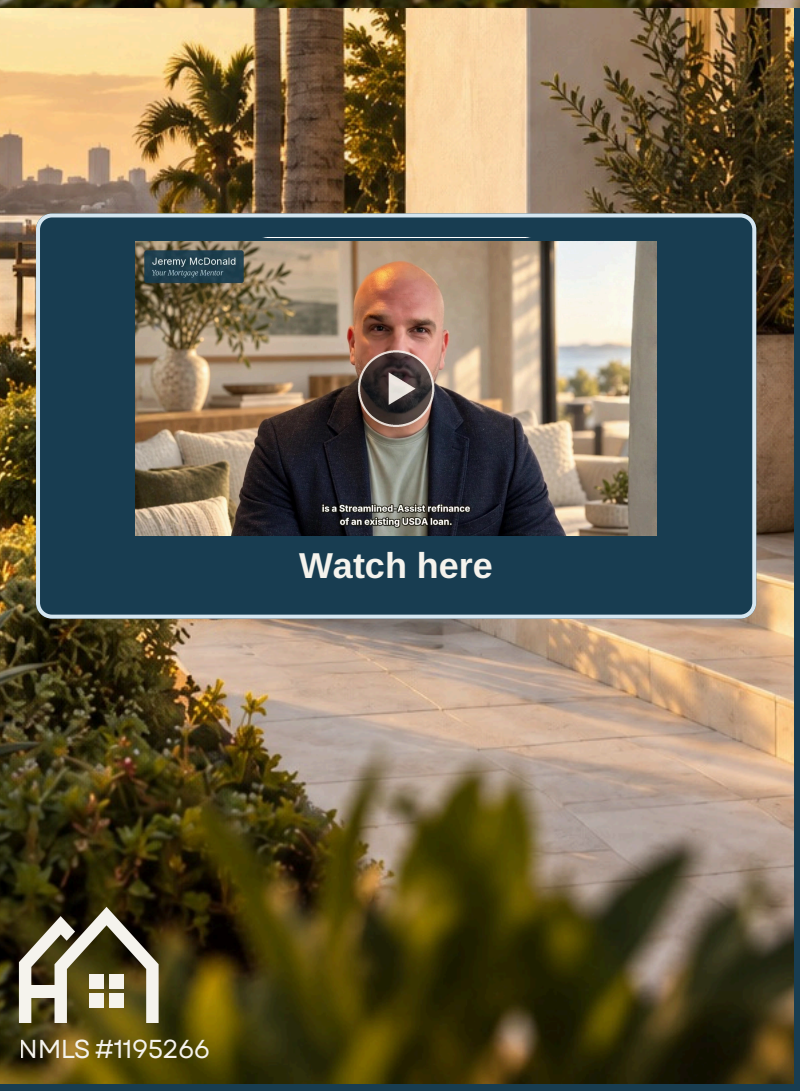
USDA REFINANCE

THE USDA *Guide*



Watch here

A clear look at a USDA refinance.

Who it's for, why USDA has no cash-out option, how Streamlined-Assist works, and the process from application to funding.

Prepared by

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Your Mortgage Mentor

(904) 442-3213

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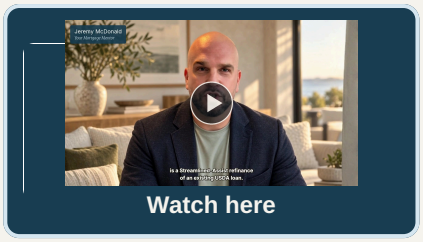
NMLS #1195266





Who a USDA refinance is for

A USDA refinance is for homeowners with an existing USDA loan. USDA does not offer cash-out.

That last point matters. If you need to take equity out as cash, USDA is not the program for that, and we should look at a different loan type.

On a Streamlined-Assist refinance, proceeds may cover the existing USDA balance, eligible closing costs, and the upfront guarantee fee. A new appraisal is typically not required. I'll review your current USDA loan and tell you whether this path fits.

INSIDE THIS GUIDE

01 **Who it's for**
See if this path fits your situation.

02 **The loan process**
From application and disclosures to file review, underwriting, and funding, typically without a new appraisal or cash-out.

03 **The costs**
Guarantee fees, closing costs, and how the new payment is built.

04 **Your worksheet**
Organize your current USDA loan and your refinance goal.

HOW TO USE THIS GUIDE

01 Read who this refinance is for and the key requirements.

02 Walk through the process, including whether an appraisal is needed.

03 Fill in the worksheet with your current loan and your goal.

04 Bring your questions when we talk. Call or text me at (904) 442-3213.

Meet your mentor

Jeremy McDonald
Your Mortgage Mentor

(904) 442-3213
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Seven steps in your refinance

Here's the real refinance path, from application to funding. I'll tell you at the start whether a new appraisal is part of this loan.



Watch here

01

Application

We'll review your current USDA loan and your goal, then take a refinance application. If you need cash out, we'll talk about a different program.

02

Loan Disclosures Go Out

Your loan disclosures go out so you can see estimated costs and the new terms in writing before we go further.

03

File Is Assembled

We gather your current loan information and anything else the file needs, then get it ready for underwriting.

04

File Review

Your file goes to underwriting. A new appraisal is typically not required on a USDA Streamlined-Assist refinance.

05

Conditions

If underwriting asks for more items, I'll tell you exactly what we need and why.

06

Clear to Close

Once you're clear to close, review your Closing Disclosure. You should have it at least three business days before signing.

07

Closing and Funding

You sign and the new loan pays off the old one. On a primary home, you generally have a three-business-day right to cancel after closing.

PRO TIP

USDA cannot take cash out.

If equity is the goal, we need a different loan type. A USDA refinance is rate and term only, and Streamlined-Assist cannot pay you cash at closing.

WHAT'S THE TIMELINE?

Timing depends on underwriting and how quickly documents come in. Because a new appraisal is typically not required, some files can move faster.

I'll stay in close touch so you always know what is next.

NEED A HAND?

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Know what a USDA refinance costs

This is a rate-and-term refinance only. There is no USDA cash-out option to plan around, but you still have guarantee fees and closing costs.

01. NO CASH-OUT OPTION

USDA does not offer cash-out refinancing. Streamlined-Assist may cover the existing USDA balance, eligible closing costs, and the upfront guarantee fee only.

YOUR ESTIMATE: $_____

02. CLOSING COSTS

These may include lender fees, title services, and prepaid items. Eligible costs can sometimes be included in the new loan. I'll show you the estimate in writing.

YOUR ESTIMATE: $_____

03. APPRAISAL

A new appraisal is typically not required on a USDA Streamlined-Assist refinance. If a different USDA refinance is a better fit, I'll explain why.

YOUR ESTIMATE: $_____

04. USDA GUARANTEE FEE

A new upfront guarantee fee, typically 1%, usually applies and can often be financed. The annual fee, typically 0.35%, continues with the monthly payment.

YOUR ESTIMATE: $_____

Understand your monthly payment

- **PRINCIPAL**

The portion of your payment that reduces the amount you borrowed.

- **INTEREST**

The cost of borrowing money on this loan.

- **TAXES & INSURANCE**

Property taxes and homeowners insurance, often collected with your payment.

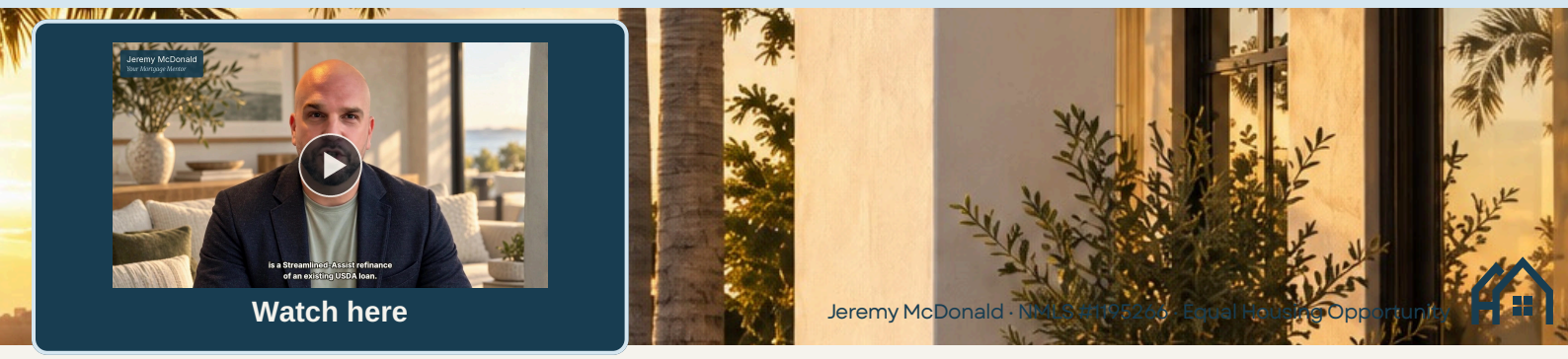
- **USDA FEE**

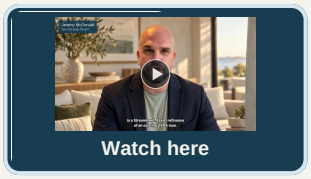
The annual guarantee fee, typically 0.35%, collected with your monthly payment. I'll compare the new payment with what you pay now.

Other items to consider

This path is for an existing USDA loan. Program details can change, and I'll confirm current USDA refinance rules and fees on your file.

Ask me for a personalized estimate of your total monthly payment and closing costs.





Get your USDA numbers on paper.

Use this worksheet to organize your current USDA loan and what you want the refinance to accomplish.

YOUR REFINANCE PLAN

CURRENT LOAN BALANCE

$_____

TARGET MONTHLY PAYMENT

$_____

CURRENT RATE AND TERM

TARGET CLOSE DATE

DEFINE YOUR GOAL

WHY I'M REFINANCING

Lower payment, shorter term, or another refinance goal.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

WHAT I WANT TO KEEP

Terms or features you don't want to give up.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

WHAT TO AVOID

Costs, timelines, or terms that would make this a poor fit.

- ○ _____
- ○ _____
- ○ _____
- ○ _____
- ○ _____

LOAN FILE NOTES

PROPERTY ADDRESS	ESTIMATED VALUE	TERM GOAL	PRIORITY	NOTES
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	
			○ ○ ○ ○ ○	

Current USDA loan details, questions, and items to send in.

Your next step

Write down your current balance, rate, and goal, then call or text me at (904) 442-3213. We'll check whether a USDA Streamlined-Assist refinance can improve your payment. If you need cash out, I'll tell you that USDA cannot do that.

Program rules can change. I'll confirm current USDA refinance requirements on your file.

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