VA Fixed Rate
Standard & High Balance

Product Matrix

VA Handbook
https://benefits.va.gov/warms/pam26_7.asp

Transaction Type	# of Units	LTV / CLTV [2]	Minimum Credit Score [2,3,5,6,7]
Purchase Standard	1-4	100.00%	580
Refinance Standard [1]	1-4	100.00%	600
Purchase High Balance [4]	1-4	100.00%	580
Refinance High Balance [1,4]	1-4	100.00%	600

[1] The Maximum allowable LTV for refinances is calculated by including the VA Funding Fee.

[2] Refinances with LTV > 90% require a minimum 680 credit score.

[2] Maximum LTV = 90% on loan amounts above 2 million.

[3] **See manual underwriting section. Maximum DTI of 50%.**

[4] High balance loans are defined as loan amounts that exceed the county limit for the subject property.

[5] Loan amounts from $1,000,000 to < $1,500,00 require a 680 credit score.

[5] Loan amounts from $1,500,000 to < $2,000,00 require a 700 credit score.

[5] Loan amounts from $2,000,000 to $2,500,00 require a 720 credit score.

[6] Loans with no credit scores considered on a case by case basis. See manual Underwriting section below.

[7] Minimum credit score of 640 for manufactured homes.

VA Funding Fee for Non-Exempt Veterans		(Purchase)	(Cash-Out Refinances)
	Down Payment Amount	**Funding Fee %**	**Funding Fee %**
First Use	Less than 5%	**2.15%**	**2.15%**
	5% or more	**1.50%**	
	10% or more	**1.25%**	
Subsequent Use	Less than 5%	**3.30%**	**3.30%**
	5% or more	**1.50%**	
	10% or more	**1.25%**	

- Waiver of funding fee for members of the armed forces who are serving on active duty and provide, on or before the date of loan closing, certificate or military orders of having been awarded the Purple Heart.

Guaranty / Entitlement

- Entitlement is the amount of VA Guaranty available to a Veteran for use on a loan. The amount of entitlement will be displayed near the center of the COE.
- **VA loans require a minimum 25% guaranty coverage.**
- **Veterans with full entitlement and loan amounts of $144,001 up to the county limit, will automatically receive 25% guaranty on the loan amount.** (There is no change to the maximum amount of guaranty entitlement available to Veterans for loans equal to or less than $144,000)

- **Joint VA loans must also meet GNMA guaranty requirements for the required VA 25% guaranty coverage. GNMA calcualtions are based on the lesser of the Sales Price or Appraised Value and not the loan amount.**

► Minimum required downpayment =

$ _____	Minus (-)	$ _____	=	$ _____
(25% of the Lesser of the Sales Price or Value)		(25% of the Guranty from the VA based on the Veterans portion) *		(Minimum Required Downpayment)

* The Veteran's portion of the loan as determined by the Certificate of Commiement from the VA.

- **Loan Amount calculation for Veterans with unrestored entitlement:**

For Veterans who have previously used entitlement and such entitlement has not been restored, the maximum amount of guaranty is the lesser of 25% of the loan amount **OR** the maximum amount of guaranty entitlement available. ***The maximum amount of guaranty entitlement is 25 percent of the Freddie Mac Single Family CLL (conforming loan limit), reduced by the amount of entitlement previously used (not restored) by the Veteran. While a Veteran may acquire a property up to 4-units, the maximum guaranty amount will be based on the One-Unit (single-family) limit.***

County Loan Limits: https://www.fhfa.gov/data/conforming-loan-limit?redirect=

Borrower Eligibility	• U.S. Veteran with eligibility documented with a Certificate of Eligibility. (COE) • Unmarried surviving spouse of a U.S. Veteran

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Ineligible Borrowers	• Surviving spouse that is remarried • Divorced spouse of a veteran • Veterans with a dishonorable discharge designation • Non-occupant co-borrower • All trust types, including inter vivos revocable trusts
Joint Loans	• Joint VA loans require prior approval directly by the VA. • Joint loans are: ► A veteran and the veteran's spouse who is also a veteran, and both entitlements will be used. ► A veteran and one or more other veterans (not spouse), all of who will use their entitlement. ► VA considers a veteran and a non-spouse who is on title but not on the loan to be a joint loan. • A loan involving a veteran and his or her spouse will not be treated as a "joint loan" if the spouse: ► is not a veteran, or ► Is a veteran who will not be using his or her entitlement on the loan. • Refer to Guaranty/Entitlement section for calculating the minimum required downpayment. The 25% Guaranty is based on he Veterans portion as determined by the VA and the Guaranty is based on the lesser of the sales price or value and not the loan amount.
AUS	• DU or LPA Approval • See manual underwriting section for Refer/Eligible loans
Documentation	• Determined by AUS.
DTI	• Per AUS
Terms	• 15, 20, 25 and 30 year terms.
Temporary Interest Rate Buydowns	• Maximum allowable interest rate reduction is 2%. ► Available as 2/1 or 1/0 • Minimum credit score 660 • 30 Year Fixed only • Purchase Only. • Qualify at Note rate (not the bought down rate)
Credit	• All borrowers must return at least 1 credit score via three-in-file merged credit report. • Non-traditional credit is not permitted • IRS Repayment agreement for taxes owed requires a written agreement and evidence of 4-6 months of satisfactory repayment history. • Must have clear CAIVRS • A borrower(s) cannot be considered a satisfactory credit risk if he or she is presently delinquent or in default on any debt to the Federal Government until the delinquent account has been brought current or satisfactory arrangement have been made between the borrower and the Federal agency. • **Chapter 7 BK** - 2 years seasoning with no additional requirements • **Chapter 13 bk** - 12 months under payment plan with BK judge approval OR plan is completed • Deed-in-Lieu/Short Sale follows Chapter 7 BK requirements • Foreclosure follows Chapter 7 BK requirements • All judgments must be paid in full or subject to a repayment plan with a history of timely payments. • **Collection Accounts:** ► Lenders may disregard all identifiable medical collections, including charge-off accounts that have not been reduced to a judgment of lien. ► The presence of medical collections and/or charged-off medical accounts should not be considered when determining an applicant's creditworthiness. ► Non-medical collection accounts without established payment arrangements are to be included with a calculated monthly payment using 5% of the outstanding balance of the collection divided by 12 months. Borrowers with a history of such accounts should have re-established satisfactory credit in order to be considered a satisfactory credit risk.

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Credit

- **Non-Borrowing Spouse Credit Reports:**

If the subject property is located in a community property state or the Non-borrowing spouse resides in a community property state then their debt must be included in the qualifying ratio's.

► Social Security number must be verified
► Must have non-borrowing spouse authorization to pull credit.
► Inquiries within 90 days must be addressed/explained.
► UDN (LQI) is required within 10 days of closing and any new debt must be included in the DTI.

- States requiring non-borrowing spouse credit reports:

Arizona	Louisiana	Texas	Alaska
California	Nevada	Washington	
Idaho	New Mexico	Wisconsin	

Assets

- Credit documents must be dated within 120 days of the Note date

Reserves

Reserves are generally not required; however, DU may require reserves for higher risk loans.

- Reserves required by DU must be verified
- If borrower owns other residential investment properties, a minimum of 3 months' of PITIA reserves is required for each property if using rental income.
- Reserves used as a compensating factor must be verified.

Income

- If using Self-Employed, follow Credit Policy Announcement 2020-014. An audited P&L or a P&L and most recent 2 months business bank statements to verify that the monthly deposits support revenue.
- 3 months reserves are required for each investment property when rental income is being used in qualifications.
- Borrowers on Fixed income (SS and/or Pension) as per current guidelines

Occupancy

- Primary residence only

Financed Properties

- The maximum number of financed residential properties a borrower may own is four. Borrowers with five or more financed residential properties will be considered on a case by case basis.

Property Valuation

- Lender MUST ensure the applicant is an eligible Veteran BEFORE ordering an appraisal.
- All appraisals must be ordered through VA WebLGY, which will assign the order to a VA approved Appraiser. Every appraisal must be ordered as a Lender Appraisal Processing Program (LAPP) appraisal.
- No new Appraisal can be requested on a property which already has a valid VA value determination (No duplicate appraisals)

Property Types

- Single Family attached and detached
- PUD's
- Manufactured homes. (See Manufactured Housing Section)
- Agency approved condominium's

Ineligible Property Types

- Texas 50(a)(6)
- Non-warrantable condominiums
- Co-op
- Working Farms and Ranches
- Timeshares
- Geodesic Domes

Manual Underwriting

- Purchase and Rate/Term only
- Single-family properties only
- 24 month documented housing payment history with 0 x 30 day lates
- Residual Income must be 125% of the requirement
- **Minimum credit score is 600**
- **Maximum DTI 50.0%**

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Manual Underwriting	**Loans with no credit scores considered as an exception only:** • Single family purchase only. • Maximum DTI 41% • 24 month documented housing payment history with 0 x 30 day lates. (Landlord reference) • 2 additional credit references: paid monthly or quarterly over the past 24 months: child care, insurance, tuition, utility, etc. References must include: ► Creditors name, ► Date opened ► High credit ► Current status of account ► 24 month pay history. (example: 0x30 and 0x60 and 0x90). ► Unpaid balance ► Unpaid balance ** References must not be given by family members: for debts paid to a family member including rent, the borrower must have cancelled checks or other bank withdrawals/transfers to clearly support the reference. **

Refinance Information

• A copy of the original Note or a copy of the Recorded Mortgage of the loan being refinanced is required on all non IRRRL VA Refinances.

Properties Listed for Sale	Properties listed for sale within the last six months are eligible provided: • Property was taken off the market prior to the application date, **and** • Borrower provides written confirmation of their intent to occupy the property moving forward, **and** • Property may not be relisted during or after (at least 120 days) the loan closing. • Loan is not a cash-out refinance
Refinance Seasoning	**• Regardless of the type of loan being paid off, the transaction must meet the following seasoning requirements:** **• 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 monthly payment was due date on the mortgage being refinanced, AND ► the date on which 6 full consecutive monthly payments have been made in which they were due on the mortgage being refinanced. **• For the refinance of a loan that has been modified, the Note date of the new refinance mortgage 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 ► the date on which 6 full consecutive monthly payments have been made in which they were due on the mortgage being refinanced. ► The date on which ***six (6) modified payments*** have been made on the mortgage being refinanced • VA Loans may not close while in forbearance.
Cash Out: Type 1	Type I cash out is a refinancing loan in which the loan amount (including VA funding fee) **"does not"** exceed the payoff amount of the loan being refinanced. **1) There must be an existing lien against the subject property.** **2) Max. 100% LTV, INCLUDING FINANCED FUNDING FEE.** **3) The refinancing loan satisfied at least one of the following eight Net Tangible Benefit:** • The new loan eliminates monthly mtg insurance, public or private, or monthly guaranty insurance; • The term of the new loan is shorter than the term of the loan being refinanced; • The interest rate on the new loan is lower than the interest rate on the loan being refinanced • The new P&I payment is lower than the P&I payment on the loan being refinanced; • The new loan results in an increase in the borrower's monthly residual income; • The new loan refinances an interim loan to construct, alter, or repair the home; • The new loan amount is ≤ 90% of the reasonable value of the home, or; • The new loan refinances an adjustable rate loan to a fixed rate loan

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Cash Out: Type 1	**4) Rate Reduction required:** • Fixed to Fixed: Minimum reduction of 0.5% • Fixed to ARM: Minimum reduction of 2%
	5) Comparison of key loan characteristics or terms for existing and refinancing loan is provided to the borrower including: • Refinancing loan amount vs. the payoff amount of the loan being refinanced. • Loan type (i.e., fixed, adjustable) of the refinancing loan vs. the loan being refinanced • Interest rate of the refinancing loan vs. the loan being refinanced. • Loan term of the refinancing loan vs. the loan being refinanced. • The total the Veteran will have paid after making all payments (P&I), and mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced. • LTV of the refinancing loan vs. the loan being refinanced • An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of home equity may affect the Veteran.
	6) The recoupment period of all fees, closing costs, expenses (other than taxes, escrow, insurance, and like assessments), and incurred costs must not exceed 36 months from the date of loan closing
	7) Loan seasoning is met, see Seasoning section.
Cash Out: Type II	Type II cash out is a refinancing loan in which the loan amount (including VA funding fee) exceeds the payoff amount of the loan being refinanced.
	1) There must be an existing lien against the subject property.
	2) Max. 100% LTV, INCLUDING FINANCED FUNDING FEE.
	3) Loan seasoning is met, see Seasoning section.
	4) The refinancing loan satisfied at least one of the following eight Net Tangible Benefit: • The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance; • The term of the new loan is shorter than the term of the loan being refinanced; • The interest rate on the new loan is lower than the interest rate on the loan being refinanced; • The P&I payment on the new loan is lower than the P&I payment on the loan being refinanced; • The new loan results in an increase in the borrower's monthly residual income; • The new loan refinances an interim loan to construct, alter, or repair the home; • The new loan amount is equal to or less than 90 percent of the reasonable value of the home, or; • The new loan refinances an adjustable rate loan to a fixed rate loan
	5) Comparison of key loan characteristics or terms for existing and refinancing loan is provided to the borrower including: • Refinancing loan amount vs. the payoff amount of the loan being refinanced. • Loan type (i.e., fixed, adjustable) of the refinancing loan vs. the loan being refinanced. • Interest rate of the refinancing loan vs. the loan being refinanced. • Loan term of the refinancing loan vs. the loan being refinanced. • The total the Veteran will have paid after making all payments (principal and interest), and mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced. • LTV of the refinancing loan vs. the loan being refinanced • An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of home equity may affect the Veteran.

Manufactured Homes

All Manufactured Homes must meet agency guidelines.

Property Eligibility:

- Multi-width, single family with a minimum of 700 square feet.
- Must be attached to a permanent foundation and legally classified as real property
- Fee simple ownership only
- The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer's lot as a new unit

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Manufactured Homes

All Manufactured Homes must meet agency guidelines.

Ineligible Property Types:

- Single-width Manufactured Homes
- Leaseholds / co-ops
- 2-4 Units
- Properties located in a mobile home park or other area where the borrower does not own the land
- Manufactured homes that were/are moved from its original location

Foundation Certification:

- Obtain a certification from an engineer licensed/registered in the subject property's state that the foundation is in compliance with the Permanent Foundation Guide for Manufactured Housing (PFGMH)
- PFGMH can be found at: https://www.hud.gov/program_offices/administration/hudclips/guidebooks/4930.3G.
- The Mortgagee may obtain a copy of the foundation certification from a previous FHA-insured Mortgage, showing that the foundation met the guidelines published in the PFGMH that were in effect at the time of certification, provided there are no alterations and/or observable damage to the foundation since the original certification.
- If the additions or alterations were not addressed in the foundation certification, the Mortgagee must obtain:
  - ► an inspection by the state administrative agency that inspects Manufactured Housing for compliance; or
  - ► certification of the structural integrity from a licensed structural engineer if the state does not employ inspectors
- **Must meet HUD guidelines.**
- Be designed to be used as a dwelling with a permanent foundation built in accordance with the Permanent Foundations guide for manufactured housing.

Appraisals:

- Full 1004C/70B appraisal required. The property condition rating should be C4 or better.
- Minimum of 2 similar manufactured home comparables
- Third comparable may be site built or modular home
- Photos required, in addition to standard photos:
  - ► HUD Data Plate (paper document located on the interior),
  - ► HUD Certification label affixed or have obtained a letter of label verification issued on behalf of HUD, evidencing the house was constructed on or after June 15, 1976, in compliance with the Federal Manufactured Home Construction and Safety Standards. *

  ** (If the appraisal indicates the HUD certification label is missing from the manufactured housing unit, the mortgagee must obtain label verification from the Institute for building technology and safety (IBTS): www.ibts.org.)*
- Appraisers are expected to be familiar with state and local regulations and should comment on the home/foundation being constructed according to guidelines.
  - ► If the appraiser is unfamiliar or unable to comment or if structural modifications have been made to the original home, an engineer report is required.
- When structural modifications, additions or alteration are noted:
  - ► Inspection by a state agency to approve modifications is required, if the state requires such inspection.
  - ► If there is no state requirement, then the structural modification must be inspected and be deemed structurally sound by a third party who is regulated by the state and is qualified to make the determination

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How to contact the VA

- **National Website**: www.benefits.va.gov/homeloans
- **To reach the VA by phone:** (877) - 827-3702

  Options:

  2 - Home Loan General Questions or Certificates of Eligibility

  3 - Loan Administration (Servicing for loans behind in payments or servicing questions)

  4 - Special Adaptive Housing, for Veteran with service connected injuries with loss of limbs, eye sight or major disabilities which require adaption of the home for livability issues

  5 - Valuation (appraisal, condominium, new construction, property or inspection questions)

- **Regional Loan Center (RLC) Email:**

RLC	Loan Production (Underwriting/Eligibility)	C&V (Appraisals/Builders/Condo's)	States of Jurisdiction
Atlanta	316LP@va.gov	316lgycnv@va.gov	GA, SC, NC, TN
Cleveland	325LP@va.gov	325cnv@vba.va.gov	CT, DE, IN, OH, MA, ME, MI, NH, NJ, NY, PA, RI, VT
Denver	339LP@va.gov	39/va262@va.gov	AK, CO, ID, MT, OR, UT, WA, WY
Honolulu	lgy.vbahon@va.gov	appraisals.vbahon@va.gov	HI, Guam, Northern Mariana Islands
Houston	362LP@va.gov	cv62.vbahou@va.gov	AR, OK, LA, TX
Phoenix	345LP@va.gov	cvgc.vbapho@va.gov	AZ, CA, NV, NM
Roanoke	314LP@va.gov	cv.vbaroa@va.gov	DC, KY, MD, VA, WV
St. Paul	335LP@va.gov	cv335@va.gov	IA, IL, KS, MN, MO, ND, NE, SD, WI
St. Pete	317LP@va.gov	vastaffappraisers@va.gov	AL, FL, MS, PR