



# PROGRAM GUIDE

## Rural Housing

Refer to standard FNMA or FHLMC underwriting guidelines (*exclusive* of SC State Housing Special Requirements or Rural Housing Requirement) for guidelines not specifically addressed in this Program Announcement.

**Purchase Price Limits  
And Loan Limits**

All Home Price limits are county specific. **Please Review the Home Price Limit Charts for both State Housing and Rural Housing. The lower of the two limits must be used.**

**Rates**

Interest rates are adjusted weekly. State Housing offers three rates based upon income or on special programs. Refer to [www.schousing.com](http://www.schousing.com) for current rates.

**Homebuyer(s)**

The Borrower(s) must not have had ownership interest in his/her principal residence in the three (3) years proceeding the date on which the loan is closed in **NON-TARGETED COUNTIES**

The Borrower(s) must not have had ownership interest in his/her principal residence at the time of closing in **TARGETED COUNTIES**.

**See State Housing First Mortgage Program Guide for county lists**

**Eligible Properties**

Eligible properties are stick built single-family dwellings, townhouses, condominiums or new off-frame modular homes. In-Ground Swimming Pools are not allowed. All properties must be located in South Carolina and must be considered a rural property. To verify a property qualifies for Rural Housing a property address must be entered into the USDA website <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Location of the property for Targeted and Non-Targeted Qualifications must first Meet State Housing Rules then meet Rural Housing Property Qualifications Rules. See First Mortgage Program for State Housing Targeted and Non-Targeted Rule for First-Time Homebuyers

**COUNTIES WITH INELIGIBLE AREAS**

Aiken	Darlington	Greenwood	Richland
Anderson	Dorchester	Horry	Spartanburg
Beaufort	Florence	Lexington	Sumter
Berkeley	Georgetown	Orangeburg	York
Charleston	Greenville	Pickens	

**RURAL COUNTIES**

Abbeville	Cherokee	Dillon	Kershaw	Marion	Saluda
Allendale	Chester	Edgefield	Lancaster	Marlboro	Union
Bamberg	Chesterfield	Fairfield	Laurens	Newberry	Williamsburg
Barnwell	Clarendon	Hampton	Lee	Oconee	
Calhoun	Colleton	Jasper	McCormick		

<b>Income Limits</b>	<p>The Income requirements for borrowers must meet all Targeted or Non Targeted income qualifications for State Housing loans and must also be within the income limits of Rural Housing.</p> <p>Rural Housing Income Limits may differ from State Housing income Limits <b>The Lower of State Housing Income Limits or the Rural Housing income limits must be used for a State Housing/Rural Housing Loan.</b></p> <p>See <u>State Housing Program Guides</u> for income and Home Price Limits at <a href="http://www.schousing.com">www.schousing.com</a></p> <p>See <u>Rural Housing's website</u> for income and Home Price Limits at <a href="http://www.sc.egov.usda.gov">www.sc.egov.usda.gov</a></p> <p><b>Note:</b> Rural Housing will allow for certain income deductions from their income limits. State Housing will not allow these deductions from the income limits.</p>
<b>Loan Types</b>	<p>Rural Housing Loans are underwritten using conventional guidelines by an approved State Housing Underwriter</p>
<b>Guarantee Fee</b>	<p>A 2% Guarantee fee is require on all Rural Housing Loans. This fee can be added to the 97% First Mortgage or paid at closing by the borrower. This will replace MI insurance.</p> <p><b>Note: If the Guarantee Fee will be financed in the loan always register the loan with the Guarantee Fee added to loan amount.</b></p>
<b>Environmental Review</b>	<p>An Environmental Review is required on all properties</p> <p>It is important to remember an environmental/site review is required on all Guaranteed Rural Housing (GRH) loans. There is no cost for this review and it must be completed before Rural Development can issue a Conditional Commitment. Wetlands should be avoided and new construction in a flood plain is not allowed. Please submit your request for the environmental review as soon as you determine the loan will be processed as a GRH loan. (See guide for requesting environmental review)</p> <p>Fax to the appropriate GRH processing office (Spartanburg, Aiken, Sumter or Walterboro). Refer to Rural Housing Manual. The Rural Housing Manual is on State Housing's website at <a href="http://www.schousing.com">www.schousing.com</a> under Extranet- Lending Information.</p>
<b>Reservations of Funds</b>	<p>State Housing and Rural Housing must receive a Request for Reservations of funds. See manual for forms required</p>
<b>Minimum Credit Score</b>	<p>620 with an Approval from the Rural Housing Guaranteed Underwriting System (GUS). See First Mortgage Program Guide for Manual Underwriting Requirement.</p>

# STATE HOUSING RURAL HOUSING LOAN PROCESS

- Rural Housing will be processed the same way as our current first mortgage program.
  - The rate will be State Housing standard published mortgage rates determined by income category.
  - All State Housing Programs are available.
  - Down Payment Assistance may be used on Rural Housing. Check [www.schousing.com](http://www.schousing.com) for availability.
  - The loans will be a maximum of 97% LTV not including the 2% Guaranty Fee
  - Loans will be registered through Lender-on-line.
  - Loans must also be registered with Rural Housing. See Rural Housing Manual for requirements
- Loan must have GUS Approved Eligible or Accept
- A 2% guarantee fee is added to the Loan balance financed. The guarantee fee will replace Mortgage insurance.

Example:	\$100,000.00	Sales Price
	\$ 97,000.00	Base Loan Amount
	\$ 1,940.00	Guarantee Fee
	\$ 98,940.00	Amount Financed

Fax to the appropriate GRH processing office (Spartanburg, Aiken, Sumter or Walterboro). Refer to Rural Housing Manual. The Rural Housing Manual is on State Housing's website at [www.schousing.com](http://www.schousing.com) under Extranet- Lending Information.

## Loan Submission

### Brokers

- Original Loan file will be sent to SC State Housing when file is complete and ready for underwriting.
- State Housing will underwrite file and send to Rural Housing within 48 hours of receipt for approval.
- When State Housing receives approval from Rural Housing a clear to close will be issued
- Loans will then close as usual with MMSI. A separate check must be issued to Rural Housing for the Guarantee Fee

## Loan Submission

### Lenders

- Lender Originates, processes and underwrites loan file to meet USDA and State Housing guidelines
- Lender approved file is sent to SC State Housing for review to ensure loan meets all State Housing Guidelines
- Lender sends file to USDA for conditional Commitment
- SC State Housing will condition for a USDA conditional commitment at closing to be shipped with the final closed package for purchase
- Lender will clear all conditions of the conditional approval from USDA
- Lender will close loan adhering to both State Housing and USDA requirements
- Final closing package will be shipped to State Housing for purchase as per normal procedures for State Housing loans
- Any changes to these procedures will be communicated in writing between SCSHA and Lender