

## REALTOR SHEET

# USDA Sect. 502 RD Single Family Housing Guaranteed Loan Program. (SFHGLP)



### QUICK REFERENCE:

Down Payment	Min	0% - None
Buyer Investment	Min	0% - None
Credit Score	Min	640/620
Seller Paid Costs	Max	6.0%
Loan Amount	Max	\$417,000

Non-Occupant Co-Signers	Not Allowed
Blank or Limited Credit	Coborrowers only.
Termite Report	Not Required
Income Limits	Yes - Chart Avail.*
Geographic Limits	Yes - Map Avail.*

### WRITING THE OFFER: *(Loan Agent may provide additional applicant specific instructions)*

- **1. OFFER** –
  - **1.D. CLOSE OF ESCROW** - California RD office must approve the loan after the Mortgage is underwritten. 45 days is recommended.
- **3 FINANCE TERMS** –
  - **3.C. FIRST LOAN AMOUNT** – Use the Sales Price less any 2<sup>nd</sup> mortgage. This may be increased later with the Guarantee Fee or financed closing costs but that will NOT require a contract amendment.
    - **(1) First Loan:** – Use Other: "USDA Section 502 RD" and will always be fixed rate.
    - **(2) Second Loan:** – List any 2<sup>nd</sup> mortgage or DAP program here and subtract amount from 3.C.
  - **3.D. ADDITIONAL FINANCING TERMS** – Seller is allowed to pay all of buyer's costs up to 6% of the sales price. The sales price may NOT be raised after contract execution to pay buyer's costs. Any seller contribution should be noted as "up to" an amount or percent "towards buyer's costs." For example: "Seller to pay up to 3.5% towards buyer's costs."
  - **3.E. BALANCE OF DOWN PAYMENT...** – Subtract EMD shown on 3.A. because 100% financing.
- **4. ALLOCATION OF COSTS** – All Negotiable. Not included in max seller contribution.
  - **4.A. INSPECTIONS & REPORTS** – Pest is NOT required unless evidence of infestation. All inspection reports obtained must be submitted. Pest reports will require a sectioned pest clearance. Home inspection findings will be required at underwriter discretion. Buyer MAY contribute to repairs.

### NOTES:

- Gift/Grant/DAP/MCC programs are allowed without CLTV limits.
- Buyer may own another home but not within the local commuting area, basically, about 1+ hours away may be allowed.

### PROPERTY CONSIDERATIONS:

- Homes flipped within 90 days are not allowed.
- Rural, owner occupied, residential properties ONLY in target areas. Map available\*
- No max purchase price or acreage limits as long as the site value is < 30% or typical to the area.
- Homes must meet HUD Handbooks 4150.2 and 4905.1 (FHA minimum property standards)
- Rental or in-law units, crops, orchards, barns and other appurtenances with income producing purposes or abilities are ineligible.
- The contributory value of any built-in swimming pool must be deducted from the appraised value.



Product sheet courtesy of:

## Ray Jones (559) 446-2882

Updates and more details at: **\*OneRay.com/USDA**

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