront guarantee fee</li> </ul> </li> <li>May not be included in the loan amount:                             <ul style="list-style-type: none"> <li>Late mortgage fees</li> <li>Unpaid fees</li> <li>Past due interest</li> <li>Late fees/penalties due the servicer</li> <li>Subsidy recapture                                     <ul style="list-style-type: none"> <li>Subsidy recapture must be paid with other funds or subordinated to the new loan. See <a href="https://rdhome loans.usda.gov/payoff.html">https://rdhome loans.usda.gov/payoff.html</a> for additional information</li> </ul> </li> </ul> </li> </ul>									
<b>10. LTV/CLTV LIMITATIONS</b>	No LTV/CLTV limitations									
<b>11. SECONDARY FINANCING</b>	<ul style="list-style-type: none"> <li>Existing subordinate financing may not be paid off with the new loan</li> <li>Must be re-subordinated or paid off with borrower's own funds.</li> </ul>									

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<b>12. PROPERTY TYPES</b>	<ul style="list-style-type: none"> <li>Property location eligibility must be verified at the following link: <a href="http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do">http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do</a>. Verification of property location eligibility must be printed and retained in the loan file</li> <li>Properties located in areas that have been determined to be non-rural since the existing loan was made are permitted</li> </ul> <p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>1-unit</li> <li>Condo</li> <li>Leasehold Estates</li> <li>Manufactured Housing (existing)                             <ul style="list-style-type: none"> <li>The manufactured home must be classified as real property as evidenced through tax certificates or title policy to validate that both land and MH unit is deeded as one.</li> <li>ALTA 7 or state specific equivalent Title Endorsement required</li> <li>Properties located in Rhode Island are not eligible</li> </ul> </li> <li>Modular, Precut, Panelized Housing</li> <li>PUD</li> </ul>
<b>13. OCCUPANCY</b>	Primary Residence
<b>14. GEOGRAPHIC LOCATIONS/ RESTRICTIONS</b>	<p><b>Ineligible States</b></p> <ul style="list-style-type: none"> <li>New York: Permitted only for Delegated and Non-Delegated Clients who underwrite and close loans in their own name.</li> <li>West Virginia</li> </ul>
<b>15. STATE SPECIFIC REQUIREMENTS</b>	The State Requirements are located in the Compliance Section, Chapter 2 of the Client Guide
<b>16. ASSUMPTIONS</b>	<ul style="list-style-type: none"> <li>Permitted</li> <li>Ditech does not perform creditworthiness reviews of assumption requests for servicing lenders</li> </ul>
<b>17. ESCROW WAIVERS</b>	Not permitted
<b>18. PREPAYMENT PENALTY</b>	None
<b>19. UNDERWRITING/AUS DECISIONS</b>	Loan must be manually underwritten
<b>20. NET TANGIBLE BENEFIT</b>	\$50 or greater reduction in new P & I (including the annual fee payment) compared to the existing P & I (including the annual fee payment)
<b>21. PROCESSING STYLES</b>	Streamline
<b>22. BORROWER ELIGIBILITY</b>	<p><b>Eligible</b></p> <ul style="list-style-type: none"> <li>Qualified Alien (Permanent Resident). See the USDA chapter of the Client Guide for eligibility</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>Borrowers eligible for uninsured conventional financing</li> <li>Borrowers whose adjusted household income exceeds the income limit for the applicable area</li> </ul>

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<b>23. CO-BORROWERS</b>	<ul style="list-style-type: none"> <li>• Co-borrower must take title to the property and sign the Note and Mortgage</li> <li>• Non occupant co-borrowers and co-signors are not permitted</li> <li>• Borrowers may be added</li> <li>• All original borrowers must be retained on the new loan - may only be removed if original co-borrower is deceased</li> </ul>
<b>24. PROGRAM ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• <b>Annual Income</b> <ul style="list-style-type: none"> <li>• The income used to determine program eligibility</li> <li>• Used as basis for computed adjusted annual income</li> <li>• Based on anticipated income for the coming year</li> <li>• Includes the annual income of all members of the household (including adult household members not on loan)</li> </ul> </li> <li>• <b>Annual Adjusted Household Income</b> <ul style="list-style-type: none"> <li>• Annual income of all members of the household minus the total allowed deductions by Rural Development.</li> <li>• The borrower's annual adjusted household income must meet the adjusted income limits in accordance with size of household, county and State in which the borrower(s) will reside.</li> <li>• The Adjusted Household income must not exceed the county limit that has been set for the Section 502 Guaranteed Loan Program.</li> <li>• See the USDA chapter of the Client Guide for guidelines to calculate household income and annual adjusted household income</li> </ul> </li> </ul>
<b>25. REPAYMENT INCOME – ABILITY TO REPAY INCOME</b>	<ul style="list-style-type: none"> <li>• Verification of repayment income is not required</li> <li>• Form 4506-T is not required</li> </ul>
<b>26. CREDIT</b>	<p><b>Housing (Mortgage/Rental) Payment History (PITI)</b></p> <ul style="list-style-type: none"> <li>• Inclusive of all liens regardless of lien position</li> <li>• 0x30 in 12 months prior to RD's receipt of a conditional commitment request for refinance <ul style="list-style-type: none"> <li>• Document pay history with credit report or VOM directly from loan servicer.</li> </ul> </li> </ul> <p><b>Credit Score Requirements</b></p> <ul style="list-style-type: none"> <li>• Minimum 581</li> <li>• A traditional credit report or alternate report, such as the mortgage only report, that provides credit scores and mortgage payment history is acceptable.</li> <li>• Non-traditional credit is not eligible</li> <li>• Other than housing payment history requirement no additional credit review is required</li> </ul> <p><b>Significant Derogatory Credit</b></p> <ul style="list-style-type: none"> <li>• Credit waivers or explanations for adverse credit that may be reported on the credit report are not required</li> </ul>
<b>27. ASSET/RESERVES</b>	<p>Verification of assets is not required</p> <p><b>Gifts</b></p>

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	<ul style="list-style-type: none"> <li>Acceptable to use toward all closing costs and prepaids</li> </ul> <p><b>Cash Reserves</b></p> <ul style="list-style-type: none"> <li>None required</li> </ul>
<b>28. LIMITATIONS ON OTHER R.E OWNED</b>	<p><b>Multiple loans to the Same Borrower</b></p> <ul style="list-style-type: none"> <li>Up to one financed property (which is not the subject property); however, may not be financed by Rural Development</li> </ul>
<b>29. APPRAISER REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>Appraisers must be on the FHA Approved list with State Certification designation of Certified General or Certified Residential</li> <li>Only appraisers who are properly licensed or certified, as appropriate, to make residential real estate appraisals in accordance with the criteria set forth by the Appraiser Qualification Board of the Appraisal Foundation regardless of the amount of the loan.</li> </ul>
<b>30. APPRAISAL REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>Appraisal not required unless the existing mortgage is a Direct Loan where the borrowers received a subsidy</li> <li>To calculate subsidy recapture that may be due, a new appraisal is required.</li> <li>Repairs noted by appraiser do not need to be made</li> </ul>
<b>31. SPECIAL REQUIREMENTS/ RESTRICTIONS</b>	<p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>Housing Choice Vouchers (Section 8)</li> </ul> <p><b>CAIVRS and SAM Search</b></p> <ul style="list-style-type: none"> <li>If the name of any party to the transaction appears on any of the lists below, the application is not eligible             <ul style="list-style-type: none"> <li>CAIVRS                 <ul style="list-style-type: none"> <li>Clear CAIVRS for all borrower on the transaction required: Borrowers, co-borrowers and so-signers, if applicable</li> </ul> </li> <li>System for Award Management (SAM) Excluded Parties List                 <ul style="list-style-type: none"> <li>Examine/Search the list for all parties to the transaction: all borrowers, sellers, listing and selling real estate agents, loan processors, underwriters and loan officers. The appraiser, termite company, and all licensed professionals contracted to provide mechanical certifications such as heating, plumbing, air conditioning, roofing and electrical companies should also be searched</li> </ul> </li> </ul> </li> <li>Non-Borrowing Spouse             <ul style="list-style-type: none"> <li>Credit report not required</li> <li>See the USDA chapter of the Client Guide for complete information</li> </ul> </li> </ul> <p><b>Required Documents</b></p> <p>The loan package must contain the following documents to evidence that the loan has been properly underwritten and reviewed by the appropriate state USDA office.</p> <ul style="list-style-type: none"> <li>Conditional Commitment for Single Family Housing Loan Guarantee (Form RD 3555-18) including signed page 2 by lender certifying to Rural Development that all conditional conditions have been met.</li> <li>Promissory Note</li> <li>Closing Disclosure (TRID)</li> <li>Completed Request for Single Family Housing Loan Guarantee (Form RD 3555-21) that was initially submitted to Rural Development (must be fully executed by the lender and borrower)</li> <li>Appraisal (required only for refinance of Direct loans with payment subsidy)</li> </ul>

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- Credit Documents
- Loan Note Guarantee (Form RD 3555-17) to be provided within 30 days after the note date

The following Lender and Servicer information should be indicated on RD 3555-18 and LLC submission for LNG

- ditech Financial LLC Lender Tax ID: 41-1795868 (Originator, servicer, and holder)
- USDA Assigned Branch: 001

### 32. INTERNET LINKS

- Property Location Eligibility Website: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@11>
- Income Eligibility Website: <http://eligibility.sc.egov.usda.gov/eligibility/incomeEligibilityAction.do?pageAction=state&NavKey=income@11>
- General Eligibility Website: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- Access Rural Development Training and Resource Library: <https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>

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