



## VA GUIDELINES WITH OVERLAYS

VA AUS UNDERWRITING MATRIX					
PURCHASE	1-4 UNITS	PRINCIPAL RESIDENCE	100%	≤ \$1.00 MM	580
			100%	> \$1.00 MM ≤ \$1.50 MM	640
			90%	> \$1.00 MM ≤ \$1.50 MM	580
CASH-OUT REFINANCE	1-4 UNITS	PRINCIPAL RESIDENCE	90%	≤ \$1.00 MM	580
			100%	≤ \$1.00 MM	600
			100%	> \$1.00 MM	640

VA MANUAL UNDERWRITING MATRIX					
TRANSACTION	PROPERTY TYPE	OCCUPANCY	MAX LTV/CLTV	MAX LOAN AMOUNT	MINIMUM FICO
PURCHASE	1-4 UNITS	PRINCIPAL RESIDENCE	100%	≤ \$1.00 MM	580
	SFR	PRINCIPAL RESIDENCE	100%	\$500,000	No FICO
			95%	> \$500K ≤ \$1.00 MM	No FICO
CASH-OUT REFINANCE	1-4 UNITS	PRINCIPAL RESIDENCE	90%	≤ \$1.00 MM	580
VA IRRRL	1-4 UNITS	PRINCIPAL RESIDENCE	100%	≤ \$1.00 MM	550
			125%	≤ \$1.00 MM	580
			125%	> \$1.00 MM ≤ \$1.50 MM	640
		NON-OWNER <sup>1</sup>	100%	≤ \$1.00 MM	600

1 Non-owner occupied VA IRRRL must have previously been occupied as primary residence (supporting documentation required).

**LOAN LIMITS:** Please reference the [FHFA conforming loan limits](#) page.

**GUIDANCE:** For guidance not covered in this document, please reference the VA Lender Handbook ([https://www.benefits.va.gov/warms/pam26\\_7.asp](https://www.benefits.va.gov/warms/pam26_7.asp)).

TOPIC	OVERLAY
<b>BASIC GUIDELINES</b>	Overlays in this matrix apply to US Department of Veterans Affairs (VA) conforming <a href="#">guidelines</a> . Refer to the VA lender handbook for additional guidance. Information in this matrix is subject to change without notice.
Amended Tax Returns	<p>Accepted for the following amendment reasons:</p> <ul style="list-style-type: none"> <li>• Amended for clerical items only (i.e. modifying a prior ITIN number to a newly issued SSN)</li> <li>• Amended for income-related items, under the following conditions: <ul style="list-style-type: none"> <li>○ Amended at least sixty (60) days before mortgage application taken</li> <li>○ Amendment shows on transcripts (stamped returns not acceptable)</li> <li>○ Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> <li>▪ 1099 or W2 showing missed/updated income</li> <li>▪ Canceled Checks or Bank Statements showing missed/updated rental income</li> </ul> </li> </ul> </li> </ul>
Appraisal Requirement	Certified appraiser must complete a full appraisal for all loan amounts over \$1MM regardless of any temporary guidance.
Assets	<ul style="list-style-type: none"> <li>• Bank Statements must show account activity for a full two (2) month period. <ul style="list-style-type: none"> <li>○ Follow AUS requirements for all loans approved by DU or LPA</li> </ul> </li> <li>• Internet Statements, obtained from financial institution's website, must contain same information found on a standard bank statement.</li> <li>• VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.</li> </ul>
Credit – Borrower with No FICO	<p><b>Non-traditional Credit Requirements</b></p> <ul style="list-style-type: none"> <li>• Absence of Credit History For borrower(s) with no established credit history, base the determination on the borrower's payment record on alternative or nontraditional credit directly from the borrower or creditor in which a payment history can be verified. Absence of a credit history is not generally considered an adverse factor. It may result when: <ul style="list-style-type: none"> <li>○ Borrower has not yet developed a credit history;</li> <li>○ Borrower has routinely used cash rather than credit; and/or</li> <li>○ Borrower has not used since some disruptive credit event, such as bankruptcy or debt pro-ration through consumer credit counseling</li> </ul> </li> <li>• Forward Lending requires Manual Underwriting with no FICO when all of the following apply: <ul style="list-style-type: none"> <li>○ 12-24 month housing payment history, no late payments; borrowers without housing payment history will not be considered for manual underwriting</li> <li>○ A minimum of three non-traditional credit sources</li> <li>○ Maximum payment shock of 100%</li> <li>○ Limited credit history cannot be used to overcome poor credit history; RMCR must be ordered to confirm limited/no credit</li> </ul> </li> </ul> <p style="text-align: right;">(Continued)</p>

TOPIC	OVERLAY
Credit – Borrower with No FICO (Continued)	<ul style="list-style-type: none"> <li>120% residual income required for DTI &gt; 41%</li> <li>45% maximum DTI for transaction with no FICO</li> </ul>
Debt-to-Income Ratio (DTI)	<b>Maximum DTI</b> <ul style="list-style-type: none"> <li>AUS Approved: 60% (&gt; 60% requires Credit Policy 2nd-level review)</li> <li>Manual Underwrite: 580 FICO, 50%</li> <li>Manual Underwrite: No FICO, 45%</li> </ul>
Electronic Signatures/eSigning	<ul style="list-style-type: none"> <li>eSigning is allowed for most documents.</li> <li>eSigning is not allowed for items below: (or any Loans with POA) <ul style="list-style-type: none"> <li>Note</li> <li>Note Rider(s)</li> <li>Notice of Right to Cancel</li> <li>Security Instrument</li> <li>Security Instrument Rider(s)</li> <li>COVID-19 Temporary Attestation</li> </ul> </li> </ul>
Escrow Account	Escrow Account required; no escrow waiver allowed.
Family-Owned Business	Two years tax returns are required regardless of AUS recommendation.
Ineligible Programs	<ul style="list-style-type: none"> <li>Energy Efficient Mortgages (EEM)</li> <li>Native American Direct Loan</li> <li>Property with PACE Lien (unless paying off through the transaction)</li> <li>Property with resale restrictions (age restrictions are acceptable)</li> <li>Texas 50(a)6 transactions</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>Co-Ops</li> <li>Indian Leased Land</li> <li>Resale type Deed Restrictions</li> <li>Single-wide Manufactured Home</li> <li>Solar Panels that affect first lien position</li> </ul>
Minimum Loan Amount	\$75,000
Mortgage Credit Certificate (MCC)	Not permitted
Non-Occupant Co-Borrower	Not eligible. FL does not offer Joint Loans.

TOPIC	OVERLAY
Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> <li>• Acceptable Visa evidence provided</li> <li>• Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS</li> <li>• Borrower has valid Social Security Number (SSN)</li> <li>• Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen</li> <li>• DACA: With Category C33 work status under deferred action, DACA borrowers allowed: <ul style="list-style-type: none"> <li>◦ EAD must be current (if expiring within one year, evidence history of renewals)</li> <li>◦ Income source must be stable with a two-year work history</li> </ul> </li> <li>• Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible</li> </ul>
Payment History	<ul style="list-style-type: none"> <li>• 0x30 lates in the last 12 months for all manual underwrites</li> <li>• Follow VA guidelines for all AUS approved loans</li> </ul>
Power of Attorney (POA)	<ul style="list-style-type: none"> <li>• A POA may not be eSigned and must be specific to the transaction</li> <li>• Forward Lending requires all of the following: <ul style="list-style-type: none"> <li>◦ Alive and Well Statement from commanding officer (if active duty)</li> <li>◦ Underwriter must be able to validate the Veteran applied for the mortgage (lender certification is required)</li> <li>◦ Specific POA is required, a Military POA may be used in cases where borrower is actively deployed</li> </ul> </li> </ul>
Recently Listed Properties	Property must be off the market at least one day prior to mortgage application date.
Renegotiated Purchase Contract	<ul style="list-style-type: none"> <li>• Not allowed; however, minor adjustments due to condition or other relevant factors are permitted.</li> <li>• Increase of sales price after appraisal completed is not permitted.</li> </ul>
Rental Income	<ul style="list-style-type: none"> <li>• Departing Residence: Obtain the Lease Agreement AND the loan can qualify using gross rents (non-family member) to offset the payment (cannot use as effective income); justification of the market and reasonableness is required</li> <li>• Rental Income as Effective Income: 3 months reserves and 2 years tax returns (or transcripts) to support income on each property owned</li> <li>• 2-4 Units: Borrower must have a history as a landlord or use of property management company AND 6 months reserves AND 75% of the amount indicated on the appraisal opinion of the property's fair monthly rental AND evidence of which unit number the borrower will occupy is required</li> </ul>
Reserve Requirements	<ul style="list-style-type: none"> <li>• 6 months PITIA is required if subject property is 2-4 units and rental income is being used for qualifying purposes</li> <li>• 3 months PITIA is required if rental income is being used from other properties</li> </ul>

TOPIC	OVERLAY
Seasoning Requirements	<p>Seasoning requirements are applicable to all VA refinances (IRRRL and non-IRRRL) regardless of the type of loan paid off (except construction to permanent loans) through the transaction.</p> <ul style="list-style-type: none"> <li>The new note date must be on or after: <ul style="list-style-type: none"> <li>The date that is 210 days or more after the date on which the first monthly payment was due on the mortgage being refinanced, and</li> <li>The date on which six (6) consecutive monthly payments have been made on the mortgage being refinanced</li> </ul> </li> <li>For modified loans, the note date of the new loan must be on or after: <ul style="list-style-type: none"> <li>The date that is 210 days or more after the date on which the first modified monthly payment was due on the mortgage being refinanced, and</li> <li>The date on which six (6) consecutive modified monthly payments have been made on the mortgage being refinanced</li> </ul> </li> </ul>
Social Security Number (SSN)	All borrowers must have a valid SSN.
Tax Transcripts	Required when tax returns are used to qualify borrower income.
Temporary Buydowns	Allowed with Limitations – see ‘Temporary Buydown Guide’ below for specific terms and conditions
Unpaid Federal Tax Debt	<ul style="list-style-type: none"> <li>FL considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed</li> <li>Borrower with delinquent Federal Tax Debt is ineligible</li> </ul> <p>NOTE: Record of Account can be used in lieu of canceled check or proof of electronic payment.</p>
VA IRRRL	<p>In addition to other VA overlays listed in this matrix, the following apply specifically to VA IRRRLs.</p> <ul style="list-style-type: none"> <li>AVM Requirements <ul style="list-style-type: none"> <li>AVM with confidence score of 75 or greater is required</li> <li>If the following are not met, a 2055 appraisal is required <ul style="list-style-type: none"> <li>Option 1: CoreLogic Geo AVM with standard deviation of 14 or less or LPS Cascading; or</li> <li>Option 2: Proteck AVM with confidence score of 80 or greater</li> </ul> </li> </ul> </li> <li>Credit Report (mortgage acceptable only) <ul style="list-style-type: none"> <li>Required with all credit scores listed</li> </ul> </li> <li>Credit Qualifying <ul style="list-style-type: none"> <li>Full Credit Report with minimum of one credit score is required</li> <li>DTI 41% maximum; or</li> <li>DTI &gt; 41% to 50% maximum if residual income is &gt;120% of VA residual income requirements</li> </ul> </li> </ul>

(Continued)

TOPIC	OVERLAY
VA IRRRL (Continued)	<ul style="list-style-type: none"> <li>• Maximum Loan Amount               <ul style="list-style-type: none"> <li>◦ See <a href="#">MATRIX</a> on Page 1 (calculated as Total Loan Amount, including VA Funding Fee)</li> </ul> </li> <li>• Program Reminders               <ul style="list-style-type: none"> <li>◦ Income Documentation: Standard documentation required when P&amp;I payment increases 20% or more (standard VA guideline) also requires lender certification</li> <li>◦ Maximum loan term is the original term of the VA loan being refinanced plus 10 years, but not to exceed 30 years and 32 days. (For example, if the old loan was made with a 15-year term, the term of the new loan cannot exceed 25 years)</li> <li>◦ Interest Rate: IRRRL (can be a fixed rate, hybrid ARM, or traditional ARM) must bear a lower interest rate than the loan it is refinancing unless the loan it is refinancing is an ARM</li> <li>◦ Recoupment is calculated by dividing all fees, expenses, and closing costs—whether included in the loan or paid outside the loan or paid outside of closing (i.e. an appraisal fee)—by the reduction of the monthly PI payment                   <ul style="list-style-type: none"> <li>▪ The VA Funding Fee, escrow, and prepaid expenses, such as insurance, taxes, special assessments, and homeowners’ association (HOA) fees, are excluded from the fee recoupment calculations</li> </ul> </li> <li>◦ Must meet all VA seasoning and net tangible benefit (NTB) guidelines</li> </ul> </li> </ul>

TOPIC	OVERLAY
<b>MANUFACTURED HOME GUIDELINES</b>	Overlays in this matrix apply to US Department of Veterans Affairs (VA) conforming <a href="#">guidelines</a> . Refer to the VA lender handbook for additional guidance. Information in this matrix is subject to change without notice.
Standards (09/14/2015)	<p>Appraiser must notify mortgagee and report any deficiency of MPR or MPS if a manufactured home does not comply with the following:</p> <ul style="list-style-type: none"> <li>• Floor area must be <math>\geq 400</math> sq ft</li> <li>• Constructed on or after June 15, 1976, in conformance with the federal MHCSS, as evidenced by an affixed HUD Certification Label in accordance with <a href="#">24 CFR §3280.11</a> (Manufactured Homes produced prior to June 15, 1976 are ineligible for insured financing.)</li> <li>• Manufactured home and site exist together as a real estate entity in accordance with state law (but need not be treated as real estate for taxation purposes)</li> <li>• Manufactured home was moved from the factory or dealer directly to the site</li> <li>• Manufactured home was designed to be used as a dwelling with a permanent foundation built to comply with PFGMH</li> <li>• Finished grade elevation beneath the manufactured home (or, if basement used, the grade beneath the basement floor) is at or above the 100-year return frequency flood elevation</li> <li>• Structure is designed for occupancy as a principal residence by a single family</li> <li>• Lease, if applicable, meets the requirements of Valuation of Leasehold Interest</li> </ul>
Flood Zone	FL does not allow manufactured homes in a flood zone.
Foundation: Existing Construction	<ul style="list-style-type: none"> <li>• <b>Definition:</b> Existing construction for manufactured housing refers to a manufactured home that has been permanently installed on a site for one year or more prior to the case number assignment date.</li> <li>• <b>Standard:</b> If the perimeter enclosure is non-load-bearing skirting comprised of lightweight material, the entire surface area of the skirting must be permanently attached to backing made of concrete, masonry, treated wood, or a product with similar strength and durability. <ul style="list-style-type: none"> <li>◦ <b>Skirting:</b> Skirting refers to a non-structural enclosure of a foundation crawl space that is typically, but not always, a lightweight material such as vinyl or metal attached to the side of the structure and extending to the ground (generally not installed below frost depth).</li> <li>◦ <b>Perimeter Enclosure (MPR/MPS Item):</b> The space beneath the manufactured home must be properly enclosed; the perimeter enclosure must be a continuous wall that is adequately secured to the perimeter of the unit and allows for proper ventilation of the crawl space.</li> </ul> </li> <li>• <b>Required Analysis and Reporting:</b> If the manufactured home foundation does not meet the requirements for Existing Construction, the appraiser must notify the mortgagee and report the deficiency in the MPR or MMPS.</li> </ul>

TOPIC	OVERLAY
HUD Data Plate	<ul style="list-style-type: none"> <li>• <b>Standard HUD Data Plate Requirements:</b> Manufactured homes have a data plate affixed in a permanent manner, typically adjacent to the electric service panel, the utility room, or within a cabinet in the kitchen.</li> <li>• <b>Required Analysis and Reporting:</b> The appraiser must report the information on the data plate within the appraisal, including the manufacturer name, serial number, model, and date of manufacture, as well as wind, roof load, and thermal zone maps.</li> <li>• <b>Missing Data Plate (of Appraiser Cannot Locate):</b> If the data plate is missing or the appraiser is unable to locate it, the appraiser must report this in the appraisal and is not required to secure the data plate information from another source. <ul style="list-style-type: none"> <li>◦ If the data plate is missing or appraiser cannot locate it, FL requires an IBTS report.</li> </ul> </li> </ul>
IBTS Report/HUD Certification FHA	<ul style="list-style-type: none"> <li>• <b>HUD Certification Label Standard:</b> The manufactured home must have an affixed HUD Certification Label located at one end of each section of the house, approximately one foot up from the floor and one foot in from the roadside, or as near that location on a permanent part of the exterior of the house, as practicable. Etched on the HUD Certification Label is the certification label number, as referred to as the HUD label number. Label numbers are not required to be sequential on a multi-section house.</li> <li>• <b>Required Analysis and Reporting:</b> The appraiser must report the HUD label number for all sections, or report that the HUD Certification Label is missing or that the appraiser was unable to locate it.</li> </ul>
Ineligible Features	<ul style="list-style-type: none"> <li>• The following are not allowed in relation to a manufactured home: <ul style="list-style-type: none"> <li>◦ Located in a co-op, condo, or PUD project</li> <li>◦ Located in a flood zone</li> <li>◦ Manufactured home with a leasehold</li> <li>◦ Manufactured home with an ADU or other structure</li> <li>◦ EEMs are not allowed for manufactured homes</li> <li>◦ Graduated Payment Mortgage (GPM)</li> </ul> </li> </ul>
Manufactured Home Additions	<ul style="list-style-type: none"> <li>• Any addition to the original structure (i.e. patio, deck, carport, rooms, etc.) requires a structural engineer report. <ul style="list-style-type: none"> <li>◦ If the appraiser observes additions or structural changes to the original manufactured home, the appraiser must condition the appraisal upon inspection by the state or local jurisdiction administrative agency that inspects manufactured housing for compliance (or a licensed structural engineer may report on the structural integrity of the manufactured dwelling and the addition if the state does not employ inspectors).</li> </ul> </li> </ul>





TEMPORARY BUYDOWN GUIDE	
Product Eligibility	<ul style="list-style-type: none"><li>• AUS Approve recommendations only – not allowed on manually underwritten loans</li><li>• 30-Year Fixed Rate only</li><li>• Conforming and High-balance loan amounts</li><li>• Primary Residence only</li><li>• Purchase Transactions only</li><li>• Single Family (1-2 Units), PUD and Condo only</li></ul>
Term of Buydown	<ul style="list-style-type: none"><li>• 2/1 Buydown:<ul style="list-style-type: none"><li>○ 24-month term</li><li>○ Initial interest rate temporarily reduced by no more than two percent below the note rate and increased by no more than one percent annually for no more than two years, with the non-reduced note rate applying for years three through 30</li></ul></li><li>• 1/0 Buydown:<ul style="list-style-type: none"><li>○ 12-month term</li><li>○ Initial interest rate temporarily reduced by no more than one percent below the note rate, with the non-reduced note rate applying for years two through 30</li></ul></li></ul>
Underwriting Criteria	<ul style="list-style-type: none"><li>• Borrowers qualified using note rate, not buydown rate</li><li>• Standard Interested Party Contribution guidelines apply</li><li>• Temporary Buydowns are not allowed on manually underwritten loans</li></ul>