



VA
Fixed Rate Mortgage
Fully Amortizing
Standard Loan Amounts and High Balance
Loan Amounts

PRODUCT MATRIX

VA Handbook Link:

http://www.benefits.va.gov/warms/M26_1.asp
copy and paste the link to your browser

PRIMARY RESIDENCE

Transaction Type	# of Units ¹	LTV/CLTV	Minimum Credit Score
Purchase Standard	1-4	100.00%	600 ⁴
Refinance Standard ²		100.00% ³	600 ⁴
Purchase High Balance		100.00/100.00%	640
Refinance High Balance ²		100.00/100.00% ³	640 ⁵

¹ Refer to ineligible property types for restrictions on properties in New Jersey
² VA does not distinguish between rate and term and cash out refinance transactions.
³ Refinances with LTV > 90% must be Approve/Eligible. (Refer/Eligible not permitted)
⁴ Manual Underwrites for credit Scores between 600-619 for Purchase and Rate/Term only. See Manual Underwriting
⁵ Loan amounts from \$1,000,000 to \$1,500,00 require a 700 credit score.

Maximum Loan Amounts (Continental US)
Maximum loan amounts by County (for determining maximum guaranty) can be located at
http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp

Note that for purposes of determining the VA guaranty, lenders are instructed to reference only the One-Unit Limit column in the Federal Housing Finance Agency (FHFA) Table "Loan Limits for Calendar Year 2018- All Counties" (<https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>). While a Veteran may use the VA home loan guaranty benefit to acquire a property up to 4-units in size, VA's maximum guaranty amount will be based on the One-Unit (single-family residence) limit, as prescribed by FHFA in the aforementioned table. For example, if a Veteran plans to purchase a four-unit dwelling for \$700,000, in a county where the FHFA One-Unit (single-family residence) limit is \$453,100, then VA's maximum guaranty amount would be 25 percent of the \$453,100."

Guaranty / Entitlement

VA Loans are guaranteed by the Veteran's Administration and are offered exclusively to the veterans of the United States Military and their families.
 VA Guaranteed Loan Limits http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp
 At least one borrower must be a veteran (active duty, retired or discharged, honorably or higher) of the US Military or a surviving spouse.

VA Funding Fee

A funding fee is required on all VA loans unless the Veteran is exempt, as verified by VA form 26-8937. The funding fee is added to the base loan amount but is not factored into the LTV. VA will not guarantee the loan without the funding fee.

Purchase Loans

Type of Veteran	Down Payment Percentage	Fee for First Time (%)	Fee for Subsequent (%)
Regular Military	<5.00	2.15	3.30
	5.00-9.99	1.50	1.5
	≥10.00	1.25	1.25
Reserves/National Guard	<5.00	2.40	3.30
	5.00-9.99	1.75	1.75
	≥10.00	1.50	1.50

Regular Refinance (Cash-Out)

Type of Veteran	Down Payment Percentage	Fee for First Time (%)	Fee for Subsequent (%)
Regular Military	N/A	2.15	3.30
Reserves/National Guard	N/A	2.40	3.30



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VA Fixed Rate Requirements

Refer to Sellers Guide for Complete VA Guidelines

Mortgage Entitlement

Standard Loan Amount - Maximum entitlement¹ is determined by the lesser of the following:

- VA county loan limit, or
- Borrower's maximum entitlement on the COE or
- Results of the table below

Loan Amount	Maximum Entitlement Guaranty
Up to \$45,000	50% of the loan amount
\$45,001 to \$56,250	\$22,500.00
\$56,251 to \$144,000	40% of the loan amount, max \$36,000.00
\$144,001 to \$424,100.00	25% of the loan amount, max \$104,250.00
\$424,001 to \$1,500,000 ²	25% of the loan amount, max \$273,656.00

¹ Entitlement is not increased for non-IRRRL loans.

² Loan amounts \$1,000,000 to \$1,500,00 require 700 credit score

High Balance Loan Amounts - Maximum entitlement is determined by the lesser of the following:

- VA county loan limit¹, or
- Borrower's maximum entitlement on the COE or
- 25% of the loan amount, up to a maximum of \$273,656.00
- VA guaranty plus cash/equity must be equal to the lesser of 25% of the purchase price or Notification of Value (NOV) on purchase and non-IRRRL refinances.

¹ Properties in counties not listed are not eligible for VA High Balance products.

Tangible Net Benefit	VA refinance transaction must follow EMM Tangible Net Benefit guidelines.
Borrower Eligibility	Borrower(s) may be an honorably discharged veteran, active duty service member, unmarried surviving spouse, Reservist or National Guardsman. The following types of borrowers are eligible: <ul style="list-style-type: none"> • U.S. Veteran • Unmarried surviving spouse of a U.S. Veteran
Ineligible Borrowers	The following borrower types are not eligible: <ul style="list-style-type: none"> • 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
Loan Documentation	Full documentation Income, employment and assets are stated and verified. VA Documents <ul style="list-style-type: none"> • Certificate of Eligibility (COE) • Addendum to the URLA (26-1802a) • Request for Reasonable Determination of Value • Federal Collection Policy Notice (26-0503) • Counseling Checklist for Military Homebuyers (26-0592) - active duty only • Child Care Letter • Statement of Nearest Living Relative • VA Loan Analysis (26-6393) • Master Certificate of Reasonable Value (26-1843a) • Request for Verification of Benefits (26-8937) – if the borrower is exempt from the funding fee. • Certificate of Commitment (26-1866) • VA Loan Summary Sheet (26-0286)
Manual Underwriting	<ul style="list-style-type: none"> • 12 month documented housing payment history with 0 x 30 day lates • Single-family properties only • Residual Income must be 125% of the requirement • 2 - months liquid reserves • Veteran must satisfy VA Occupancy requirements • Must meet VA guidelines for manual underwriting http://www.benefits.va.gov/warms/pam26_7.asp • Purchase and Rate/Term only • POA Acceptable if veteran is active duty.
Refinance Seasoning	Regardless of the type of loan being paid off, the transaction must meet the following seasoning requirements: <ul style="list-style-type: none"> • the borrower has made at least six consecutive monthly payments on the loan being refinanced, beginning with the payment made on the first payment due date; AND • the first payment due date of the new loan occurs no earlier than 210 days after the first payment due date of the loan paid off through the transaction.



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Credit Requirements	<ul style="list-style-type: none"> • EMM requires a full, three credit bureau tri-merge report or a residential mortgage credit report for all borrowers. • Joint reports should be used only for married co-borrowers. • Non-traditional credit is not permitted on High Balance loans <ul style="list-style-type: none"> • EMM requires that each borrower have a minimum of two credit scores. • Use the middle score of three scores or the lower score of two scores of the lowest scoring borrower. <p>Credit History If required, mortgage or rental history of 0x30 is required for the lesser of the last 12 months or the life of the loan.</p> <p>Short sale waiting period- Standard Loan Amounts</p> <ul style="list-style-type: none"> • If the loan was current at the time of the short sale, does not have a history of delinquency on the mortgage and the borrower's credit was/is otherwise good than no waiting period is required. • If the loan was delinquent at the time of the short sale, a minimum of two years must have elapsed from the short sale completion date to the Note date for the subject transaction. The borrower must also have re-established credit with a solid 12 month history. • IRS Repayment agreement for taxes owed requires a written agreement and evidence of 4-6 months of satisfactory repayment history. <p>Refer to the Va Handbook http://www.benefits.va.gov/warms/M26_1.asp for guidelines regarding other derogatory credit.</p> <p>Short sale waiting period-High Balance Loan Amounts</p> <ul style="list-style-type: none"> • If the loan was current at the time of the short sale, a minimum of two years must have elapsed from the short sale completion date to the Note date for the subject transaction,
Maximum Debt to Income Ratio	<p>Debt Ratio - Standard Loan Amounts</p> <ul style="list-style-type: none"> • Maximum DTI is 55%. (DTI's greater than 55% considered on a case by case basis and requires a second level review.) • If DTI exceeds 41%, the borrower must have 20% residual income. <p>Debt Ratio - High Balance Loan Amounts</p> <ul style="list-style-type: none"> • Maximum DTI is 50%
Qualifying Rate	Note Rate
Employment/Income	<p>A verbal verification of employment (VVOE) with no reference to income is required for salaried or commissioned borrowers. If the employer does not indicate the probability of continued employment on the VOE, then no additional information is required.</p> <p>A two-year employment history is required.</p>
Asset Requirements	<p>Reserves Reserves are generally not required; however DU may require reserves for higher risk loans.</p> <ul style="list-style-type: none"> • Reserves required by DU must be verified. • If borrower owns other residential investment properties, a minimum of three months' of PITIA reserves are required if rental income is being used to qualify. • Reserves used as a compensating factor must be verified.
Occupancy	Primary Residence
Real Estate Owned	<p>The maximum number of financed residential properties a borrower may have is four. Borrowers with five or more financed residential properties are not eligible for financing with EMM.</p>
Property Valuation	<p>Required Appraisal A VA appraisal ordered through the VA Portal is required. Every appraisal must be ordered as a Lender Appraisal Processing Program (LAPP) appraisal.</p>
Properties Listed for Sale	<p>Properties listed for sale within the last six months are eligible provided-</p> <ul style="list-style-type: none"> • 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
Ineligible Property Types	<p>Although the VA will guarantee loans on the following property types, they are not eligible for financing with EMM</p> <ul style="list-style-type: none"> Non-Warrantable Condominiums Manufactured Homes Co-op Life Estates or Specially Adapted Housing VA Indian Leasehold properties Properties with non-permitted or illegal additions (on a refinance, this includes those made since the original loan was guaranteed) Two-to 4 unit properties are not eligible in NJ Texas 50(a)(6)loans IRRRLs
VA High Balance Loans	<u>Base Loan</u> amounts (prior to inclusion of VA Funding Fee) exceeding the "Standard" Loan Limits above are considered "High Balance"
Escrow Wavier	Not Permitted
Buydowns	Buydowns are not eligible.



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Product Codes	Short Description	Long Description	AUS
VA15	VA 15 YR	VA15-VA Fixed 15 Year	DU Approve/Eligible Manual underwriting (Refer/Eligible is considered on a case by case basis with strong compensating factors, within standard ratios and have a minimum credit score of 620
VA20	VA 20 YR	VA20-VA Fixed 20 Year	
VA25	VA 25 YR	VA25-VA Fixed 25 Year	
VA30	VA 30 YR	VA30-VA Fixed 30 Year	

High Balance Loan Amounts

Product Codes	Short Description	Long Description	AUS
VF30HB	30 YR VA HB	VF30HB - 30 YR VA High Balance	DU Approve/Eligible Manual underwriting is not permitted Minimum Credit score 640

Product and program guidelines subject to change without notice.

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