

VA Fixed / ARM

Program Summary - Primary residence only					
Units	Loan Amount	Max LTV/CLTV/HCLTV	AUS Credit Score	Manual Credit Score	Purpose
1-4 Units	Conforming / High Balance	100%	580	620	Purchase
	Conforming / High Balance	100%	580	620	Cash Out Refi
	Conforming / High Balance	105%	N/A	580	IRRRL
<ul style="list-style-type: none"> To determine the maximum loan amount (and guaranty) for a particular property/county, use the following link: VA COUNTY MAXIMUM LOAN LIMIT The maximum total loan amount is \$999,999, regardless of the number of units or amount of entitlement. 					
<p><u>Calculating Minimum Loan Amount</u></p> <p>The maximum guaranty on a VA loan is the lesser of the veterans available entitlement or the maximum potential guaranty amount indicated in the chart below:</p>					
Entitlement / Guaranty					
Loan Amount			Maximum Potential Guaranty		
Less than \$45,000			50% of the loan amount		
\$45,001 - \$56,250			\$22,500		
\$56,251 - \$144,000			40% of the loan amount or maximum of \$36,000		
\$144,001 - \$484,350			25% of the loan amount		
Greater than \$484,350			The lesser of 25% of the VA county loan limit or 25% of the loan amount		

**In cases where a surviving spouse is also a veteran, entitlement for the surviving spouse must be used (not the entitlement for the deceased veteran/spouse)

Funding Fee Table

Purchase Transactions

Type of Veteran	Down Payment	% for First Time use	% for Subsequent Use
Regular Military	< 5%	2.15%	3.3%*
	5% - 10 %	1.50%	1.50%
	10% or more	1.25%	1.25%
Reserves / National Guard	< 5%	2.40%	3.3%*
	5% - 10 %	1.75%	1.75%
	10% or more	1.50%	1.50%
Cash Out Refinances			
Regular Military	N/A	2.15%	3.30%
Reserves/National Guard	N/A	2.40%	3.30%

- All VA loans require a VA funding fee. Exceptions may be made to veterans with service-connected disabilities and to surviving spouses of veterans who die in service or from service-connected disabilities. Exceptions are made by VA when we send in for the certificate of eligibility.
- All or part of the fee may be paid in cash at loan closing or may be included in the loan without regard to the reasonable value of the property or the computed maximum loan amount, as appropriate.
- *The higher subsequent use fee does not apply to these types of loans if the veteran's only prior use of entitlement was for a manufactured home loan.
- **The funding fee for subsequent use on a Refinance includes changes from a conventional/FHA loan into a VA loan.

Fixed Loan Terms

Program	Term
Standard Fixed Rate	10, 15, 20, 25 and 30 Year Fixed
High Balance Fixed Rate	10, 15, 20, 25 and 30 Year Fixed

[For additional VA loan program information, access the VA Lender Handbook by clicking here.](#)

Guidelines	
Subordinate Financing	<ul style="list-style-type: none"> • Subordinate financing allowed. CLTV cannot exceed the LTV limits for purchases or cash-out refinances (includes "rate/term" and "cash-out"). • Reminder: Cash out from simultaneous seconds is not permitted by VA. VA does not allow secondary financing to cover any portion of a down payment required by VA to cover the excess of the purchase price over VA's reasonable value.
Eligible Borrowers	<ul style="list-style-type: none"> • An eligible veteran is a person who served on active duty in the Army, Navy, Air Force, Marines, or Coast Guard, and who, (except for a service member on active duty) was discharged or released from active duty under conditions other than dishonorable; or • Members of the Reserves and National Guard are eligible upon completion of 6 years of service; or • Unmarried surviving spouses of veterans who died as a result of service or service-connected causes.
Documentation	<ul style="list-style-type: none"> • All borrowers must have a valid social security number. • All borrowers must have at least one valid credit score. • Borrowers using non-traditional credit are not allowed. • An IRS Form 4506-T must be signed, completed, and dated at application and at closing by all borrowers. • IRS transcripts are required with any of the following: 1) When using tax returns for qualifying for income, such as self-employed, commission income, rental income, etc. 2) Employed by a family business, 3) Handwritten paystubs, 4) Non-taxable income (other than VA disability income), 5) non-arms length transactions, 6) Employed by an interested party to the transaction
DTI Ratios	<ul style="list-style-type: none"> • AUS Approve/Accept: No Max DTI and VA Residual Income requirements are also met. • AUS Refer: Max 45% Manual approvals are allowed with a general max DTI of 41%. This DTI maximum may be exceeded whenever the residual income exceeds guidelines by 20% and loan exhibits sufficient compensating factors as detailed in the VA Manual Underwrite Policy • Any allotments reflected on the LES (Leave and Earnings Statement) or paystubs must be investigated to determine if the allotment has an affiliated debt. • In community property states, the spouse's debts and obligations must be considered even if the veteran wishes to obtain the loan in his or her name only.

<p>Underwriting</p>	<ul style="list-style-type: none"> • Minimum credit score required for all borrowers, regardless of AUS decision. • Non-traditional credit only is not allowed • Minimum loan amount \$75,000 • All loans must be submitted through DU or LP. • CH7 & CH13 Bankruptcy requires 24 months seasoning from discharge date • CH13 bankruptcy acceptable if not discharged 24 months if all of the following are met: 1) All payments have been made satisfactorily, 2) Minimum 12 months' worth of payments have been made, and 3) The Trustee or Bankruptcy Judge approves the new credit • Foreclosure requires 24 months seasoning from completion • All judgements must be paid in full or subject to a repayment plan with a minimum history of 3 timely payments • Any credit derogatories will require additional UW review and has the potential to receive a downgraded policy. • 2-4 unit properties require 6 months PITIA in reserves if rental income is used to qualify • Mortgage rating must be 0x30 in the last 12 months • Credit report for non-borrowing spouse must be pulled in community property states with individual debts being included in the DTI. This applies if the subject property is located in a community property state or if the borrower's primary residence is in a community property state even though the subject property is not in a community property state.
<p>Cash Out Refinance</p>	<ul style="list-style-type: none"> • All VA refinance transactions must meet GNMA seasoning requirements as follows: <ul style="list-style-type: none"> ○ The Note date of the refinance loan must be on or after the later of: 210 days after the date the first payment was made on the mortgage being refinanced OR the date on which 6 full monthly payments have been made on the mortgage being refinanced <ul style="list-style-type: none"> ▪ NOTE: The date on which the first payment is made on must be verified • LTV's for all Type I and Type II cash out loans are based on the Total Loan amount and must meet Net Tangible Benefit requirements as outlined in Circular's 26-18-30 and 26-19-2. • Maximum 100% LTV/CLTV for cash out: Based on the property value indicated on the NOV plus VA funding fee. There must be a lien of record and the veteran must occupy the property. • Cash-out refinance transactions must pay off a lien secured by the subject property (i.e., mortgages, tax liens, judgment liens, etc.). Cash out refinance of a free and clear property is not allowed. • Mortgage rating must be 0X30 in the last 12 months

<p>Purchase</p>	<ul style="list-style-type: none"> • Termite inspection completed and signed by veteran on HUD Form MPMA-33 (or if required by the state, a state specific form). The following states require the use of their state specific form: AL, AZ, CA, FL, GA, HI, LA, OK, MD, MS, NV, NC, SC & TX. • No minimum down payment required unless the purchase price exceeds the value of the property • New Construction properties must be covered by either: 1) 1-year VA builder’s warranty (“Not Inspected Acknowledgment” and “Construction Warranty” required), or 2) 10-year insurance-backed protection plan (“Not Inspected Acknowledgment”, and “Ten Year Insured Protection Plan” required). For exceptions, see Lender’s Handbook, Chapter 10.08. • VA Amendatory/Escapes Clause required.
<p>Manual Underwrite</p>	<ul style="list-style-type: none"> • AUS “Refer/Eligible” finding allowed subject to manual underwriting requirements (i.e. loan cannot have layered risk, compensating factors are required). • Subject to manual underwriting downgrade if additional information is identified in the loan file that was not considered in the AUS “Approve/Eligible” finding
<p>Reserve Requirements</p>	<ul style="list-style-type: none"> • Reserves required per AUS • 2-4 unit properties require 6 months PITIA in reserves if rental income is used to qualify
<p>Eligible Property Types</p>	<ul style="list-style-type: none"> • 1 unit attached and detached SFR, PUD, VA approved condominiums • 2-4 units • Owner Occupied Primary Residence only
<p>Ineligible Transactions</p>	<ul style="list-style-type: none"> • Second Homes and investment properties • Down payment assistance options • Texas 50(a)(6) loans • Manufactured Homes • Co-ops • Condominiums in projects that are not approved by VA • Escrow holdbacks • Assigned purchase contracts • Leasehold estates • Energy Efficient Mortgages (EEMs) • Loans secured by properties with the condition ratings of C5, C6 or Q6 • Loans secured by properties with PACE or HERO obligations • Loans secured by properties that are boarding facilities / bed and breakfast /working farms or ranches • Joint loans

	<ul style="list-style-type: none"> • Non-traditional properties such as Dome Homes or Log Homes • Properties not suitable for year round use • Native American Land • Working farms and ranches
Approved States	<ul style="list-style-type: none"> • AL, AK, AR, AZ, CA, CO, CT, DE, D.C, FL, GA, ID, IL, IN, KS, KY, LA, ME, MD, MA, MI, MN, NH, NJ, NM, NC, OH, OR, PA, RI, SC, TN, TX, VA, WY
Appraisal Requirements	<ul style="list-style-type: none"> • All appraisals must be ordered through VA's TAS, which will assign the order to a VA approved Appraiser • All appraisals must be completed on FNMA form 1004MC • SAR may request an appraisal review product (e.g. desk or field review) at their discretion • The NOV is valid for 6 months and FNMA form 1004MC is required for all appraisals. • Appraisers may require a termite report at their discretion
Seller Contributions / Concessions	<ul style="list-style-type: none"> • Seller concessions may not exceed 4% of the value of the property as indicated on the NOV. Concessions include, but are not limited to the following: payment of the buyer's VA funding fee, prepayment of the buyer's property taxes and insurance, gifts such as a TV or microwave oven, payment of extra points to provide permanent interest rate buydowns, provision of escrowed funds to provide temporary interest rate buydowns, and payoff of credit balances or judgments on behalf of the buyer.

**Table of Residual Incomes by Region
For loan amounts of \$79,999 and below**

Family Size	Northeast	Midwest	South	West
1	\$390	\$382	\$382	\$425
2	\$654	\$641	\$641	\$713
3	\$788	\$772	\$772	\$859
4	\$888	\$868	\$868	\$967
5	\$921	\$902	\$902	\$1,004
over 5	Add \$75 for each additional member up to a family of seven			

Table of Residual Incomes by Region For loan amounts of \$80,000 and above				
Family Size	Northeast	Midwest	South	West
1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823
3	\$909	\$889	\$889	\$990
4	\$1,025	\$1,003	\$1,003	\$1,117
5	\$1,062	\$1,039	\$1,039	\$1,158
over 5	Add \$80 for each additional member up to a family of seven			