



# VA Fixed Rate

## Standard and High Balance Loan Amounts

### Product Matrix

#### VA Handbook

[https://benefits.va.gov/warms/pam26\\_7.asp](https://benefits.va.gov/warms/pam26_7.asp)

#### COVID-19

EMM overlays regarding income, employment, assets, age of documentation and appraisal flexibilities due to COVID-19 can be found in the announcements page:

[Announcement List](#)

[Overlay Chart](#)

Transaction Type	# of Units <sup>1</sup>	LTV / CLTV	Minimum Credit Score
Purchase Standard	1-4	100.00%	620 <sup>4</sup>
Refinance Standard <sup>2,3</sup>	1-4	90.00% <sup>3</sup>	
Purchase High Balance <sup>5</sup>	1-4	100.00%	620 <sup>6</sup>
Refinance High Balance <sup>2,3,4,5</sup>	1-4	90.00% <sup>3</sup>	

<sup>1</sup> 2-4 Unit properties in New Jersey are ineligible.

<sup>2</sup> VA does not distinguish between rate and term and cash out refinance transactions.

<sup>3</sup> Refinances with LTV > 90% are not eligible.

<sup>4</sup> See manual underwriting section. Maximum DTI of 45%.

<sup>5</sup> High balance loans are defined as loan amounts that exceed the county limit for the subject property.

<sup>6</sup> Loan amounts from \$1,000,000 to \$1,500,00 require a 700 credit score.

#### VA Funding Fee

The VA funding fee is added to the base loan amount but is not factored into the LTV unless veteran is exempt.

Type of Loan	Down Payment Percentage	Fee for First Time User (%)	Fee for Subsequent User (%)
Purchase	None	2.3	3.60
	5.00 - 9.99	1.65	1.65
	≥ 10.00	1.4	1.4
Cash-Out Refinance	N/A	2.3	3.60

Waiver of VA Funding Fee for Purple Heart Recipients by providing certificate or military orders prior to closing for evidence that the Veteran has been awarded the Purple Heart.

#### Guaranty / Entitlement

- Entitlement is the amount of VA Guaranty available to a Veteran for use on a loan. The amount of entitlement will be displayed near the center of the COE.
- VA loans require a minimum 25% guaranty coverage.
- Veterans with full entitlement and loan amounts of \$144,001 or greater, will automatically receive 25% guaranty on the loan amount.** (There is no change to the maximum amount of guaranty entitlement available to Veterans for loans equal to or less than \$144,000)

#### Loan Amount calculation for Veterans with unrestored entitlement:

For Veterans who have previously used entitlement and such entitlement has not been restored, the maximum amount of guaranty is the lesser of 25% of the loan amount **OR** the maximum amount of guaranty entitlement available. **The maximum amount of guaranty entitlement is 25 percent of the Freddie Mac Single Family CLL (conforming loan limit), reduced by the amount of entitlement previously used (not restored) by the Veteran. While a Veteran may acquire a property up to 4-units, the maximum guaranty amount will be based on the One-Unit (single-family) limit.**

**County Loan Limits:** <https://www.fhfa.gov/DataTools/Downloads/Pages/Conforming-Loan-Limits.aspx>

**Example A:** (Loan amount is \$765,000; Entitlement used (not restored) is \$70,000; Freddie Mac CLL is \$724,000)

\$765,000 X 25% = \$191,250 [25% of Loan Amount]

(\$724,000 X 25%) - \$70,000 = \$111,000 [Guaranty Entitlement Available]

\$111,000 / \$765,000 = 14.51% [Maximum Guaranty] (Less than 25%. Down payment required)

• \$191,250 (25% Loan amount) - \$111,000 (Available Entitlement) = \$80,250 [Required Down payment]

**Example B:** (Loan Amount is \$400,000; Entitlement used (not restored) is \$161,000; Freddie Mac CLL is \$600,000)

\$400,000 X 25% = \$100,000 [25% of Loan Amount]

(\$600,000 X 25%) - \$161,000 = (-\$11,000) [No Guaranty Entitlement Available]

• \$100,000 (25% of Loan Amount) - \$0 = \$100,000 [Required Down payment]

**Example C:** (Loan amount is \$200,000; Entitlement used (not restored) is \$36,000; Freddie Mac CLL is \$500,000)


\$200,000 X 25% = \$50,000 [25% of Loan Amount]


(\$500,000 X 25%) - \$36,000 = \$89,000 [Guaranty Entitlement Available]


\$50,000 / \$200,000 = 25% [Maximum Guaranty] (No down payment required)

#### Borrower Eligibility

- U.S. Veteran with eligibility documented with a Certificate of Eligibility. (COE)
- Unmarried surviving spouse of a U.S. Veteran

		<h1>VA Fixed Rate</h1> <h2>Standard and High Balance Loan Amounts</h2>	
Ineligible Borrowers	<ul style="list-style-type: none"><li>Surviving spouse that is remarried</li><li>Divorced spouse of a veteran</li><li>Veterans with a dishonorable discharge designation</li><li>Non-occupant co-borrower</li><li>All trust types, including inter vivos revocable trusts</li></ul>		
Credit	<ul style="list-style-type: none"><li>All borrowers must return at least 1 credit score via three-in-file merged credit report.</li><li>Non-traditional credit is not permitted</li><li>IRS Repayment agreement for taxes owed requires a written agreement and evidence of 4-6 months of satisfactory repayment history.</li><li>Must have clear CAIVRS</li><li>A borrower(s) cannot be considered a satisfactory credit risk if he or she is presently delinquent or in default on any debt to the Federal Government until the delinquent account has been brought current or satisfactory arrangement have been made between the borrower and the Federal agency.</li><li><b>Chapter 7 BK</b><ul style="list-style-type: none"><li>- 2 years seasoning with no additional requirements</li></ul></li><li><b>Chapter 13 bk</b><ul style="list-style-type: none"><li>- 12 months under payment plan with BK judge approval OR plan is completed</li></ul></li><li>Deed-in-Lieu/Short Sale follows Chapter 7 BK requirements</li><li>Foreclosure follows Chapter 7 BK requirements</li><li>All judgments must be paid in full or subject to a repayment plan with a history of timely payments.</li></ul>		
Documentation	<ul style="list-style-type: none"><li>Determined by AUS. (See manual underwriting section for Refer/Eligible loans)</li></ul>		
DTI	<ul style="list-style-type: none"><li>Per AUS</li></ul>		
Terms	<ul style="list-style-type: none"><li>15, 20, 25 and 30 year terms.</li></ul>		
Assets	<ul style="list-style-type: none"><li>Documentation for all reserves and funds to close <b>must be dated within 60 days of the Note date</b></li></ul>		
Reserves	<p>Reserves are generally not required; however, DU may require reserves for higher risk loans.</p> <ul style="list-style-type: none"><li>Reserves required by DU must be verified</li><li><b>If borrower owns other residential investment properties, a minimum of 3 months’ of PITIA reserves is required for each property if using rental income.</b></li><li>Reserves used as a compensating factor must be verified.</li></ul>		
Income	<ul style="list-style-type: none"><li>If using Self-Employed, follow Credit Policy Announcement 2020-014. An audited P&amp;L or a P&amp;L and most recent 2 months business bank statements to verify that the monthly deposits support revenue.</li><li>3 months reserves are required for each investment property when rental income is being used in qualifications.</li><li>Paystubs for income used in qualifications <b>must be within 60 days of the Note date.</b></li><li>Borrowers on Fixed income (SS and/or Pension) as per current guidelines</li></ul>		
Occupancy	<ul style="list-style-type: none"><li>Primary residence only</li></ul>		
Financed Properties	<ul style="list-style-type: none"><li>The maximum number of financed residential properties a borrower may own is four. Borrowers with five or more financed residential properties will be considered on a case by case basis.</li></ul>		
Property Valuation	<ul style="list-style-type: none"><li><b>Lender MUST ensure the applicant is an eligible Veteran BEFORE ordering an appraisal.</b></li><li>All appraisals must be ordered through VA WebLGY, which will assign the order to a VA approved Appraiser. Every appraisal must be ordered as a Lender Appraisal Processing Program (LAPP) appraisal.</li><li>No new Appraisal can be requested on a property which already has a valid VA value determination (No duplicate appraisals)</li></ul>		
Property Types	<ul style="list-style-type: none"><li>Single Family attached and detached</li><li>PUD's</li><li>Agency approved condominium's</li></ul>		
Ineligible Property Types	<div><ul style="list-style-type: none"><li>Manufactured homes.</li><li>Non-warrantable condominiums</li><li>Co-op</li><li>Timeshares</li><li>Working Farms and Ranches</li></ul><ul style="list-style-type: none"><li>2-4 Unit properties in New Jersey</li><li>Texas 50(a)(6)</li><li>Geodesic Domes</li></ul></div>		

	<div>VA Fixed Rate</div> <div>Standard and High Balance Loan Amounts</div>
Manual Underwriting	<ul style="list-style-type: none"> <li>Purchase and Rate/Term only</li> <li>Single-family properties only</li> <li>24 month documented housing payment history with 0 x 30 day lates</li> <li>Residual Income must be 125% of the requirement</li> <li>Minimum credit score is <b>640</b></li> <li>Maximum DTI 45%</li> <li>POA Acceptable if veteran is active duty</li> </ul>
Loan Documentation	<b>VA Documents</b> <ul style="list-style-type: none"> <li>Certificate of Eligibility (COE)</li> <li>Addendum to the URLA (26-1802a)</li> <li>Request for Reasonable Determination of Value</li> <li>Federal Collection Policy Notice (26-0503)</li> <li>Counseling Checklist for Military Homebuyers (26-0592) - active duty only</li> <li>Child Care Letter</li> <li>Statement of Nearest Living Relative</li> <li>VA Loan Analysis (26-6393)</li> <li>Master Certificate of Reasonable Value (26-1843a)</li> <li>Request for Verification of Benefits (26-8937) – if the borrower is exempt from the funding fee.</li> <li>Certificate of Commitment (26-1866)</li> <li>VA Loan Summary Sheet (26-0286)</li> </ul>
Refinance Information	
Properties Listed for Sale	Properties listed for sale within the last six months are eligible provided: <ul style="list-style-type: none"> <li>Property was taken off the market prior to the application date, <b>and</b></li> <li>Borrower provides written confirmation of their intent to occupy the property moving forward, <b>and</b></li> <li>Property may not be relisted during or after (at least 120 days) the loan closing.</li> <li>Loan is not a cash-out refinance</li> </ul>
Refinance Seasoning	<b>Regardless of the type of loan being paid off, the transaction must meet the following seasoning requirements:</b> <b>The new Note date must be on or after the later of:</b> <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, <b>and</b></li> <li>the date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ul>
Cash Out: Type 1	<b>Type I cash out is a refinancing loan in which the loan amount (including VA funding fee) "does not" exceed the payoff amount of the loan being refinanced.</b>
	<b>1) The refinancing loan satisfied at least one of the following eight Net Tangible Benefit:</b> <ul style="list-style-type: none"> <li>The new loan eliminates monthly mtg insurance, public or private, or monthly guaranty insurance;</li> <li>The term of the new loan is shorter than the term of the loan being refinanced;</li> <li>The interest rate on the new loan is lower than the interest rate on the loan being refinanced</li> <li>The new P&amp;I payment is lower than the P&amp;I payment on the loan being refinanced;</li> <li>The new loan results in an increase in the borrower’s monthly residual income;</li> <li>The new loan refinances an interim loan to construct, alter, or repair the home;</li> <li>The new loan amount is ≤ 90% of the reasonable value of the home, or;</li> <li>The new loan refinances an adjustable rate loan to a fixed rate loan</li> </ul>
	<b>2) Rate Reduction required:</b> <ul style="list-style-type: none"> <li>Fixed to Fixed: Minimum reduction of 0.5%</li> <li>Fixed to ARM: Minimum reduction of 2%</li> </ul>
	<b>3) Comparison of key loan characteristics or terms for existing and refinancing loan is provided to the borrower including:</b> <ul style="list-style-type: none"> <li>Refinancing loan amount vs. the payoff amount of the loan being refinanced.</li> <li>Loan type (i.e., fixed, adjustable) of the refinancing loan vs. the loan being refinanced</li> <li>Interest rate of the refinancing loan vs. the loan being refinanced.</li> <li>Loan term of the refinancing loan vs. the loan being refinanced.</li> <li>The total the Veteran will have paid after making all payments (P&amp;I), and mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced.</li> <li>LTV of the refinancing loan vs. the loan being refinanced</li> <li>An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of home equity may affect the Veteran.</li> </ul>

		VA Fixed Rate Standard and High Balance Loan Amounts	
Cash Out: Type 1	4) The recoupment period of all fees, closing costs, expenses (other than taxes, escrow, insurance, and like assessments), and incurred costs must not exceed 36 months from the date of loan closing 5) Loan seasoning is met, see Seasoning section.		
Cash Out: Type II	Type II cash out is a refinancing loan in which the loan amount (including VA funding fee) exceeds the payoff amount of the loan being refinanced. 1) The refinancing loan satisfied at least one of the following eight Net Tangible Benefit: <ul style="list-style-type: none"><li>• The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance;</li><li>• The term of the new loan is shorter than the term of the loan being refinanced;</li><li>• The interest rate on the new loan is lower than the interest rate on the loan being refinanced;</li><li>• The P&amp;I payment on the new loan is lower than the P&amp;I payment on the loan being refinanced;</li><li>• The new loan results in an increase in the borrower’s monthly residual income;</li><li>• The new loan refinances an interim loan to construct, alter, or repair the home;</li><li>• The new loan amount is equal to or less than 90 percent of the reasonable value of the home, or;</li><li>• The new loan refinances an adjustable rate loan to a fixed rate loan</li></ul>		
	2) Comparison of key loan characteristics or terms for existing and refinancing loan is provided to the borrower including: <ul style="list-style-type: none"><li>• Refinancing loan amount vs. the payoff amount of the loan being refinanced.</li><li>• Loan type (i.e., fixed, adjustable) of the refinancing loan vs. the loan being refinanced.</li><li>• Interest rate of the refinancing loan vs. the loan being refinanced.</li><li>• Loan term of the refinancing loan vs. the loan being refinanced.</li><li>• The total the Veteran will have paid after making all payments (principal and interest), and mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced.</li><li>• LTV of the refinancing loan vs. the loan being refinanced</li><li>• An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of home equity may affect the Veteran.</li></ul>		
	3) Loan seasoning is met, see Seasoning section.		
How to contact the VA			
<ul style="list-style-type: none"><li>• <b>National Website:</b> <a href="http://www.benefits.va.gov/homeloans">www.benefits.va.gov/homeloans</a></li><li>• <b>To reach the VA by phone:</b> (877) - 827-3702 Options:<ul style="list-style-type: none"><li>2 - Home Loan General Questions or Certificates of Eligibility</li><li>3 - Loan Administration (Servicing for loans behind in payments or servicing questions)</li><li>4 - Special Adaptive Housing, for Veteran with service connected injuries with loss of limbs, eye sight or major disabilities which require adaption of the home for livability issues</li><li>5 - Valuation (appraisal, condominium, new construction, property or inspection questions)</li></ul></li><li>• <b>Regional Loan Center (RLC) Email:</b></li></ul>			
RLC	Loan Production (Underwriting/Eligibility)	C&V (Appraisals/Builders/Condo's)	States of Jurisdiction
Atlanta	<a href="mailto:atlloanprod@va.gov">atlloanprod@va.gov</a>	<a href="mailto:316lgycnv@va.gov">316lgycnv@va.gov</a>	GA, SC, NC, TN
Cleveland	<a href="mailto:vahomesite@va.gov">vahomesite@va.gov</a>	<a href="mailto:325cnv@vba.va.gov">325cnv@vba.va.gov</a>	CT, DE, IN, OH, MA, ME, MI, NH, NJ, NY, PA, RI, VT
Denver	<a href="mailto:lgyemail@va.gov">lgyemail@va.gov</a>	<a href="mailto:39/va262@va.gov">39/va262@va.gov</a>	AK, CO, ID, MT, OR, UT, WA, WY
Honolulu	<a href="mailto:lgy.vbahon@va.gov">lgy.vbahon@va.gov</a>	<a href="mailto:appraisals.vbahon@va.gov">appraisals.vbahon@va.gov</a>	HI, Guam, Northern Mariana Islands
Houston	<a href="mailto:houstonlgy@va.gov">houstonlgy@va.gov</a>	<a href="mailto:cv62.vbahou@va.gov">cv62.vbahou@va.gov</a>	AR, OK, LA, TX
Phoenix	<a href="mailto:lpgc.vbapho@va.gov">lpgc.vbapho@va.gov</a>	<a href="mailto:cvgc.vbapho@va.gov">cvgc.vbapho@va.gov</a>	AZ, CA, NV, NM
Roanoke	<a href="mailto:Roanoke.lp@va.gov">Roanoke.lp@va.gov</a>	<a href="mailto:cv.vbaroa@va.gov">cv.vbaroa@va.gov</a>	DC, KY, MD, VA, WV
St. Paul	<a href="mailto:rlc335@va.gov">rlc335@va.gov</a>	<a href="mailto:cv335@va.gov">cv335@va.gov</a>	IA, IL, KS, MN, MO, ND, NE, SD, WI
St. Pete	<a href="mailto:fl/homeloan@va.gov">fl/homeloan@va.gov</a>	<a href="mailto:vastaffappraisers@va.gov">vastaffappraisers@va.gov</a>	AL, FL, MS, PR