

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 ¹	Max LTV/CLTV
Purchase	580	1-4	\$ 510,400	100%
	620	1-4	\$1,000,000	100%
	700	1-4	\$1,500,000	100%
Cash-Out	580	1-4	\$ 510,400	90% ²
	620	1-4	\$1,000,000	90% ²

¹ Maximum total loan amount excludes the financed funding fee.

For High Balance Loan Amounts, see the State/County limits at <https://entp.hud.gov/idapp/html/hicostlook.cfm>

²Maximum LTV includes the funding fee

*See below for the updated loan limits as of January 1, 2020:

	Floor	Ceiling
One Unit	\$331,760	\$765,600
Two Units	\$424,800	\$980,325
Three Units	\$513,450	\$1,184,925
Four Units	\$638,100	\$1,472,550

*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
Greater than \$144,001	25% of the loan amount

The percentage and amount of guaranty is based on the loan amount including the funding fee portion when the fee is paid from loan proceeds.

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.

Loan Type/Down payment	% for First Time Use	% for Subsequent Use
Purchase Loan - Zero Down	2.30%	3.60%
Purchase Loan - 5% Down	1.65%	1.65%
Purchase Loan - 10% Down	1.40%	1.40%
Cash-Out Refinance Loan	2.30%	3.60%
IRRRLs	.50%	.50%
Loan Assumptions	.50%	.50%

Requirements

Appraisal	<ul style="list-style-type: none"> • Loan amounts ≤ \$650,000: VA required appraisal only. • Loan amounts \$650,001 to \$1,000,000: VA required appraisal + desk review. • Loan amounts > \$1,000,000: VA required appraisal + field review • The CRV/NOV is valid for 6 months and FNMA form 1004MC is required for all appraisals.
Automated Underwriting	All loans must be submitted through Desktop Underwriter (DU) or Loan Prospector.
Borrowers	<ul style="list-style-type: none"> • 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 • Members of the Reserves and National Guard are eligible upon completion of 6 years of service; or • Unmarried surviving spouses of veterans who died as a result of service or service-connected causes.
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"> • the date that is 210 days after the date on which the first monthly payment was due on the mortgage being refinanced, and • The date on which 6 full monthly payments have been made on the mortgage being refinanced.
Credit	<ul style="list-style-type: none"> • 580 minimum credit score for all borrowers regardless of DU/LP decision. • All borrowers must have a valid social security number. • All borrowers must have at least one valid credit score.
Debt Ratio	<ul style="list-style-type: none"> • As indicated by DU. • Manual underwrite cannot exceed 41.00% on DTI
Documentation	<ul style="list-style-type: none"> • Borrowers using non-traditional credit are allowed. • An IRS Form 4506-T must be signed, completed, and dated at application and at closing by all borrowers. • In addition, IRS transcripts for the time period covered by the required income documentation must be obtained prior to loan closing for all borrowers • W-2 only validation for wage earners is acceptable
Manual Underwriting	<ul style="list-style-type: none"> • Manual underwriting is allowed <ul style="list-style-type: none"> ○ Max DTI with no comp factors is 41% ○ Max DTI with VA Comp factors is 50% <ul style="list-style-type: none"> ▪ Comp factors not needed if residual income exceeds the requirement by 50% or more

Property and Occupancy	Eligible: <ul style="list-style-type: none"> SFR, Condominiums (VA approved), PUD, Manufactured Homes and 2-4 units Owner Occupied Primary Residence only Ineligible: <ul style="list-style-type: none"> Co-ops, condotels, non-warrantable condo's, condos purchased at auction, earth-berm homes, board & care homes, working farm/ranches, vacant land & unique properties
Refinance	<ul style="list-style-type: none"> 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. Minimum of six (6) months residing in the subject property. No mortgage lates in last 12 months. Requires 6 consecutive payments and 210 days seasoning starting from the date the first payment was due on the loans being refinanced. 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-paids. VA IRRRL – see VA IRRRL matrix
Seller Contributions / Concessions	<ul style="list-style-type: none"> Contributions may not exceed 4% of the value of the property as indicated on the NOV Normal discount points and payments of buyer's closing costs will not be considered a concession for purposes of determining total concession
States	Where Nations Direct Mortgage lends (see www.nationsdirectmortgage for licensed states)
Texas Properties	<ul style="list-style-type: none"> Primary Residences (“Homestead Properties”): Purchases and rate-term refinances only: Cash-out refinance transactions not allowed