



USDA Matrix

Revised 5/3/2022

Household Income/Annual Income

- Income from all working adult members (age 18 or older) residing in the home must be included in the household income. The total of that income cannot exceed the moderate-income limits established for the area in which they are purchasing the home.

Household income used to determine program eligibility is defined as Annual Income and Adjusted Annual Income.

Annual Income – represents the entire household’s combined income, regardless of whether the household members are on the loan application or not. The income of all adult household members.

Annual income will include all eligible income sources from all adult household members, not just parties to the loan note.

Adjusted Annual Income – represents the combined household income minus qualified household deductions. Adjusted Annual Income may not exceed the program’s income limits. Limits may be checked online at <http://www.eligibility.sc.egov.usda.gov/eligibility/> (Income Limits/Guaranteed) or by using GUS, the agency’s automated underwriting system)

Stable and dependable income shall be verified and documented in accordance with Chapter 9 of the Handbook.

USDA does require verification of the CURRENT income of all adult household members. To accommodate the USDA Guidelines, FSB will require the following on all working, adult household members:

- 2 years W-2’s or 1099’s
- Most recent 30-day paystubs
- Written VOE
- Tax Returns for the most recent 2 years
- Tax transcripts for most recent 2 years.

By providing this information, FSB will have it available for validation of the income as required and needed by USDA.

For non-working members of the household (adult):

- LOX signed by borrower and household member stating the person in question is not currently working and confirm the circumstances surrounding this
- Further information may be needed by underwriting, depending on the documentation supplied
- Tax returns for non-working member must be provided

