



WHOLESALE ANNOUNCEMENT 2024-63

August 22, 2024

USDA Updates

Effective Date

Effective immediately

Guideline Updates

Chapter 11

Ratios

- Updated the PITI ratio guidelines to reflect 34%.
- Updated Section B (7) to insert language addressing co-signed student loans when factoring monthly debts into ratio calculations.
- Updated Section B (12) to indicate the expectation of a business paying debts from an applicant's personal credit report should also be verifiable within the businesses' cash flow analysis and/or profit and loss statements.

Debt Ratio Waivers and Compensating Factors

- Updated to clarify no waivers are permitted to increase the PITI ratio above 34% for purchase transactions.
- Under paragraph (A), clarified the maximum PITI ratio for purchase transactions is 34%.
- Updated the list of compensating factors to include payment shock and energy efficiency.
- Clarified that the 680-score provision must be a validated credit score to be eligible for a debt ratio waiver.
- Removed the requirement for the debt ratio waiver underwriting analysis documentation to be signed when submitted to the Agency for review.

Should you have any questions, please reach out to your Account Executive or Client Manager