



VA Loans

As of June 21, 2010

Loan Limits for Purchase and Refinance				Guidelines
Units	Loan Amount	Credit Score	Min. Reserves	
1-4 Units	\$417,000	620	N/A	Eligibility • US Citizens, Inter vivos revocable trusts, Permanent and Non-Permanent Resident Aliens, Non-Occupant Co-Borrowers. • Owner Occupied Only. (except streamline refinance.)
1-Unit	\$417,001-\$650,000	720	6 Months	
1-Unit	\$650,001- \$1,500,000	740	12 Months	
<ul style="list-style-type: none"> • LIMITS NOTED ABOVE INCLUDE VA FUNDING • VA loan amounts greater than \$417,000 are now based on the 2010 MSA limits • Purchase: Max. loan amount at 100% LTV/CLTV with full entitlement is \$1,094,625 • Refinance: Max. 90% LTV/CLTV, plus energy efficiency improvements, plus VA Funding Fee • The maximum guaranty for loan amounts greater than \$417,000 vary depending upon the location of the property. To calculate the maximum loan amount (and guaranty) for a particular property/county, use the following link: http://www.homeloans.va.gov/docs/2009_county_loan_limits.pdf 				Documentation • All borrowers must have valid social security number. • All borrowers must have at least one valid credit score on manually underwritten loans. • Borrowers using non-traditional credit are not 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. • Loans > \$417,000: Full documentation required. Loans must be documented according to the VA Lender Handbook and may not use the AUS conditions as they relate to income and assets. • CAIVRS Required for All Borrowers.
Entitlement/Guaranty				Underwriting Method • Fico Scores must be met regardless of DU/LP Findings. • Manual underwriting only for DU approvals down graded by underwriter with corporate approval only
Loan Amount		Maximum Potential Guaranty		Refinance • Max 90% LTV/CLTV: Based on the property value indicated on the CRV/NOV plus the cost of energy efficiency improvements plus VA funding fee. There must be a lien of record and the veteran must occupy the property. • Max. cash-out on loans > \$417,000: \$325,000 • Refi. of the following loan types have additional requirements: construction loans, installment land sale contracts, and loans assumed by veterans where the interest rate was higher than the proposed refi. - These loans are not limited to 90% LTV/CLTV - No cash back to the borrower. • VA IRRRL: Not Allowed
<= \$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		
<ul style="list-style-type: none"> • Calculating the maximum loan amount 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 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 Table				DTI Ratios • 41% Notes: DU/LP approved loans may exceed this ratio. (must meet VA documentation guidelines)
Loan Type		Funding Fee	Reservist Funding Fee	
Purchase Loan - Zero Down		2.15%	2.40%	
Purchase Loan - 5% Down		1.50%	1.75%	
Purchase Loan - 10% Down		1.25%	1.50%	
Refinance Loan		2.15%	2.40%	
<ul style="list-style-type: none"> • 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 be paid in cash at loan closing or may be included in the loan without regard to the reasonable value of the property. • Loan amount > \$417,000: If the combined loan amount plus funding fee exceeds the county limit, then that portion of the funding that exceeds the county limit may not be financed into the loan. • 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%. 				Eligible Property Types • Single-family residence, PUD, condominium (VA-approved), or 2-4 units • Owner Occupied Primary Residence Only. • Loans > \$417,000: Single-family residence, PUD or condominium only.
<ul style="list-style-type: none"> • Appraisal Requirements: • Loan amounts <= \$650,000: VA required appraisal only. • Loan amounts \$650,001 to \$1,000,000: VA required appraisal + LARA. • 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. • LARA - Provides opinions of overall appraisal risk and market value for a residential property, based on a desktop review of an appraisal. 				
<ul style="list-style-type: none"> • Seller Contributions/Concessions • 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. Discount Points 				
Loan Program Names and Terms				Subordinate Financing • Subordinate financing are allowed as long as the CLTV does not exceed LTV limits.
Fixed Programs		Terms		
Gov 15		10 & 15		
Gov 30		20, 25, 30		
Gov 30 Buydown		30 Years		
Arm Programs		Terms		
Gov ARM 1y		30 Years		
Gov ARM 3/1		30 Years		
Gov ARM 5/1		30 Years		

• For additional VA loan program information:
http://www.warms.vba.va.gov/pam26_7.html

VA Allowable Fees: 1% -Flat Fee (settlement fees, document fee, processing/ application fee, commitment fees, tax service fee, notary fee, recording of assignment fees), Appraisal fee, Recording fee of deed of trust, Credit reports, Prepaids, Hazard Ins, Flood Zone Determination, Title Policies, VA FF, Add'l third party fees that the veteran has authorized- Home Inspections.