

USDA Rural Development Program

Borrower Requirements

620 to 639 Credit Scores – Manual Underwriting

- No late payments – Previous 12 Months
- No Accounts in Collections
- Must have Verification of Rents – Previous 12 Months – Living w/ parents – Not Eligible
- No payment shock from rent payment to PITI payment total
- Strict Ratio Requirements – 29 /41 – (Housing Expense/Total Debt)
- Must have adequate reserves for PITI payments

640 Plus Credit Score -

- 2 yr employment history – no employment gaps over 30 days
- New employment – Must be past any probationary period and have (1) month of Paystubs
- 33/45 Ratios (Housing Expense/Total Debt) Maximum – If everything else is good
- Federal CAIVERS report – Must be clear of any Federal Debt Defaults – Any previous RD loan default, even if past 10 yrs, will not qualify for a new RD loan.
- Collection Accounts – Payment may be required – Depends on other account factors
- Bankruptcy – Must be (3) yrs from date of BK discharge
- Foreclosure – Must be (3) yrs from property transfer date from borrower to other party.
- Open Liens/Judgments – Must be paid unless payment plan is in place. Must have proof of 12 months of payments.
- Charge-offs – Must show \$ 0 Balance. Must be at least (3) yrs from date of final payment to \$ 0 balance.