



## VA FIXED RATE LOAN PROGRAM GUIDE

**VA LOANS DO NOT REQUIRE ANY DOWN PAYMENT AND OFFER ATTRACTIVE LOAN TERMS.**

### Purchase

- 1-4 Unit Maximum **LTV/CLTV 100% - Plus Funding Fee**

### Cash Out Refinance

- 1-4 Unit Maximum **LTV/CLTV 100%**
- The maximum base LTV, after adding the funding fee, cannot exceed the percentage listed above.
- Cash out transactions allow the pay off of any liens and include the payoff of other debt and/or may provide cash to borrower.
- Property must have a lien, cannot be free & clear
- Loan must be seasoned 210 days prior to the closing date of the new loan
- The current loan must have at least 6 months payments made and no late pays in the most recent 6 months
- No appraisal required

### IRRRL - Interest Rate Reduction Refinance

- An **Interest Rate Reduction Refinance Loan** is a refinance of an existing VA loan only.
- Interest Rate and P&I payment must both be reduced usually .50 bps, unless the existing loan is an adjustable-rate mortgage (ARM) or the term of the new loan is shorter than the original term of the loan being refinanced.
- If the payment increases by 20% or more the veteran must be credit qualified.

### Eligible Borrowers

- U.S. Citizens
- Borrowers must have a valid Social Security Number
- Permanent resident aliens, with proof of lawful residence
- Non-permanent residents are allowed w/proof of lawful residence
- Co-signers & Non-occupant Co-borrowers are not permitted

### Eligible Properties

- 1- 4 Unit Primary Residences
- PUD & Condos Unit-VA Approved
- Manufactured Homes

### Credit / FICO Score

- Minimum credit score **600**

### Qualifying Ratio

- Max DTI **50%**

### Funding Fee

- The fee varies based on loan type, down payment, and usage. *See Funding Fee Chart below.*
- Some veterans are exempt due to a service-related disability.
- Funding Fee can be financed on loan amounts not exceeding the county limit.
- Funding Fee can be paid in cash by Seller or Veteran or Premium pricing.
- Funding Fee cannot be partially financed or partially paid in cash.

### Funds to Close/Reserves

- Gift from a relative or closely defined friend – source must be verified;
  - ◊ Acceptable gift letter, documentation of donor's source of funds, document withdrawal from donor and transfer to borrower
- Grants/DPA
- Borrowers own funds
- Purchase transactions with loan amounts exceeding the conforming limits require down payment funds to be provided by the Veteran. The funds may not be gifted.

### Contributions by Interested Parties

- Seller is allowed to pay all closing costs and prepaids
- Max 4% Seller contributions can be used for items including but not limited to VA Funding fee, prepayment of the borrowers taxes and insurance, payments of extra points to provide permanent or temporary interest rate buy-downs or gifts with monetary value such as TV's or furniture

### VA Funding Fee

Type of Loan	Down Payment	Percentage for First Time Use	Percentage for Subsequent Use
	< 5%	2.15%	3.30%
<b>Purchase</b>	5% but < 10%	1.50%	1.50%
	10% or more	1.25%	1.25%
<b>Cash-Out Refi</b>	N/A	2.15%	3.30%
<b>IRRRL</b>	N/A	0.50%	0.50%

This is not a commitment to lend. All loans subject to credit approval. Guidelines subject to change without prior notice. This information is provided to assist business professionals only and is not an advertisement extended to the consumer.

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