

# VA STANDARD Matrix

Primary Residence							
Purchase <sup>2</sup>				Cash-Out <sup>3</sup>			
Units	Loan Amount	FICO	Max LTV/CLTV	Units	Loan Amount	FICO	Max LTV/CLTV
1-4 units & MFH <sup>4</sup>	\$1,500,000 - \$2,000,000 <sup>1</sup>	720	100	1-4 units & MFH <sup>4</sup>	\$1,500,000 - \$2,000,000 <sup>1</sup>	720	90
	\$1,000,000 - \$1,499,999	700			\$1,000,000 - \$1,499,999	700	
	\$75,000 - \$999,999	580			\$75,000 - \$999,999	580	

<sup>1</sup> \$2 million requires management approval

<sup>2</sup> On Purchase: Maximum LTV/CLTV and base loan amount may be exceeded by the amount of Funding Fee only

<sup>3</sup> On Cash-Out: LTV/CLTV may NOT be exceeded by Funding Fee. Funding fee must be included in the LTV/CLTV calculation.

<sup>4</sup> Limited to conforming loan amounts only.

VA Funding Fee For Non-Exempt			
Transaction	Downpayment	% for First Time Use	% of Subsequent Use
Purchase	Zero Down	2.15%	3.30%
	5% Down	1.50%	1.50%
	10% Down	1.25%	1.25%
Cash-Out	NA	2.15%	3.30%
Loan Assumptions	NA	0.50%	0.50%

Minimum Total Loan Amount	VA Max County Loan Limits
<b>\$75,000</b>	<a href="#">FHFA County Limit Lookup</a>
AUS Allowed	Property Types
DU and LPA	SFRs, PUDs, VA Approved Condos, 2-4 unit, Multi-Wide Manufactured Homes
VA Condo Search	
<a href="#">VA Approve Condo Look-up</a>	

**General Requirements**

<b>Entitlement /Guaranty</b>	<b>Requirements</b>	<ul style="list-style-type: none"> <li>25% Guaranty is required.</li> </ul>
		The guaranty is limited to the veteran's portion of ownership in the property. (i.e., if the veteran is the only person on the Note but adds someone other than their spouse to title, the final loan guaranty would be half of the veteran's entitlement)
		If the veteran has previously used their entitlement, the entitlement must be restored either prior to the closing of the new loan or simultaneous restoration with the sale of a VA insured loan restoring entitlement sufficient for 25% coverage for the new loan
		For loan amounts \$144,000 and below, only the first \$36,000 of basic entitlement may be used to guaranty the loan. If the veteran has no basic entitlement available, VA loan is ineligible.
	<b>Full Entitlement</b>	First Time Use, Veteran has Full Entitlement or Full Entitlement is Restored:
		County loan limits do not apply. The guaranty is based on 25% of the loan amount
	<b>Partial Entitlement with Loan Amounts <math>\geq</math> \$144,000</b>	County limit minus the outstanding entitlement listed on the COE
		The remaining available entitlement to be used by the veteran must result in the minimum 25% guaranty or down payment from the veteran will be required to meet the 25% guaranty
		NOTE: The 1-unit column county limit of the FHFA table is used to determine the applicable guarantee for all properties, including 2-4 units
	<b>Dual Entitlement: Married Veterans</b>	Maximum combined guaranty cannot exceed 25% of the loan amount when at least one veteran has full entitlement
		If both Veterans have partial entitlement, entitlement cannot exceed the lesser of: - 25% of the loan amount, OR - 25% of the county loan
	<b>Joint Loans: Unmarried Veterans</b>	Maximum combined guaranty equals 25% of the loan amount when both veterans have full entitlement
		If at least one Veteran has partial entitlement the guaranty cannot exceed the lesser of: - 25% of the loan amount, OR - 25% of the county loan limit
		VA will charge entitlement to each Veteran equally, unless the Veteran provides a signed written agreement to VA to handle otherwise, PRIOR TO guaranty of the new loan
	<b>Joint loans: Vet and Non-Vet</b>	Joint loans: Vet and Non-Vet. See Section 10.8 VA Prior Approval for specific requirements
	<b>Combined guaranty</b>	Maximum combined guaranty equals 25% of the loan amount when:
		the veteran meets 12.5% of the guaranty with available entitlement (half of the required guaranty)
and the non-veteran contributes at minimum a down payment of 12.5%. With the veterans 12.5% guaranty and the down payment of 12.5% the required 25% guaranty is met. VA only guarantees the veterans portion of the loan		

**General Requirements (Continued)**

<b>VA Cash Out Seasoning</b>	Seasoning is applicable to all VA Refinances( IRRRL & Non-IRRRL) regardless of the type of loan being paid off through our transaction. The new note must be on or after the later of:	
	•	The date that is 210 days after the date on which the first monthly payment was due on the mortgage being refinanced, and
	•	The date on which six full monthly payments have been made on the mortgage being refinanced. For modified loans, the new note date must be on or after the later of: -
	•	The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and
<b>Net Tangible Benefit</b>	•	The date on which six modified payments have been made on the mortgage being refinanced.
	•	(a) The new loan eliminates monthly mortgage insurance; or
	•	(b) Loan term of the new loan is less than the loan term of the loan being refinanced; or
	•	(c) Interest rate of the new loan is less than the interest rate of the loan being refinanced. (Note: If the loan being refinanced had an adjustable interest rate or was modified, the current interest rate must be used when determining if this requirement has been met.); or
	•	(d) The monthly P&I payment of the new loan is less than the monthly P&I payment of the loan being refinanced; or
	•	(e) The Veteran's monthly residual income is higher as a result of the new loan. (residual income, including refinancing monthly PITI payment vs. current residual income, including monthly PITI payment of the loan being refinanced.) In cases where TI amounts are changing between the application date and the closing date of the refinance transaction, the new TI amount will be used in determining residual income for both the current and refinanced loan); or
	•	(f) The new loan is used to payoff the Veteran's interim construction loan; or
	•	(g) The new loan LTV is equal to or less than 90% of the reasonable value of the home, i.e. $LTV \leq 90\%$ ; or
	•	(h) Refinance of an ARM to a Fixed-rate mortgage.

**Credit Requirements**

<b>Age of Documents</b>	•	180 days for Appraisal
	•	120 Days for Credit Report, Income and Assets
	•	90 days Title
	All items are measured from Disbursement Date	
<b>Bankruptcy</b>	<b>Ch.7 Bankruptcy</b>	
	•	≥ 2 years from discharge date
	•	Must have re-established acceptable credit or chosen not to incur new credit obligations
	<b>Chapter 13: Discharged or Open with:</b>	
<b>Bankruptcy</b>	•	12 months of the payout period has elapsed under the bankruptcy from the date of application; and
	•	The payout performance has been satisfactory with all required payments made on time; and
	•	The borrower(s) must receive written permission from the bankruptcy court to enter into the mortgage transaction.

**Credit Requirements (Continued)**

<b>Borrower Eligibility</b>	<b>Eligible Borrowers:</b> Must have a Veteran with eligibility documented with a Certificate of Eligibility
	have legal residency and valid Social Security Number
	<b>Veteran and his or her spouse if the spouse:</b>
	• is not a veteran, or
	• is a veteran who will not be using his or her entitlement on the loan.
	• veteran and fiancé who intend to marry prior to loan closing and take title as veteran and spouse (conditioned upon their marriage)
	<b>A joint loan is a loan made to:</b>
	• Joint loans with co-borrower other than a spouse are allowed, VA prior approval is required. See Chapter 7 of the VA Handbook for details.
	<b>Ineligible Borrowers:</b>
	• Foreign Nationals
• Limited and General Partnerships	
• Irrevocable Trusts	
• ITIN borrowers	
• Any borrower combinations not listed	
<b>CAIVRS</b>	Clear CAIVRS for each borrower is required for all transactions.
<b>Charged Off Accounts</b>	Charge off accounts do not need to be included in the debt. Charged-off accounts must still be considered in reviewing the borrower's overall credit history.
<b>Collection Accounts</b>	<b>Non-medical collections</b> without minimum payment amounts listed on the credit report should be considered at <b>5%</b> of the outstanding balance.
	<b>Medical collections and charged-off medical accounts</b> do not need to be considered in qualifying ratios or when determining the residual income
	The presence of medical collections and/or charged-off medical accounts should not be considered when determining an applicant's creditworthiness.
<b>Contingent Liabilities</b>	The borrower(s) may have a contingent liability based on co-signing a loan. The debt may be excluded from the monthly obligations if:
	• there is 12 months evidence that the loan payments are being made by someone else and the obligation is current, and
	• there is not a reason to believe that the borrower will have to participate in repayment of the loan.
<b>Credit Score</b>	• At least one of the borrowers must have a qualifying FICO score that meets our minimum requirements.
	• Non-Borrowing spouse's credit report is required in community property states and debts must be included in the ratios per VA Handbook.
	• If the foreclosure, deed in lieu or short sale was on a VA-guaranteed loan, then a borrower may not have full entitlement available for the new VA loan. Ensure that the borrower's COE reflects sufficient entitlement.
<b>Foreclosure, Deed in Lieu, Short Sale</b>	• If the deed in Lieu or short sale was voluntarily surrendered and there was no indication of lates leading up to the event, then a waiting period from the date of transfer may not be necessary.
	• 2 years must elapse from date of closing and borrower must have re-established credit
<b>Foreclosure, Deed in Lieu, Short Sale</b>	• 2 years must elapse from date of closing and borrower must have re-established credit
<b>Disputed Derogatory Account</b>	If the disputed information is isolated and the overall credit profile is acceptable, it is at underwriter discretion to leave the disputed account open or satisfactorily resolved.

**Credit Requirements (Continued)**

<b>Federal Income Tax Installment Agreements</b>	Tax liens may remain unpaid if the Borrower has entered into a valid repayment agreement with the federal agency owed to make regular payments on the debt and the Borrower has made timely payments for at least 3 months of scheduled payments. The Borrower cannot prepay scheduled payments in order to meet the required minimum of 3 months of payments. Except for federal tax liens, the lien holder must subordinate the tax lien to the FHA Mortgage. Payment must be included in the DTI.
<b>Closed End Debts less than 10 months</b>	Closed-end debts do not have to be included if they will be paid off within 10 months from the date of closing unless the payment is so large as to cause a severe impact on the family's resources for any period of time.
<b>Housing History (Mortgage/Rental)</b>	AUS Approved Loans: 1x30 in the past 12 months.
<b>Open 30-day Accounts</b>	For open 30-day charge accounts, determine if the borrower(s) pays the balance in full each month, and has verified funds to cover the account balance in addition to any funds required for closing costs.
	<ul style="list-style-type: none"> <li>If there are sufficient funds, the payment does not need to be included in Section D of the VA Form 26-6393, Loan Analysis, but the obligation should continue to be listed.</li> </ul>
	<ul style="list-style-type: none"> <li>If there are not sufficient funds, a minimum payment of 5 percent of the balance should be considered included in Section D of the VA Form 26-6393, Loan Analysis.</li> </ul>
<b>PACE loans</b>	Outstanding PACE lien needs to be paid off prior to closing or with loan proceeds on a refinance transaction.
<b>Solar Panels (Leased or PPA)</b>	<ul style="list-style-type: none"> <li>The monthly solar payment is not included in the DTI ratio calculation.</li> </ul>
<b>Student Loan Qualification</b>	<ul style="list-style-type: none"> <li>If the borrower(s) provides written evidence that the student loan debt will be deferred at least 12 months beyond the date of closing, a monthly payment does not need to be considered.</li> </ul>
	<ul style="list-style-type: none"> <li>If a student loan is in repayment, or scheduled to begin within 12 months from the date of VA loan closing, the lender must consider the anticipated monthly obligation in the loan analysis and utilize the payment established by calculating each loan at a rate of five percent of the outstanding balance divided by 12 months</li> </ul>
	<ul style="list-style-type: none"> <li>If the payment(s) reported on the credit report for each student loan(s) is greater than the threshold payment calculation above, the lender <b>must use</b> the payment recorded on the credit report.</li> </ul>
	<ul style="list-style-type: none"> <li>If the payment(s) reported on the credit report are less than the threshold payment calculation above, in order to count the lower payment, the loan file must contain a statement from the student loan servicer that reflects the actual loan terms and payment information for each student loan(s).</li> </ul>
	<ul style="list-style-type: none"> <li>The statement(s) must be dated within 60 days of VA loan closing, and may be an electronic copy from the student loan servicer's website or a printed statement provided by the student loan servicer.</li> </ul>

**Income / Assets**

<b>Amended Tax Returns Overlay</b>	<ul style="list-style-type: none"> <li>Amended tax return must be filed before loan application date. An income increase of 20% or more from the original return will not be allowed or subject to management approval.</li> </ul>
<b>Assets</b>	Verification of veteran's source of funds is not required if closing costs plus difference between sales price of the property and base loan amount is < 4% of the lesser of the Sales Price or Reasonable value established by NOV.
<b>Conversion of Primary / Departure Residence</b>	<b>Verification of Rental Offset of the Property Occupied Prior to the New Home</b>
	<ul style="list-style-type: none"> <li>Obtain a copy of the rental agreement for the property, if any. Analysis using Rental Offset of the Property Occupied Prior to the New Loan</li> </ul>
	<ul style="list-style-type: none"> <li>Use the prospective rental income only to offset the mortgage payment on the rental property, and only if there is not an indication that the property will be difficult to rent. This rental income may not be included in effective income. Obtain a working knowledge of the local rental market. If there is not a lease on the property, but the local rental market is very strong, the lender may still consider the prospective rental income for offset purposes. Provide a justification on VA Form 26-6393, Loan Analysis.</li> </ul>
	<ul style="list-style-type: none"> <li>Reserves are not needed to offset the mortgage payment on the property the Veteran occupies prior to the new loan.</li> </ul>

**Income / Assets (Continued)**

<b>Rental Income</b>	Borrowers that have multiple properties must have a history of managing property to consider rental income as qualifying income.				
	•	individual income tax returns, signed and dated or lender obtained tax transcripts, plus all applicable schedules for the previous 2 years, which show rental income generated by the property and,			
	•	documentation of cash reserves totaling at least 3 months mortgage payments (PITI) for each property (NO lien on the property, 3 months reserves to cover expenses such as taxes, hazard insurance, flood insurance, homeowner's association fees ect is required)			
	The lender may consider the prospective rental income for offset purposes only. Provide a justification on VA Form 26-6393, Loan Analysis				
	•	history of managing rental property			
	•	lease agreement, or			
	•	1007/216 Appraisal Schedules			
	If rental income will not, or cannot be used, then the full mortgage payment should be considered and reserves do not need to be considered.				
<b>Reserves</b>	Rental income from ADU is ineligible				
	•	Equity in the property cannot be used as reserves			
	•	Cash proceeds from a VA refinance cannot be counted as the required PITI on a rental property. The reserve funds must be in the borrower's account before the new VA loan closes.			
<b>Residual Income Requirements when Credit Qualifying</b>	Gift funds cannot be used to meet reserve requirements.				
	Residual income is calculated on Credit Qualifying Loans only. The residual income calculated should be the greater than or equal to VA requirements below.				
	<b>Loan Amounts \$79,999 and below</b>				
	<b>Family Size</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
	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
	Above 5	Add \$75 for each additional member up to a family of seven			
<b>Residual Income Requirements when Credit Qualifying</b>	<b>Loan Amounts \$80,000 and above</b>				
	<b>Family Size</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
	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
	Above 5	Add \$75 for each additional member up to a family of seven			
	<b>Geographical Regions for Residual Income Guidelines</b>				
	Northeast:	CT, ME, MA, NH, NJ, NY, PA, RI, VT			
Midwest:	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI				
South:	AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, WV				
West:	AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY				

**Income / Assets (Continued)**

<b>Tax Transcripts</b>	•	All loans require a signed 4506-C form. Additional 4506-C form is required to be signed by Borrower's LLC, S-Corp or Corporation Name and EIN
	•	Tax Transcripts are required for:
	•	Self-employed borrowers
	•	Borrower employed by family member
	•	Using rental income to qualify per tax returns
	•	Relationship between the parties

**Property**

<b>2-4 Units</b>	Rental income may only be included if there is documented evidence:	
	•	Borrower has rental management experience involving property maintenance and collection of rent.
	•	6 months reserves
	•	2 yrs tax returns when required per VA handbook
<b>Appraisal Requirements</b>	VA Appraisal within 180 days	
<b>Condo Review</b>	Must already be a VA approved Condo (including Site Condos).	
<b>Escrow Accounts / Impounds</b>	Required	
<b>Ineligible Properties</b>	•	No Land Trusts, Indian Leased Land, Vacant land
	•	Property Condition rating C6 and/or, Quality condition Q6
	•	Non-Warrantable Condo, Condo-tels, Co-Ops, Manufactured Condos
	•	Commercial Property, Boarding houses, Bed and Breakfast
	•	Working Farms
	•	Non VA Approved Condos
	•	One Time Close Construction to Perm Loans

**Property (Continued)**

<b>Manufactured Homes</b>	•	1 unit Primary Residence, Fixed Rate, Fee Simple Only
	•	Property must not be located in a deed restricted area including restrictions for age and income
	•	HUD Data Plates (Paper Certification located on the interior of the property) or IBTS Verification
	•	Built on or after June 15, 1976
	•	Built on a permanent chassis in compliance with the applicable Manufactured Homes (HUD Codes) in effect as of the date the Manufactured Home was constructed.
	•	<b>Must be at least 12 feet wide (single-wide not allowed) and have a minimum of 700 square feet of gross living area.</b>
	•	Manufactured Condos not allowed
	•	Flood insurance required for properties in flood zone. The finished grade level beneath the Manufactured home must be at or above the 100 year return frequency flood elevation.
	•	Manufactured home must be on original site, relocated homes are not permitted
	•	HUD Certification Labels (metal plates attached) or IBTS Verification if not attached to the property
	•	Additions to the property are not permitted if the addition was to add GLA or if there were structural changes to the home (additions such as decks and green rooms without structural changes to the property may be accepted)
	•	Borrower must own the land on which the home is located
	•	Affidavit of Affixture (or its equivalent) to evidence property is classified and taxed as real property
<b>Properties Listed for Sale / Listing History</b>	Cash Out: Property must be taken off the market prior to application date and borrowers must confirm the intent to occupy.	
<b>State Restrictions</b>	Please see our approved License States. TX 50(a)(6) is ineligible.	