

Transaction	Loan Amount	Number of Units	FICO	Maximum LTV/CLTV	DTI
Primary Residence – Owner Occupied					
Purchase	\$1,000,000	1 – 4 Unit	580	100%	55%
	\$1,500,000	1 – 4 Unit	680	100%	55%
Cash-Out Refinance	\$1,000,000	1 – 4 Unit	580	100%	55%
	\$1,500,000	1 – 4 Unit	680	100%	55%
Primary Residence – Owner Occupied					
VA IRRRL	\$1,000,000	1 – 4 Unit	580	105% / 125%	N/A
	\$1,500,000	1 – 4 Unit	680	105% / 125%	N/A
VA IRRRL – Credit Qualifying	\$1,000,000	1 – 4 Unit	580	105% / 125%	55%
	\$1,500,000	1 – 4 Unit	680	105% / 125%	45%

Sage VA Program Codes:			
VA 30 Year Fixed	6000-99		
VA 25 Year Fixed	6100-99	VA 30 Year High Balance	6033-99
VA 20 Year Fixed	6200-99	VA 15 Year High Balance	6333-99
VA 15 Year Fixed	6300-99		
VA 30 Year IRRRL	6037-99	VA 30 Year High Balance IRRRL	6038-99
VA 25 Year IRRRL	6137-99		
VA 20 Year IRRRL	6237-99		
VA 15 Year IRRRL	6337-99		

Highlights

Topic	Highlights
Guidelines	VA Lenders Handbook: https://benefits.va.gov/warms/pam26_7.asp
Loan Limits	VA Mortgage Limits https://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp For purpose of determining the VA guaranty, Lenders are instructed to reference only the One-Unit Limit column in the FHFA table Fannie Mae and Freddie Mac Maximum Loan Limits.
Minimum Loan Amounts	<ul style="list-style-type: none"> Minimum Loan amount \$60,000 Minimum Loan amount \$75,000 for properties located in NY and TX.
4506 Transcripts	Transcripts are required per income documentation type included in the loan file.
AUS	<ul style="list-style-type: none"> All non-IRRRL loans must be submitted through DU. A copy of the AUS is required. DU findings are required for “Refer” decisions and for manual downgrades.
AVM	Required on VA IRRRL transactions <ul style="list-style-type: none"> The AVM must provide an actual or estimated value for the subject property. AVMs that merely use sales data for the market area and do not provide a value for the subject property are not acceptable.
Borrower Eligibility	<ul style="list-style-type: none"> All borrowers must be natural persons or an <i>inter-vivos</i> trust Must be a qualified Veteran and/or spouse Non-U.S. citizens must provide proof of lawful residency

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	<ul style="list-style-type: none"> ▪ Permanent Resident Alien: <ul style="list-style-type: none"> ○ Veteran: Copy of Permanent Resident Alien card and Certificate of Eligibility ○ Spouse: Copy of Permanent Resident Alien Card ▪ Non-Permanent Resident Alien: <ul style="list-style-type: none"> ○ Veteran: USCIS Employment Authorization Document (EAD Card) and Certificate of Eligibility ○ Spouse: USCIS Employment Authorization Document (EAD Card)
Cash Back to the Borrower – VA IRRRL	<p>For VA IRRRL transactions:</p> <ul style="list-style-type: none"> • Maximum \$500 • Zero cash back for properties located in Texas
Cash-Out Transactions	There must be an existing lien against the subject property. Properties owned free and clear are not eligible.
Co-Borrower	Veteran's legally married spouse only. All borrowers must occupy the subject property.
Condominiums	All condominium projects must be VA approved.
Construction to Permanent	Not Allowed.
Credit Report	<ul style="list-style-type: none"> • A new credit report may not be pulled once the file has been submitted for underwriting. • A new credit report is allowed only after the existing credit report has expired.
Credit Score	<ul style="list-style-type: none"> • 580
Full Credit Qualifying IRRRL	<p>Full credit qualifying VA IRRRL loans will require the following:</p> <ul style="list-style-type: none"> • No more than a 50% DTI • 2 compensating factors
Deed Restrictions	Not Allowed. Age restricted properties are allowed.
DTI	<ul style="list-style-type: none"> • No maximum with AUS approval. <ul style="list-style-type: none"> ▪ All loans with DTI > 41% without VA compensating factors must include a statement from the underwriter justifying the decision to approve the loan. • 55% for manually underwritten files. • VA IRRRL – For credit qualifying transactions, DTIs > 41% require residual income that is 120% above the required amount for the Veteran's Family size
Electronic Signatures	<p>The following loan documents may not contain e-signatures:</p> <ul style="list-style-type: none"> • Notes and Riders to the Note; • Security Instruments and Riders to the Security Instrument; • Notices of Right to Cancel (Rescission); and • Powers-of-Attorney.
Escrow (Impound) Waivers	Not Allowed. Escrows accounts for taxes, insurance and any additional items are required.
HPML	Allowed if Safe Harbor is met
Ineligible Assets	<ul style="list-style-type: none"> • Cryptocurrency, such as Bitcoin and Ethereum, may NOT be used for down payment funds or closing funds. These types of funds must be backed out of the borrower's assets. • Cash on hand • Pooled funds • Sweat equity
Ineligible Borrowers	<ul style="list-style-type: none"> • Foreign Nationals. • Borrowers who are politically exposed. • Borrowers with diplomatic immunity. • Borrower without a valid Social Security Number. ITINs are not permitted.
Ineligible Programs	<ul style="list-style-type: none"> • VA Supplemental Loans

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	<ul style="list-style-type: none"> • VA Native American Direct Loans • Farm Residence VA Loans • 1-4 Units with a Business Unit • Land Loans • Graduated Payment Mortgage (GPM) • Growing Equity Mortgage (GEM) • Rural Housing • Loans to Native Americans on Trust lands • Energy Efficient Mortgage (EEM)
Ineligible Properties	<ul style="list-style-type: none"> • Properties with ratings of C5, C6, Q6 • Assisted living facilities • Board and care facilities • Bed and breakfast establishments • Commercial property • Co-ops • Dome or log homes • Hawaii properties in Lava Zones 1 and 2 • Houseboats • Manufactured homes • Mobile homes • Native American lands • Working farmers and ranches • Properties with zoning violations
Joint Loans (Vet/Vet or Vet/Non-Vet)	Not Allowed.
Leasehold	Not Allowed.
Manual Underwriting	<ul style="list-style-type: none"> • Allowed per VA requirements. • VA IRRRLs must meet published agency (VA) Net Tangible benefit requirements.
Marijuana Related Business/Employment	Income received from a marijuana related business or employment may not be used as qualifying income.
Maximum Loan Amount	<ul style="list-style-type: none"> • \$1,500,000
Non-Traditional Credit	Not Allowed.
Occupancy	<p>United States law requires a Veteran obtaining a VA loan to occupy the subject property as his/her primary residence.</p> <ul style="list-style-type: none"> • Occupancy must occur within 60 days after loan closing. • Occupancy by the Veteran's spouse or dependent children satisfies the occupancy requirements for a Veteran who is on active duty and cannot occupy the property within 60 days. • Single or married service members, while deployed from their permanent duty station, are considered to be on temporary duty status and able to meet the occupancy requirements. • The occupancy requirement is met if the Veteran will retire within 12 months. Retirement must be verified with a specified date and the retirement income must be used to qualify for the loan. <p>The use of the subject property as a seasonal home does not meet VA requirements.</p>
PACE/HERO Obligations	Not Allowed.
Power of Attorney	<ul style="list-style-type: none"> • May not be used on cash-out refinance transactions
Reserves	<ul style="list-style-type: none"> • 1-unit: none • 2-4 units <ul style="list-style-type: none"> ▪ Rental income not used to qualify: none ▪ Rental income used to qualify: 6 months

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	<ul style="list-style-type: none"> • 3 months reserves if borrower owns other real estate. Reserves are based on PITI of REO property <ul style="list-style-type: none"> ▪ Reserves not required if rental income not used to qualify
Seasoning Requirements	<ul style="list-style-type: none"> • Borrower must have made at least six consecutive monthly payments on the loan being refinanced (the borrower may not pre-pay the current loan to meet the requirement) <ul style="list-style-type: none"> ▪ Any interruption in the monthly payments before the initial six months of seasoning will require the Veteran to reset the minimum loan seasoning time frame. Six consecutive monthly mortgage payments paid within the month due is required after the last missed payment to meet the statutory seasoning requirement; and ▪ The Note date of the refinance loan occurs no earlier than 210 days after the date on which the first monthly payment was due on the mortgage being refinanced • For refinance of modified mortgages, the Note date of new loan must be on or after the later of: <ul style="list-style-type: none"> ▪ 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 six modified payments have been made on the mortgage being refinanced • Cash-out Refinances <ul style="list-style-type: none"> ▪ The following types of loans with no payments being refinanced are exempt from the above six-month payment seasoning requirements <ul style="list-style-type: none"> • Balloon Mortgages • Reverse Mortgages • Non-mortgage Debt (e.g., tax liens, mechanics liens) • Construction Loans • Construction to Permanent loans is exempt from 210-day seasoning requirement
Sales Concessions	Must not exceed 4% of the sales price or appraised value whichever is less
Sales Contract	Assigned sales contracts are ineligible.
Secondary Financing	Not allowed on purchase transactions. Cash-Out Refinance: <ul style="list-style-type: none"> • New secondary financing is not allowed
Section 8 Vouchers	Not Eligible
State Restrictions	West Virginia, not allowed. 2-4 units in New Jersey, not allowed. Texas 50(a)(6), not allowed. Colorado – VA IRRRL transactions: Income must be stated on the loan application. Properties in U.S. Possessions or Territories, not allowed.
Temporary Buy Down	Not Allowed
Termite Reports	<ul style="list-style-type: none"> • Regardless of the location of the property, a termite inspection is always required if the appraisal report indicates evidence of wood-destroying insect damage or an active infestation.

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	<ul style="list-style-type: none"> • Termite inspections are required on properties if the property is located in an area where the probability of termite infestation is “very heavy” or “moderate to heavy” as shown on the Termite Infestation Probability (TIP) Map published in The Council of American Building Officials (CABO) one and two family dwelling code. <ul style="list-style-type: none"> ▪ If there is a question about the location of an infestation or probability boundary line in relation to the subject property, contact the VA Regional Loan Center of jurisdiction to determine if the requirement is applicable. • The pest control operator must meet all requirements of the state where the subject property is located. In states which require the use of a state inspection form, the state form is acceptable for VA purposes. • Inspection reports are valid for VA purposes for 90 days from the date of inspection. • Termite reports must be clear of all active infestation, dry rot, fungus infections and earth to wood contact. <p>Termite reports and clearances are required in the following states:</p> <ul style="list-style-type: none"> • Alabama, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii*, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, and West Virginia <p>*Required on all existing residential properties including condo projects that are five stories or less in height.</p> <p>Termite reports and clearances are required in certain Counties of the following states:</p> <ul style="list-style-type: none"> • Michigan: Allegan, Barry, Berrien, Branch, Calhoun, Cass, Hillsdale, Ionia, Jackson, Kalamazoo, Kent, Lenawee, Livingston, Macomb, Mason, Monroe, Muskegon, Oakland, Oceana, Ottawa, St. Clair, St. Joseph, Van Buren, Washtenaw, and Wayne. • New Hampshire: Belknap, Cheshire, Hillsborough, Merrimack, Rockingham, Strafford, and Sullivan. • New York: Bronx, Broome, Columbia, Delaware, Dutchess, Greene, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Suffolk, Sullivan, Ulster, and Westchester. • Vermont: Bennington and Windham. <p>Termite reports and clearances are not required in the following states:</p> <ul style="list-style-type: none"> • Alaska, Colorado, Idaho, Maine, Minnesota, Montana, North Dakota, South Dakota, Washington, Wisconsin, and Wyoming. • Oregon – Contact the Denver Regional Loan Center
<p>Verification of Employment/Verification of Deposit/Verification of Mortgage/Rent</p>	<ul style="list-style-type: none"> • The use of a Verification of Employment (VOE) and/or a Verification of Deposit (VOD) only is not allowed. <ul style="list-style-type: none"> ▪ At a minimum paystubs and bank statements are required. At their discretion, underwriters may require additional income/asset documentation. • When the borrower’s current lender or landlord is a private party, the use of a Verification of Mortgage (VOM) or Verification of Rent (VOR) only is not allowed. <ul style="list-style-type: none"> ▪ Copies of the borrower’s most recent, consecutive 12 months cancelled checks are required.