

USDA RURAL DEVELOPMENT FIXED RATE - PRODUCT DESCRIPTION

PROGRAM DESCRIPTION	- First lien USDA Rural Development Guaranteed Fixed Rate (Section 502) 30 year term; fully amortizing 1-unit, primary residences only
PRODUCT CODES	- RD 30 - RD30-Released
GEOGRAPHIC RESTRICTIONS	Texas: Texas A6 Home Equity loans not allowed / not applicable All States: Property Eligibility must be verified at the following link, results printed off and retained in the file: https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp
MAXIMUM LOAN AMOUNT	Follow USDA RD Guaranteed Loan Program Guidelines for the applicable property location, income limit, and loan purpose. See also the hyperlinks at the end of this Product Description
AGE OF LOAN / PRIOR REJECTS	- Loans must have been closed no more than 60 days prior to delivery - Loans previously rejected by or repurchased from Gateway, USDA RD or GNMA are ineligible. Loans previously rejected by or repurchased from a private investor, unless such prior rejection/ repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor's determination
ASSUMPTIONS	Not allowed
BOND PROGRAMS	Not allowed
BUYDOWNS	See Temporary Buydown Product Description for eligible Product Codes
CONVERSION OF PRIMARY RESIDENCE	- When calculating the equity position in a primary residence being converted to a second home or investment property, the value of the converting residence must be documented by a 1004 or 2055 appraisal. AVM or BPO not allowed. The property being converted cannot also be an RD loan. - No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction
CREDIT SCORE OVERLAY	≥640 with GUS Approval ≥640 for Manual Underwrite - Primary Borrower must have a credit score. Co-borrowers with no credit scores and non-traditional credit are allowed subject to agency guidelines. Please use a value of 100 in the Representative Credit Score field when pricing the loan in the GEMS system, so appropriate pricing adjustments will be calculated - Government Released Programs all Borrowers must have a credit score. Non-traditional credit NOT allowed - Government Released Programs manual underwrite is NOT allowed
CO-BORROWERS	USDA does not allow co-signers or non-occupant co-borrowers
DOWN PAYMENT ASSISTANCE	Not allowed
DTI	- GUS Accept - Manual Underwrite allowed up to 41% DTI and 44% DTI maximum with compensating factors - Government Released Programs manual underwrite is NOT allowed - Manual Underwrite allowed up to 29% PITI ratio and 32% PITI maximum ratio with compensating factors (effective for Conditional Commitments issued on or after November 4, 2025)
ELIGIBLE STATES	Please refer to Chapter 2 or the Overlay Matrix



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ESCROW HOLDBACKS	Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory final inspection
ESCROW WAIVERS	Not allowed
INCOME RESTRICTIONS	Income Eligibility must be verified at the following link, results printed off and retained in the file: https://eligibility.sc.egov.usda.gov/eligibility/incomeEligibilityAction.do?pageAction=state
INELIGIBLE PROPERTY TYPE OVERLAYS	See Overlay Matrix
INTEREST CREDIT AT CLOSING	Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)
INVESTMENT PROPERTIES AND SECOND HOME	See Overlay Matrix
ITIN OVERLAY	All borrowers must have a valid social security number; ITINs are not allowed.
NATURAL DISASTER POLICY	See Chapter 2 Eligible Mortgage Loans
NON-ARM'S LENGTH AND CONFLICT OF INTEREST	See Overlay Matrix
OCCUPANCY	• Primary only • No Second Home or Investment Properties
PRINCIPAL CURTAILMENT AT CLOSING	See Overlay Matrix
QUALIFIED MORTGAGE LOAN	For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a "Qualified Mortgage" as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan. Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.
STREAMLINED REFINANCES	• RD Streamline 'Pilot' Program not allowed • Only refinances of existing USDA RD Guaranteed loans are allowed • Streamline refinances (qualifying and non-qualifying) must meet 640 minimum credit score • 0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months • Minimum documentation required: • single line tri-merge credit report, • verification of sufficient assets to close if necessary, • Second homes and investment properties are not eligible for streamline refinance



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THIRD PARTY ORIGINATIONS "TPOs"	• Gateway does not purchase loans originated through TPOs. (Client level exceptions may be considered for higher net worth Clients with a TPO program established for at least 3 years; strong TPO controls must be demonstrated. Contact your Sales Manager for consideration.)
UNDERWRITING	• Delegated loans must be underwritten by a Client employed underwriter and submitted through GUS • GUS Accept required. See hyperlink below for GUS training • Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, USDA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by USDA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion • Clear CAIVRS, LDP and GSA search required on all loans • Note: Once underwritten, the file must be submitted to the RD office in the state in which the property is located to obtain a Conditional Commitment prior to closing • Manual Underwrite: Must include GUS Finding that shows Refer/Eligible • Government Released Programs manual underwrite is NOT allowed

Each loan must fully comply with all USDA RD requirements unless otherwise specifically noted above. USDA RD Guidelines are available at www.usda.gov or on All-Regs. For your added convenience, specific USDA RD guidelines may also be accessed from USDA RD's website at the following links:

USDA GUARANTEED LOANS INCOME LIMITS

<https://eligibility.sc.egov.usda.gov/eligibility/incomeEligibilityAction.do?pageAction=state>

USDA LOANS PROPERTY ELIGIBILITY

<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp>

USDA RURAL DEVELOPMENT REGULATIONS AND GUIDANCE

<https://www.rd.usda.gov/page/regulations-and-guidance>

USDA GUS TRAINING

<https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>

