

**VA Loan Program**
**Summary**

Product Types	30-year Fixed, 15-year Fixed, 5/1 ARM
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**Loan Limits**

Loan Purpose	Minimum FICO	Units	Max Total Loan Amount <sup>1</sup>	Max LTV/CLTV
Purchase	580	1-4	\$1,000,000	100% <sup>2</sup>
	700	1-4	\$1,500,000	100% <sup>2</sup>
Cash-Out	580	1-4	\$1,000,000	90% <sup>2</sup>
	700	1-4	\$1,500,000	90% <sup>2</sup>

<sup>1</sup> Maximum total loan amount excludes the financed funding fee.

VA county limits can be found at [http://www.homeloans.va.gov/loan\\_limits.htm](http://www.homeloans.va.gov/loan_limits.htm).

2. **Maximum LTV** includes the funding fee

\*See below for the updated loan limits as of January 1, 2019:

	Floor	Ceiling
One Unit	\$314,827	\$726,525
Two Units	\$403,125	\$930,300
Three Units	\$487,250	\$1,124,475
Four Units	\$605,525	\$1,397,400

\*Please note: This ceiling list is the national maximum and may not apply to your specific property. Please make sure to check the VA loan limits website for the list of a particular County or MSA at above link.

**Entitlement/Guaranty**

Loan Amount	Maximum Potential Guaranty
<= \$45,000	50% of the loan amount
\$45,001 to \$56,250	\$22,500
\$56,251 to \$144,000	40% of the loan amount or maximum \$36,000
\$144,001 to \$417,000	25% of the loan amount or maximum \$104,250
\$417,001 to \$1,500,000	25% of the loan amount or maximum \$273,656

Loan amounts up to \$1,500,000 are allowed as long as the VA guaranty or a combination of the VA guaranty plus borrower's down payment and/or equity, equal to at least 25% of the lesser of the sales price or the subject property's reasonable value as documented in the Notice of Valuations (NOV). The maximum guaranty on a VA loan is the lesser of the veteran's available entitlement or the maximum potential guaranty amount indicated above.

## Funding Fee

- All VA loans require a VA funding fee. Exceptions may be made to veterans with service-connected disabilities and to surviving spouses of veterans who die in service or from service-connected disabilities.
- All or part of the fee may be paid in cash at loan closing or may be included in the loan without regard to the reasonable value of the property or the computed maximum loan amount, as appropriate.

	Regular Military/Navy	Reservist/National Guard
Purchase Loan - Zero Down <sup>2</sup>	2.15%	2.40%
Purchase Loan - 5% Down	1.50%	1.75%
Purchase Loan - 10% Down	1.25%	1.50%
Refinance Loan <sup>2</sup>	2.15%	2.40%

<sup>2</sup> The funding fee for subsequent use on purchase loans with less than 5% down and all refinance loans is 3.30%. The funding fee for assumed loans is 0.50%. The funding fee for interest rate reduction refinance is .50%.

**Requirements**

Appraisal	<ul style="list-style-type: none"> <li>• Loan amounts ≤ \$650,000: VA required appraisal only.</li> <li>• Loan amounts \$650,001 to \$1,000,000: VA required appraisal + desk review.</li> <li>• Loan amounts &gt; \$1,000,000: VA required appraisal + field review</li> <li>• The CRV/NOV is valid for 6 months and FNMA form 1004MC is required for all appraisals.</li> </ul>
Automated Underwriting	All loans must be submitted through Desktop Underwriter (DU) or Loan Prospector.
Borrowers	<ul style="list-style-type: none"> <li>• An eligible veteran is a person who served on active duty in the Army, Navy, Air Force, Marines, or Coast Guard, and who, (except for a service member on active duty) was discharged or released from active duty under conditions other than dishonorable; or</li> <li>• Members of the Reserves and National Guard are eligible upon completion of 6 years of service; or</li> <li>• Unmarried surviving spouses of veterans who died as a result of service or service-connected causes.</li> </ul>
Cash Out Seasoning	<p>The note date of the refinance loan must be on or after the later of:</p> <ul style="list-style-type: none"> <li>• the date that is 210 days after the date on which the first monthly payment was due on the mortgage being refinanced, and</li> <li>• the date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ul>
Credit	<ul style="list-style-type: none"> <li>• 580 minimum credit score for all borrowers regardless of DU/LP decision.</li> <li>• All borrowers must have a valid social security number.</li> <li>• All borrowers must have at least one valid credit score.</li> </ul>
Debt Ratio	<ul style="list-style-type: none"> <li>• As indicated by DU.</li> <li>• Manual underwrite cannot exceed 41.00% on DTI</li> </ul>
Documentation	<ul style="list-style-type: none"> <li>• Borrowers using non-traditional credit are allowed.</li> <li>• An IRS Form 4506-T must be signed, completed, and dated at application and at closing by all borrowers.</li> <li>• In addition, IRS transcripts for the time period covered by the required income documentation must be obtained prior to loan closing for all borrowers</li> <li>• W-2 only validation for wage earners is acceptable</li> </ul>
Manual Underwriting	<ul style="list-style-type: none"> <li>• Manual underwriting is allowed           <ul style="list-style-type: none"> <li>○ Max DTI with no comp factors is 41%</li> <li>○ Max DTI with VA Comp factors is 50%               <ul style="list-style-type: none"> <li>▪ Comp factors not needed if residual income exceeds the requirement by 50% or more</li> </ul> </li> </ul> </li> </ul>
Property and Occupancy	<p>Eligible:</p> <ul style="list-style-type: none"> <li>• SFR, Condominiums (VA approved), PUD, Manufactured Homes and 2-4 units</li> <li>• Owner Occupied Primary Residence only</li> </ul> <p>Ineligible:</p> <ul style="list-style-type: none"> <li>• Co-ops, condotels, non-warrantable condo's, condos purchased at auction, earth-berm homes, board &amp; care homes, working farm/ranches, vacant land &amp; unique properties</li> </ul>
Refinance	<ul style="list-style-type: none"> <li>• 90% LTV/CLTV: Based on the property value indicated on the CRV/NOV. There must be a lien of record and the veteran must occupy the property. Calculation includes the funding fee.</li> <li>• Minimum of six (6) months residing in the subject property.</li> <li>• No mortgage lates in last 12 months.</li> <li>• Requires 6 consecutive payments and 210 days seasoning starting from the date the first payment was due on the loans being refinanced.</li> <li>• LTV/CLTV over 90% is calculated in the base loan amount when proceeds are used to pay off existing liens). Proceeds may also be used for closing costs and pre-pays.</li> <li>• VA IRRRL – see VA IRRRL matrix</li> </ul>
Seller Contributions / Concessions	<ul style="list-style-type: none"> <li>• Contributions may not exceed 4% of the value of the property as indicated on the NOV</li> <li>• Normal discount points and payments of buyer's closing costs will not be considered a concession for purposes of determining total concession</li> </ul>
States	Where Nations Direct Mortgage lends (see <a href="http://www.nationsdirectmortgage">www.nationsdirectmortgage</a> for licensed states)
Texas Properties	<ul style="list-style-type: none"> <li>• Primary Residences (“Homestead Properties”): Purchases and rate-term refinances only: Cash-out refinance transactions not allowed</li> </ul>