



Tip: To find specific information for a product, Press Ctrl+F (or use "Find" from the Edit Menu) and then search for the information or topic you are looking for. If you don't find the topic the first time, try variations, different terms or less words.

VA HIGH BALANCE IRRRL

30 Year Fixed

LTV ²	CLTV ^{1,2}	Purpose	Units	Occupancy	Credit Score ²
No Max	No Max	Rate Reduction Refi	1-4	O/O, SH ³ , N/O/O	640

1. Only existing subordinate financing is allowed and it must be re-subordinated.
2. Loan amounts >\$1,000,000: 700 credit score, 100% max LTV. See Loan Amounts >\$1,000,000 section for additional requirements.
3. Second homes must be one unit

PRODUCT NAME	<ul style="list-style-type: none"> • VA IRRRL High Balance 30 Year Fixed Rate • VA IRRRL High Balance Credit Qualified 30 Year Fixed Rate
ALLOWABLE ORIGINATION CHANNELS	<ul style="list-style-type: none"> • Wholesale • Retail • Correspondent
AGENCY LINKS	<ul style="list-style-type: none"> • In addition to any Product Profile requirements, you must always meet the published VA guidelines. If published VA guidelines are more restrictive then what is allowed in the Product Profile, you must always defer to VA Guidelines. • All PRMG staff can access all end Agency guidelines though AllRegs Online at http://allregs.elliemae.com. Instructions on how PRMG staff can access the AllRegs service is available in the Resource Center. • Use the following link to access VA Lender Handbook: • http://www.benefits.va.gov/warms/pam26_7.asp
MINIMUM LOAN AMOUNT	<p>For loan closed prior to 1/1/19:</p> <ul style="list-style-type: none"> • For all states except HI and AK: \$453,101 • For HI and AK: \$679,651 <p>For loan closed on or after 1/1/19:</p> <ul style="list-style-type: none"> • For all states except HI and AK: \$484,351 • For HI and AK: \$726,526
MAX. LOAN AMOUNT	<ul style="list-style-type: none"> • \$1,500,000 • Loan > \$1,000,000 must meet all requirements in Loan Amounts >\$1,000,000 section
LOAN AMOUNTS >\$1,000,000	<ul style="list-style-type: none"> • In addition to other requirements listed in guidelines, must also comply with the following: <ul style="list-style-type: none"> • 700 minimum credit score required • Max 100% LTV - total loan amount (base loan amount plus VA funding fee) may not exceed estimated value (which is the total loan amount) • Only existing secondary financing that will be subordinated to the new first mortgage allowed, there is no CLTV limit under this scenario

	<ul style="list-style-type: none"> • No appraisal valuation product required. For applications taken on or after 5/25/18, appraisal may be required if reducing rate with discount points for Net Tangible Benefit test. See Net Tangible Benefit section for additional requirements. • No deed restrictions, including age restricted properties • Non-traditional credit not allowed • Evidence the existing loan is current is required • No 30-day or greater mortgage lates in the most recent 12 months • If the loan is seasoned 12 months or more, evidence that the existing loan has not had any 30-day or greater mortgage lates in the past 12 months • If the loan is seasoned less than 12 months, evidence the existing loan has no 30-day or greater mortgage lates since the inception of the loan AND no 30-day or greater mortgage lates for any other first mortgage loans associated with the property and borrower(s) in the most recent 12 months. • Minimum of a six month payment history on the current mortgage. If loan does not have at least a 6 month mortgage payment history on the current mortgage, the loan must be processed as a standard VA refinance transaction. • For credit qualifying transactions, DTI allowed per VA • Requires second signature by a Corporate Underwriter or Operations Manager
GEOGRAPHIC RESTRICTIONS	<ul style="list-style-type: none"> • Please refer to PRMG’s “Eligible States” list, which can be found at this link: http://www.eprmg.net/guidelines/Eligible%20States.pdf • If the property is in Texas, please refer to the addendum at the end of this product profile • If the subject property is located in the Alabama Restricted Lending Area (Coliseum Boulevard Area of Montgomery - this area contains a subsurface chemical contamination condition or environmental condition known as the Coliseum Boulevard Plume (CBP)) the loan must meet the following requirements: <ul style="list-style-type: none"> • A fully executed disclosure issued by the Montgomery Area Association of Realtors (MAAR), identified as the Coliseum Boulevard Plume Disclosure, must be a part of the purchase contract, signed, and dated by all required parties prior to closing. • Properties located in Illinois in the counties of Cook, Kane, Peoria or Will requires copies of the following to be closely reviewed: (1) A copy of the Certificate of Compliance with the counseling requirements or the Certificate of Exemption, if the lender or transaction is exempt and (2) A copy of Title Commitment free from any exceptions related to the anti-predatory lending database requirements. • Owner occupied properties in Kansas where the LTV exceeds 100% must have a full appraisal
MORTGAGE TYPES	<ul style="list-style-type: none"> • Any VA programs/mortgage types identified in the VA Lender Handbook that are not specifically allowed in the product profile, including but not limited, to Energy Efficient Mortgages are not eligible.
DOCUMENTATION	<ul style="list-style-type: none"> • Streamline Documentation • All borrowers must have a valid social security number. • For non-self-employed borrowers: Verbal VOE is required to be completed no more than 10 days prior to the note date for wet funding states and escrow states. If the Verbal VOE is completed more than 10 days prior to the funding date, another Verbal VOE should be completed 10 days prior to funding date for escrow states. • For self-employed borrowers: No more than 30 calendar days prior to note date, verify the existence of the borrower’s business from a third party that may include a CPA letter (cannot be vague, must state length of time doing taxes and be signed by CPA), regulatory agency, or appropriate licensing bureau; OR verify a phone listing and address for the borrower’s business through resources such as the telephone

	<p>book, directory assistance, internet, or contact the appropriate licensing bureau. Verification may not be made verbally, and a certification by PRMG indicating the information was verified is not allowed. Documentation from the source used to verify the information must be obtained and in the file. Internet sites such as 411.com, Chamber of Commerce sites and Manta.com where they allow the business owner to add their own information are not acceptable. Also single source verifications, such as from superpages.com, yellowpages.com and searchbug.com are not allowed. If all other methods of obtaining third party verification have been exhausted, the borrower can provide letters from three clients indicating the type of service performed, length of time of business relationship, frequency of service, payment arrangements, etc. and support the income with current bank statements, deposits, etc. The underwriter must thoroughly investigate that the business, income and proof of business is legitimate.</p> <ul style="list-style-type: none"> • Borrower must provide a certification of occupancy • When paying off any non-transaction related item (i.e., debts, third party payouts, etc.) that has a balance of \$5,000 or more, paid for by either borrower or seller, to ensure that the total payoffs are accurate, copies of the actual invoices (statements), an updated (current) credit report/refresh or credit supplement reflecting the current balance with a signed amendment (or similar) authorizing disbursement for these account(s) are required. You cannot use the amount listed on the credit report to document the payoff amount. • All documentation used in qualifying the borrower must be legible and if not in English, will require a full written translation of the entire documentation into English.
<p>NON-CREDIT QUALIFYING DOCUMENTATION</p>	<ul style="list-style-type: none"> • Verbal VOE is required to be completed within 5 days (preferably within 48-72 hours) of funding. In a wet funding state, it must be completed within 5 days (preferably within 48-72 hours) prior to the note date. • Mortgage Rating for 12 months or life of the loan (if loan is < 12 months old, mortgage rating for any previous mortgages associated with the subject property and borrowers). • Mortgage only rating with scores is acceptable, a full tri-merge is not required. A tri-merged in-file credit report with credit scores (only mortgage rating needs to be reviewed) will also be accepted • Employment must be stated on the application • Income must not be shown on the application • Evidence of a valid Social Security number • Asset verification is not required. • Appraisal Requirement: No maximum LTV/CLTV, and no 2055 or AVM allowed (no appraisal required) For applications taken on or after 5/25/18, appraisal may be required if reducing rate with discount points for Net Tangible Benefit test. See Net Tangible Benefit section for additional requirements. • Documentation to validate prior loan information, including the case number on the IRRRL certificate of eligibility, interest rate, principal and interest payment, and original loan amount. This information can be provided from one or more of the following, as long as the necessary information is provided: prior loan's note, deed of trust, or mortgage coupon or demand, prelim, etc. Additionally this information must verify the loan being refinanced is for the same insured VA loan as a new IRRRL.
<p>CREDIT QUALIFYING DOCUMENTATION</p>	<ul style="list-style-type: none"> • Verbal VOE is required to be completed within 5 days (preferably within 48-72 hours) of funding. In a wet funding state, it must be completed within 5 days (preferably within 48-72 hours) prior to the note date. • One month consecutive paystubs are not required if the current paystub includes a 30 day year-to-date total. If the Veteran has only been employed with their current

employer for less than 30 days, all paystubs received are required.

- Last 2 years W-2's
- Amended tax returns must have been filed at least sixty (60) days prior to the earliest of the purchase agreement, initial credit report date, or mortgage application date, unless the changes made are non-material to the amount of income claimed, and qualification for the mortgage loan. When using the amended returns if filed within sixty (60) days to the earliest of the purchase agreement, initial credit report date, or mortgage application date, or after, the Underwriter must provide justification and commentary regarding its use, including that borrower does not require use of amended income for qualification. Regardless of when the amended returns were filed, due diligence must be exercised with close examination of the original, and amended returns, to determine if the use of the amended return is warranted and the following documentation should be reviewed when income from the amended return is required: A letter of explanation regarding the reason for the re-filing; evidence of filing (must be validated with a record of account (4506T results); copy of the original 1040; any extensions filed, and evidence of payment of the taxes due, and the ability to pay, if the check has not yet cancelled.
- Per the 2016 Lenders Conference Edition of the LGY Newsletter, if a joint tax return shows a business loss, then that loss will have to be deducted from the Veteran's income in both community and non-community property states. What is reported to the IRS on a joint return must be used when applying for a federally guaranteed loan. In a situation where a couple has been faced with business losses, the Veteran and his or her spouse may want to consider both being on the loan in order to potentially qualify.
- Mortgage Rating for 12 months or life of the loan (if loan is < 12 months old, mortgage rating for any previous mortgages associated with the subject property and borrowers).
- Tri-merged in-file credit report with credit scores.
- Tax transcripts are not allowed to take the place of a tax return when it is required
- 4506-T
- Provide a written analysis of the income used to qualify the borrower on the Transmittal Summary or like document(s) in the file. An Income Analysis must be completed for self-employed borrowers.
- When all income used to qualify a loan for the borrower is made up exclusively of wage earner income reported on a W2 and/or fixed income reported on a 1099 (i.e., social security or VA benefits) transcripts are not required, unless full tax returns are required for the borrower by the AUS (i.e., borrower employed by family members). If multiple borrowers are qualifying on the loan, but the tax returns are not filed jointly, and one borrower requires full returns, but the other borrowers are qualified exclusively on W2 and/or fixed income then no transcripts are required for the W2/fixed income borrower and 1040 transcripts are required for the self-employed borrower/borrower requiring full returns. When using this option, there can also be no tax returns included in the loan file (including if tax returns are required to be reviewed by the PRMG underwriter for MCC Approval or other purpose). If the borrower earns other income that is used to qualify that would be able to be validated with 1040 transcripts (i.e., rental income from tax returns, etc.) then 1040 transcripts are required to validate that income. A completed and executable (signed) 4506T must be submitted with the loan file. For the borrowers where transcripts are not required, be sure to select the W2/1099 option only when completing the 4506-T. Do not mark the 1040 or Record of Account option.
- When tax returns are required for a borrower or when borrower's qualifying income is not made up of W2 or fixed income reported on a 1099, validated 1040 tax

	<p>transcripts are required if borrower's income is utilized as a source of repayment. If multiple borrowers are qualifying but the tax returns are not filed jointly (when one borrower requires full returns), then it is acceptable to provide no transcripts for the salaried/fixed income borrower and 1040 transcripts for the self-employed borrower/borrower requiring the tax returns.</p> <ul style="list-style-type: none"> • When required, transcripts must be provided for the number of years of income documentation required to be in the loan file, in accordance with the AUS findings and/or VA requirements. Tax transcripts are required to support the income used to qualify the borrower. The purpose of the 4506-T is to verify the income reported is accurate and when utilizing the 1040 tax transcripts to confirm that the employee does not have other expenses (such as 2106 expense) that otherwise would not be known. • If there is proof of expenses incurred by the borrower that would reduce income (i.e., 2106 expenses, reference to 1099 commission income, or if commission income exceeds 25% of borrower's total annual employment income) then 1040 transcripts are also required. If there is evidence or proof of expenses that would reduce income then the no transcript option is not allowed to be utilized. • Tax transcripts must come to lender directly from the IRS or through a third party vendor ordered/obtained by lender • Evidence of a valid Social Security number • Asset verification is not required. • Appraisal Requirement: No maximum LTV/CLTV, and no 2055 or AVM allowed (no appraisal required). For applications taken on or after 5/25/18, appraisal may be required if reducing rate with discount points for Net Tangible Benefit test. See Net Tangible Benefit section for additional requirements. • Documentation to validate prior loan information, including the case number on the IRRRL certificate of eligibility, interest rate, principal and interest payment, and original loan amount. This information can be provided from one or more of the following, as long as the necessary information is provided: prior loan's note, deed of trust, or mortgage coupon or demand, prelim, etc. Additionally this information must verify the loan being refinanced is for the same insured VA loan as a new IRRRL. • Debt ratios are calculated. • Note: The following scenario requires credit qualifying: • If the PITIA increases by 20% or more, the loan must be processed as a credit qualifying loan. • The lender must determine that the veteran qualifies for the new payment from an underwriting standpoint; such as determining whether the borrower can support the proposed shelter expense and other recurring monthly obligations in light of income that is established as stable and reliable • the loan must include a certification by the lender that the veteran qualifies for the new monthly payment which exceeds the previous payment by 20% or more
DOCUMENT EXPIRATIONS	<ul style="list-style-type: none"> • Credit documentation must not be more than 120 days old from the note date • Notice of Value (NOV) is valid for six (6) months
AUTOMATED UNDERWRITING	<ul style="list-style-type: none"> • See below
DESKTOP UNDERWRITER (DU)	<ul style="list-style-type: none"> • Not Allowed.
LOAN PRODUCT ADVISOR (LPA)	<ul style="list-style-type: none"> • Not allowed • Formerly known as Loan Prospector (LP)
MANUAL UNDERWRITING	<ul style="list-style-type: none"> • All loans must be manually underwritten. • For credit qualifying transactions, generally, max ratio of 41% allowed, ratios >41% when residual income exceeds the guideline by at least 20% and significant

	documented compensating factors exist. See Ratio section for complete information.
PROPERTY TYPES	<ul style="list-style-type: none"> • See below
ELIGIBLE	<ul style="list-style-type: none"> • Single Family Residence • Modular Homes (see section below) • 1-4 Units • PUDs • Condos
INELIGIBLE	<ul style="list-style-type: none"> • Hawaii properties in lava zones 1 and 2 • Hawaii Homeland Leasehold properties • Multiple Unit Condos • Manufactured Homes • Mobile homes • Condotels • Hotel Condominiums • Timeshares • Working Farms and Ranches • Unimproved Land • Property Currently in Litigation • Commercial Enterprises (i.e., Bed and Breakfast, Boarding House, Hotel) • Co-ops • Mixed-Use • Geodesic dome, Earth or Geothermal homes • Leased land • Deed Restricted Properties • Properties in a flood zone that do not participate in the National Flood Insurance Program • Properties with individual water purification systems (an individual water purification system is a system that is needed to make the water safe and meet code when the individual water supply is unsafe for human consumption unless the system is operating properly. This is not a system that is installed to improve the taste or softness of the water. Properties with individual water purification systems can be identified by reviewing the appraisal.) • Properties rated in "less than average" condition • Indian land (leased or fee simple) • Properties that have a Property Assessed Clean Energy (PACE) loan are not eligible (such as the Home Energy Renovation Opportunity (HERO) Program) unless the lien will subordinate via a subordination agreement where the lien is no longer part of the property taxes that can take first lien priority (note, the HERO subordination agreement does not provide for this and is not eligible) and meets all Agency requirements
DEED RESTRICTED PROPERTIES	<ul style="list-style-type: none"> • Not allowed
MODULAR HOMES	<ul style="list-style-type: none"> • Factory-built housing must assume the characteristics of site-built housing and be legally classified as real property. The purchase, conveyance, and financing (or refinancing) of the property, which must be evidenced by a valid and enforceable first lien mortgage or deed of trust that is recorded in the land records, must represent a single real estate transaction under applicable state law. • Prefabricated, panelized, or sectional housing units must conform to all local building codes in the jurisdiction in which they are permanently located. • Modular homes must be built to the state building code requirement of the state in which they are to be installed. There are several state agencies that have adopted a

	<ul style="list-style-type: none"> Uniform Building Code for modular homes. Marketing time must not exceed 6 months. Minimum of 2 similar factory-built comparables.
PROPERTIES WITH UNEXPIRED REDEMPTION RIGHTS	<ul style="list-style-type: none"> Allowed in states where it is common and customary Must meet all agency requirements Title must insure over the right of redemption Redemption bond is required when required by the title company Written disclosure to borrowers of properties that are subject to unexpired redemption periods must be provided Must enter "Redemption Period" in Loan Program Comments section of Investor Overlay Screen in FT360
MAXIMUM ACREAGE	<ul style="list-style-type: none"> Maximum 40 acres Must enter "Over 10 Acres" in Loan Program Comments section of Investor Overlay Screen in FT360 if property is over 10 acres
>=2 UNITS	<ul style="list-style-type: none"> Allowed
PROPERTIES WITH UNPERMITTED ADDITIONS	<ul style="list-style-type: none"> Allowed The subject addition, improvement or conversion must comply with all VA guidelines
COMMUNITY DEVELOPMENT DISTRICT (CDD)	<ul style="list-style-type: none"> Allowed, must meet any agency requirements in regards to special assessment districts
ILLINOIS LAND TRUST	<ul style="list-style-type: none"> Illinois land trusts are allowed subject to the following: <ul style="list-style-type: none"> All beneficiaries are individuals; The Mortgage applicant(s) must be one of the beneficiaries of the trust; The trustee must be a corporation or financial institution customarily engaged in the business of acting as trustee under Illinois land trusts; The beneficiaries have sole power of direction over the land trust and trustee; All beneficiaries are obligated as individuals under the terms of the note; The Mortgage applicants have been underwritten and are qualified Borrowers under the requirements of the product; All such Land Trust Mortgages are secured by owner-occupied, 1-4 family properties; and The term of the trust agreement is at least as long as the term of the security instrument. Documentation <ul style="list-style-type: none"> Where the property is to be held in a land trust, all of the following additional documentation must be provided: <ul style="list-style-type: none"> Land Trust Rider to the Mortgage/Deed of Trust Land Trust Rider to the Note Security Assignment to Beneficial Interest in Land Trust The trust agreement must be reviewed by the underwriter. No additions, deletions, or other riders to the standard forms are permitted. The Note, Mortgage and documents required above must be completed and executed as follows: <ul style="list-style-type: none"> The Note and Mortgage must include the number of the trust and the date on which the trust was created. This information should follow the name of the trustee on these documents. The beneficiary must execute the Note and land trust rider to that Note. The trustee must execute the Mortgage, the Note, and the land trust rider to each. The beneficiary must assign his/her beneficial interest in the Note and trust

	<p>agreement to the Seller.</p> <ul style="list-style-type: none"> • The riders must be dated and executed the same day as the Mortgage and Note. • If Illinois Land Trust then "Illinois Land Trust" must be entered in the Loan Program Comments section of Investor Overlay Screen in FT360 and Secondary must be notified if the loan is locked prior to approval.
MANUFACTURED HOMES	<ul style="list-style-type: none"> • Not allowed.
OCCUPANCY	<ul style="list-style-type: none"> • Primary Residence (O/O), Second Home (SH) and Non-Owner Occupied (N/O/O)
SECOND HOME	<ul style="list-style-type: none"> • Second Home (SH) • Must be one unit property • The loan file must contain documentation that the veteran previously occupied the subject property as their primary residence at one point in time. • Must provide certification of prior occupancy
NON-OWNER OCCUPIED	<ul style="list-style-type: none"> • Non-Owner Occupied (N/O/O) • The loan file must contain documentation that the veteran previously occupied the subject property as their primary residence at one point in time. • Must provide certification of prior occupancy
ELIGIBLE BORROWERS	<ul style="list-style-type: none"> • Generally the parties obligated on the original VA loan must be the same parties on the new loan and the veteran must still own the property. • The veteran or the spouse of an active service member must certify that he or she previously occupied the property as his or her home. • ITIN (Individual Tax Payer Identification Numbers) are not allowed • Maximum of four borrowers allowed per loan • If a borrower is being removed (when allowed by VA, usually due to death or divorce, see section below), the underwriter must certify that the lower payment and interest rate, and the minimum 25 percent guaranty compensate for no re-underwriting on the new loan. • Co-signers are not allowed, anyone who signs the Note must be on all documents and take title on the loan • Borrower must take title in individual names, no trusts, etc. allowed • Only eligible borrowers who sign the Note may take title to the property at closing. The only exception is the veteran's legal spouse. • Life estates are not eligible for financing. A life estate is an estate whose duration is limited to the life of the party holding it, or some other person, upon whose death the right reverts to the grantor or his heirs • Borrowers with diplomatic immunity or "foreign politically exposed" are not eligible • Registered Domestic Partners are not recognized by VA. • The borrower must permanently reside in the United States. Adequate documentation must be provided to substantiate such residency in the U.S. • Adding or removing borrowers on the loan is allowed as acceptable to VA. Underwriter discretion for the new transaction should be used when removing a borrower to ensure the remaining borrower has been able to handle the payments successfully. • Borrowers under Deferred Action, the Dreamer's Act or DACA (EAD Code C33, C14, etc.) are not eligible. Although, these individuals may have been granted permission to remain in the U.S. for a period of time, DACA/Deferred Action does not grant a legal status. PRMG requires all borrowers to document proof of legal residency in the U.S. Additionally, they must follow the applicable guidelines for income (typically 2 year history and likely to continue for 3 years as applicable.) A borrower with DACA/Deferred Action status would not be able to meet the borrower eligibility documentation requirements (i.e., green card or meet applicable agency standard

	<p>guidelines for income) and therefore is not be eligible.</p>																																	
ADDING/REMOVING A BORROWER	<ul style="list-style-type: none"> VA indicates that generally, the parties obligated on the original loan must be the same on the new loan (and the veteran must still own the property). VA can advise via the local RLC regarding a proposed IRRRL involving a change in obligors unless the acceptability of the IRRRL is clear. The following a scenarios addressed by VA: <table border="1"> <thead> <tr> <th>Current VA Loan</th> <th>Parties to be Obligated on new IRRRL</th> <th>Is IRRRL Possible?</th> </tr> </thead> <tbody> <tr> <td>Unmarried veteran</td> <td>Veteran and new spouse</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Divorced veteran alone</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Veteran and different spouse</td> <td>Yes</td> </tr> <tr> <td>Veteran alone</td> <td>Different veteran who has substituted entitlement</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Spouse alone (veteran died)</td> <td>Yes</td> </tr> <tr> <td>Veteran and nonveteran joint loan obligors</td> <td>Veteran alone</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Divorced spouse alone</td> <td>No</td> </tr> <tr> <td>Unmarried veteran</td> <td>Spouse alone (veteran died)</td> <td>No</td> </tr> <tr> <td>Veteran and spouse</td> <td>Different spouse alone (veteran died)</td> <td>No</td> </tr> <tr> <td>Veteran and nonveteran joint loan obligors</td> <td>Nonveteran alone</td> <td>No</td> </tr> </tbody> </table>	Current VA Loan	Parties to be Obligated on new IRRRL	Is IRRRL Possible?	Unmarried veteran	Veteran and new spouse	Yes	Veteran and spouse	Divorced veteran alone	Yes	Veteran and spouse	Veteran and different spouse	Yes	Veteran alone	Different veteran who has substituted entitlement	Yes	Veteran and spouse	Spouse alone (veteran died)	Yes	Veteran and nonveteran joint loan obligors	Veteran alone	Yes	Veteran and spouse	Divorced spouse alone	No	Unmarried veteran	Spouse alone (veteran died)	No	Veteran and spouse	Different spouse alone (veteran died)	No	Veteran and nonveteran joint loan obligors	Nonveteran alone	No
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RESIDENT ALIENS	<ul style="list-style-type: none"> See Eligible Borrowers above. 																																	
NON-PURCHASING SPOUSE IN A COMMUNITY PROPERTY STATE	<ul style="list-style-type: none"> See Eligible Borrowers above. 																																	
NON-OCCUPYING CO-BORROWERS	<ul style="list-style-type: none"> Non-occupying co-borrowers / co-signers are not allowed. 																																	
SEASONING REQUIREMENTS	<ul style="list-style-type: none"> See below. 																																	
RECENTLY DELISTED PROPERTIES	<ul style="list-style-type: none"> Evidence of listing cancellation is required on or prior to application date If a primary residence, borrower must provide written confirmation of the intent to occupy The loan file must also document a letter of intent signed by the borrower acknowledging they do not intend to relist the property for 12 months after the note date 																																	
TITLE SEASONING/LOAN SEASONING	<ul style="list-style-type: none"> The borrower must have made at least 6 consecutive monthly payments in order to be underwritten as an IRRRL. Borrowers cannot prepay the loan to meet the six month rule, therefore the note date on the new loan must be at least six months after the first payment due date of the prior loan. Six month chain of title as evidenced by the title commitment required The note date of the refinance loan must be on or after the later of: <ul style="list-style-type: none"> the date that is 210 days after the date on which the first monthly payment was made on the mortgage being refinanced (i.e., if first payment was due 1/1/2018 but not made until 1/15/2018 then the 210 days start on 1/16/2018), and the date on which 6 full monthly payments have been made on the mortgage being refinanced. If the loan has been in existence for less than 12 months, documentation must be 																																	

	provided (i.e., a pay history) to validate and document when the first and sixth payments were made in order to ensure compliance that the note date is 210 days after the date on which the first monthly payment was made on the mortgage being refinanced and six full payments were made.
ANTI-FLIPPING POLICY	<ul style="list-style-type: none"> • N/A
VALUE FOR LTV/CLTV CALCULATION	<ul style="list-style-type: none"> • See below.
PURCHASE	<ul style="list-style-type: none"> • N/A
RATE/TERM REFINANCE	<ul style="list-style-type: none"> • N/A
INTEREST RATE REDUCTION REFINANCE (IRRRL)	<ul style="list-style-type: none"> • The maximum total loan amount is the VA loan balance plus the following: <ul style="list-style-type: none"> • Allowable fees and charges (including a maximum of 2 discount points), plus • The VA funding fee • LTV must be calculated from the total loan amount (base loan amount plus VA funding fee) • For loans with no appraisal, an estimated value to generate a maximum of 95% LTV based on the total loan amount should be entered for LTV calculations • Use VA Form 26-8923 (IRRRL Worksheet), to calculate the maximum loan amount.
CASH OUT	<ul style="list-style-type: none"> • N/A
CASH OUT REFINANCE	<ul style="list-style-type: none"> • N/A
INTEREST RATE REDUCTION REFINANCE (IRRRL)	<ul style="list-style-type: none"> • Cash back to the borrower is not allowed with the exception of minor adjustments at closing, provided that amount does not exceed \$500.
SHORT REFINANCE	<ul style="list-style-type: none"> • Not allowed.
QUALIFYING	<ul style="list-style-type: none"> • The qualifying guidelines below only apply to credit qualifying IRRRLs. • Fixed Rate: Qualify at note rate. • Minnesota Properties: All ARMS qualify at the greater of the product's qualifying requirement or the loans fully indexed fully amortized rate • Revolving debt can NOT be paid off to qualify. • If a credit report shows an asterisk next to the payment, it can be an indication that the payment listed is not the required monthly minimum payment amount, and as such will require supplemental documentation to support the payment, as required by the agency or, if revolving, 5% of the balance can be used for the payment. • Do not count installment debt with less than 10 months remaining in ratios if there is excessive residual to cover the payment. • If student loan repayments are scheduled to begin within 12 months of the date of VA loan closing, lenders should consider the anticipated monthly obligation in the loan analysis, see below for calculation requirements. If the borrower is able to provide evidence that the debt may be deferred for a period outside that timeframe, the debt need not be considered in the analysis. • If a student loan is in repayment or scheduled to begin within 12 months from the date of VA loan closing, must use the anticipated monthly obligation in the loan analysis and utilize the payment established in (1) or (2) below. First, however, determine the threshold by calculating each loan at a rate of 5 percent of the outstanding balance divided by 12 months. For payment option (1) use the payments reported on the credit report for each student loans if the reported payment is greater than the threshold payment calculation above; or (2) If the payment reported on the credit report is less than the threshold payment calculation above, the loan file must contain a statement from the student loan servicer that reflects the actual loan terms and payment information for each student loans. The statements must be dated within 60 days of VA loan closing and maybe an electronic copy from the student loan servicer's website or a printed statement provided by the student loan

	<p>servicer.</p> <ul style="list-style-type: none"> • Car leases are not considered installment debt and must be included in the debt ratio calculations. • For non-HELOC loans, when qualifying a borrower that has a non-subject negative amortization or interest only loan, use the fully amortized payment • For any additional properties, obtain a recent payment coupon or other documentation to ensure the loan is qualified using the full PITIA. • If the borrower is on a payment plan with the IRS for prior tax years, the underwriter must condition for proof the money owed has been paid in full or verify the borrower has been in a payment plan that has been paid on time for at least 6 months (or less, based on underwriter’s discretion) and count the debt in the DTI. There is no requirement for a record of account or other documentation to reflect tax payment status. For the current tax year (most recent tax filing), if the borrower is in a payment plan, the monthly tax payment amount must be included in the calculation of the borrower’s DTI ratio, with at least one month payment required to have been made. Even if the 1040s shows payment due as long as there is no other evidence of an outstanding tax debt (i.e., tax liens, payments to the IRS) no additional evidence to reflect payment of the taxes is required. For Amended Tax Returns, see the guidance in the Product Profile for further requirements. • Non-Taxable Income: Per VA (as documented at the 2018 Lender Conference) use 125% of the borrower’s non-taxable income when “grossing up” qualifying income. Reminder, do not use grossed up amounts when determining residual income. • A tax withholding table can be found at the following link, but be sure to use the most recent tax table: https://www.irs.gov/pub/irs-pdf/n1036.pdf • For all loan applications dated prior to June 1, 2016: 2106 unreimbursed business expenses can either be added as a debt (liability) or used as an employment expense (also a liability) in Section D on the 6393 • For all loan applications dated on, or after June 1, 2016: (a) for a borrower who qualified using commission income of less than 25% of the total annual employment income: (1) IRS Form 2106 expenses are not required to be deducted from income even if they are reported on IRS Form 2106 and are not required to be added as a monthly liability. In other words, any wage earner with less than 25% of their income in commissions (0% to 24.99%) would not have 2106 expenses deducted from their income. (2) Tax returns are not required to document the source of income and deductions. (b) For a borrower earning commission income that is 25% or more of annual employment income, IRS Form 2106 expenses must be deducted from gross commission income regardless of the length of time the borrower has filed the expenses with the IRS. (1) One exception to the policy clarification concerns an automobile lease or loan payment. Automobile lease or loan payments are not subtracted from the borrower’s income; they are considered part of the borrower’s recurring monthly debt obligations in Section D on the VA Form 26-6393. (2) Tax returns are required to document the source of income and deductions. • When a deferred debt will begin within 12 months, the debt must be included in the debt-to-income ratio. If no monthly payment is reported or available, use a payment calculation of 5% of the current balance divided by 12.
<p>RATIOS</p>	<ul style="list-style-type: none"> • Credit Qualifying loans: <ul style="list-style-type: none"> • Generally, max ratio of 41% allowed • Ratios >41% when residual income exceeds the guideline by at least 20% and significant documented compensating factors exist such as <ul style="list-style-type: none"> • Excellent credit history • Conservative use of consumer credit • Minimal consumer debt

	<ul style="list-style-type: none"> • Long-term employment • Significant liquid assets • Sizable down payment • The existence of equity in refinancing loans • Little or no increase in shelter expense • Military benefits • Satisfactory homeownership experience • High residual income • Tax credits for child care • Tax benefits of home ownership • Ratios cannot exceed 41% if residual income does not exceed the guideline by at least 20 percent. • Non-Credit Qualifying loans: <ul style="list-style-type: none"> • No ratios calculated
<p>POWER OF ATTORNEY</p>	<ul style="list-style-type: none"> • Power of Attorney must be reviewed and approved by fulfillment center Operation Manager or PRMG's Compliance Group • Allowed with the following requirements: <ul style="list-style-type: none"> • Power of Attorney (POA) must be limited or specific to the transaction • Must be accompanied by an "Alive and Well Statement" obtained at the time of closing (VA Lenders Handbook Ch 9 Sec 7) • Lender must make the following certification: "The undersigned Lender certifies that written evidence in the form of correspondence from the veteran or, if on active military duty, statement of his or her commanding officer (including statement of person authorized to act for said officer), affirmatively indicating that the veteran was alive and, if the veteran is on active military duty, not missing in action status on (date), was examined by the undersigned and that the said date is subsequent to the date the Note and Security Instruments were executed on the veteran's behalf by the attorney-in-fact." • Power of Attorney may not be used to sign loan documents if no other borrower executed such documents unless, the Attorney in Fact is a relative or Attorney at Law. • Allowed with all transaction types • POA can be used only for closing documents • The attorney-in-fact may not be the seller, appraiser, broker, etc. or have any other direct or indirect financial interest in the transaction • A statement that the POA is in full force and effect on the closing date, survives subsequent disability (durable), and has to be revoked in writing, or gives a specific expiration date which survives the closing date • A statement of the borrower's name exactly as it will appear on all closing documents • Notarized signature of borrower (if executed outside the U.S., it must be notarized at a U.S. Embassy or a military installation) • Recorder's stamp, if previously recorded • The attorney-in-fact must execute all closing documents at settlement • Title policy must not contain any exceptions based on use of POA • POA must be recorded along with or immediately prior to the closing documents • If a lender determines a Power of Attorney is required by applicable law (so cannot be restricted by investor requirements), lender must include a written statement explaining use of the Power of Attorney and may also be required to provide supporting documentation. • A written statement that explains the circumstances of the use of the POA must

	<p>be included in the loan file.</p> <ul style="list-style-type: none"> • Must met all Agency requirements
LEXIS-NEXIS SEARCH REQUIREMENT	<ul style="list-style-type: none"> • For any of the following transaction types an email request (which includes a screenshot or snip of the loan in the FastTrac pipeline) must be sent to QC to have a LexisNexis search run on involved parties to the transactions to ensure there is no relationship between the buyer and seller. (Not all items listed may be applicable to this product, review product profiles for what is allowed): <ul style="list-style-type: none"> • Short Sale Purchase • Property Flips <= 180 days • Contractors on a 203K loan • For Sale by Owner (FSBO) required for all except: <ul style="list-style-type: none"> • If the borrower and seller are related or are landlord and tenant, and the relationship is disclosed and is acceptable per PRMG guidelines • An investor, such as HUD, FNMA, FHLMC, etc. • REO lender who acquired the subject property by Trustee Sale as the Beneficiary
QC AUDIT REQUIRED	<ul style="list-style-type: none"> • A QC audit is required if the loan has any of the following high risk characteristics (not all items listed may be applicable to this product, review product profiles for what is allowed): <ul style="list-style-type: none"> • 5-10 financed properties for second home and investment transactions. • 3-4 Units • 2-4 Unit properties in New Jersey • Renovation (203K/Homestyle) loans (Lexis Nexis is required on all contractors as well) • VOE only used (when allowed by AUS) and not supported by paystub/W2 for Wholesale and Correspondent channels only (not required for retail channel) • If the borrower is employed by a party to the transaction • When the borrower is also a Real Estate Agent for the loan transaction • Retail loans referred to the AFS department any time the referring Loan Officer or the AFS Loan Officer are in “New” or “Watch” status • When the Real Estate Agent is also the Loan Officer on the transaction (not allowed on retail). • NOTE: The above list applies to credit qualifying loans only.
QC REVALIDATION REQUIRED	<ul style="list-style-type: none"> • A QC validation is required if the loan has any of the following characteristics (not all items listed may be applicable to this product, review product profiles for what is allowed): • A revalidation of the VOE (in addition to the audit) is required by the QC Department if the following is used: <ul style="list-style-type: none"> • VOE only used (when allowed by AUS) and not supported by paystub/W2 and • Wholesale and Correspondent channels only (not required for retail channel) • A revalidation of the VOD is required by the QC Department for the if the following is used: <ul style="list-style-type: none"> • VOD only used (when allowed by AUS) and not supported by bank statements and • Wholesale and Correspondent channels only (not required for retail channel) • Note: A Borrower Authorization in name of PRMG may be required to obtain VOD or VOE revalidation if requested by the verifying institution.
INCOME REQUIREMENTS/LIMITS	<ul style="list-style-type: none"> • Underwriter has the discretion when evaluating the loan file to utilize a more conservative approach to income/expenses for qualification purposes based on the circumstances of the loan. • All income sources used to qualify borrowers must be legal at the local, state, and

federal level. Any income derived from an activity or source that violates Federal, state, or local laws cannot be considered for loan qualification for both self-employed borrowers and wage earners working for a company.

- Housing Assistance Payments (HAPs), which are often known as Section 8 Homeowner Vouchers, where a portion of the mortgage payment is paid directly to the borrower/lender as a subsidy for the mortgage payment on the subject property is not allowed.
- For Credit Qualifying Transactions:
- For borrowers with social security or disability income, in addition to standard documentation requirements, a copy of the last Notice of Award letter or an equivalent document that establishes the award benefit expiration date must be provided to document continuance of income. If the benefits do not have a defined expiration date, the underwriter should assume income will continue. Under no circumstance, should documentation be requested concerning the borrower’s disability or medical condition.
- For non-reimbursed business expense, follow VA qualifying requirements
- For borrowers with rental income, if a lease agreement is required then the lease agreement must be executed by the landlord and the tenant and all pages of the lease agreement must be included.
- Section 8 rents where borrower is paid a rent subsidy for other tenants from the government for the property (either for rents on units 2-4 on subject property or on other rental property) is allowed. Must have documentation of new executed leases, or lease addendums to the new owner and to show that the Section 8 income will transfer to the new owner. Additionally there may be no obligation to the servicer to receive the Section 8 funds. Borrowers must follow standard guideline requirements to determine if rents are allowed to be used for qualifying.

RESIDUAL INCOME

- Residual income is calculated on Credit Qualifying loans only.
- Residual income is the amount of net earnings remaining to maintain family living expenses (i.e. food, healthcare, gasoline).
- The residual income that is calculated should be greater than or equal to the residual income posted by VA.
- **Residual Income Calculations:**
 - Gross Income (taxable) – Federal & State Taxes & Social Security deduction = Net Take Home Pay.
 - Gross Income (Non-taxable) = Net Take Home Pay. When calculating non-taxable residual income, the income may NOT be grossed up.
 - Net Take Home Pay – Obligations (revolving & installment debts) – new PITIA (including maintenance, utilities, dues) = RESIDUAL INCOME.

Residual Income by Region for loan amounts ≥ \$80,000				
Family Size¹	North East	Midwest	South	West
1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823
3	\$909	\$889	\$889	\$990
4	\$1025	\$1003	\$1003	\$1117
5	\$1062	\$1039	\$1039	\$1158
1 – Add \$80 for each additional member up to a family of 7.				

Please see **Attachment B** at the end of the document for breakdown of states by region.

NET TANGIBLE BENEFIT

- Per Circular 26-18-13, for applications taken on or after 5/25/18, the following Net Tangible Benefit must exist:

	<ul style="list-style-type: none"> • If going from VA fixed to VA fixed: interest rate must be at least .50 less in interest rate than the previous loan • If going from VA fixed to VA ARM: interest rate must be at least 2.00 less in interest rate than previous loan • Lower interest rate cannot be the result of discount points (buying down the rate) unless: <ul style="list-style-type: none"> • Applicable discount points are paid at closing; • For discount point amounts less than or equal to 1.0%, loan must have a 100% LTV or less • For discount point amounts greater than 1.0%, loan must have a 90% LTV or less • LTV must be determined by one of the following and should not be ordered through VA, but via standard ordering process and must be one of the following: Exterior-Only Inspection Residential Appraisal Report (Fannie Mae 2055), Uniform Residential Appraisal Report (Fannie Mae 1004), Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Fannie Mae 1075), Individual Condominium Unit Appraisal Report (Fannie Mae 1073) or other industry accepted appraisal reports for multi-unit homes • To ensure compliance with VA's requirements, a copy of the note from the refinanced loan must be provided
TERM INCREASE	<ul style="list-style-type: none"> • The term of the new loan may not exceed the original term by more than 10 years, subject to a maximum term of 30 years plus 32 days.
INTEREST RATE DECREASE	<ul style="list-style-type: none"> • The interest rate of the new loan must be less than the interest rate of the existing VA loan, unless refinancing an ARM to a fixed rate (for application taken on or after 5/25/18 must also meet Net Tangible Benefit requirements.)
PAYMENT INCREASE	<ul style="list-style-type: none"> • The P & I payment must be less than the P & I payment of the existing VA loan, unless <ul style="list-style-type: none"> • Refinancing an ARM to a Fixed Rate OR • The term of the new loan is less than the term of the existing VA loan • If the PITIA increases by 20% or more the veteran's ability to repay must be demonstrated. The loan must be a credit qualifying IRRRL.
TEMPORARY BUYDOWNS	<ul style="list-style-type: none"> • Not allowed.
CREDIT	<ul style="list-style-type: none"> • Use VA underwriting guidelines with the following specifics: • The use of a U.S. address to obtain a credit report for a borrower who resides in another country is not permitted. • If the borrower's credit report contains a FACTA credit alert, the completed Fraud Alert Confirmation form must be in the file (available via Resource Center). • Qualifying FICO score is determined by using the middle of three, lowest of two scores or single score if that is the only score available. If there are multiple borrowers, then use the lowest representative score of all borrowers to qualify. • All Borrowers must have a valid FICO score. • For loans funded on or before 12/15/16, if the loan is seasoned 12 months or more, evidence that the existing loan has not had any 30-day or greater mortgage lates in the past 12 months. If the loan is seasoned less than 12 months, evidence: The existing loan has no 30-day or greater mortgage lates since the inception of the loan and No 30-day or greater mortgage lates for any other first mortgage loans associated with the property and borrower(s) in the most recent 12 months. NOTE: If the borrower does not have at least a 3 month mortgage payment history on the current mortgage, the loan must be processed as a standard VA refinance transaction. If payment history is <6 months then "Payment History <6 months" must be entered in the Loan Program Comments section of Investor Overlay Screen in FT360 and Secondary must be notified if the loan is locked prior to approval. • For loans funded after 12/15/16, if the loan is seasoned 12 months or more, evidence

	<p>that the existing loan has not had any 30-day or greater mortgage lates in the past 12 months. If the loan is seasoned less than 12 months, evidence: The existing loan has no 30-day or greater mortgage lates since the inception of the loan and No 30-day or greater mortgage lates for any other first mortgage loans associated with the property and borrower(s) in the most recent 12 months. NOTE: If the borrower does not have at least a 6 month consecutive mortgage payment history on the current mortgage, the loan must be processed as a standard VA refinance transaction.</p> <ul style="list-style-type: none"> • The credit report for the mortgage history must be updated to include the payment made for the most recent month due. • If a judgment or tax lien is being paid off and Agency Guidelines are requiring proof of satisfaction or if it is paid off prior to closing, evidence the judgment is satisfied or the tax lien has been released is required. If the Agency Guidelines will allow a judgment or tax lien to be paid off with the transaction all Agency Guidelines must be met (i.e., must be paid through the transaction and funds must be verified and documented). • If a disputed account is a borrower’s verified previously delinquent mortgage trade line, which may affect the credit score of the borrower, information regarding the dispute must be obtained. The underwriter must verify that the credit report is considering the previously delinquent mortgage. If it is unclear if the previously delinquent mortgage is being considered (and based on underwriter discretion, the delinquent mortgage may impact the credit score), the dispute should be removed at the bureau level and credit report re-run to reflect accurate credit message without dispute. For instance, a zero balance where the last activity is more than 3 years prior to the credit report date may be determined by the underwriter to not require the dispute to be removed. • MERS search must be run on borrower for non-credit qualifying transactions and on borrower for credit qualifying transactions only • Credit documentation must not be more than 120 days old from the note date
<p>CREDIT QUALIFYING CREDIT REQUIREMENTS</p>	<ul style="list-style-type: none"> • For Credit Qualifying loans the following additional guidelines are required: <ul style="list-style-type: none"> • Non-traditional credit is not allowed as a basis for loan approval • Collections: Collections and judgments must be paid per Underwriter recommendation. Borrowers with a history of collection accounts should have a 12 month history of reestablished satisfactory credit in order to be considered a satisfactory credit risk. • Tax liens and judgments can be paid prior to closing, paid at closing or be in a payment plan based on underwriter discretion as allowed by VA. • Chapter 7 bankruptcies must be discharged at least 2 years from loan closing date and the borrower has re-established their credit. • Active Chapter 13 bankruptcies are allowed if the following are met: <ul style="list-style-type: none"> • one year of the payout period has elapsed from loan closing date, • the borrower’s payments have been satisfactory, and • the court approves the mortgage transaction. • The borrower must also provide a satisfactory 12 month rental / mortgage rating. • Prior Chapter 13 bankruptcies must be discharged or dismissed for at least 2 years from loan closing date and the borrower must have re-established credit. • Short sales, short payoffs, and pre-foreclosure sales are considered foreclosures. • Foreclosure: Foreclosures within the last two (2) years from loan closing date are not allowed. • Borrower who have completed a short refinance or restructured loan (loan modification) are subject to a minimum waiting period of two (2) years following the completion of the short sale/refinance/restructure to the closing date of the

	<p>new loan and not more than 0 x 30 days late on any mortgage in the past 12 months</p> <ul style="list-style-type: none"> • PRMG does not allow use of extenuating circumstances in the credit decision for reduced seasoning or satisfactory credit requirements.
CAIVRS REQUIREMENT (CREDIT QUALIFYING ONLY)	<ul style="list-style-type: none"> • CAIVRS allows participating lenders to learn when a borrower has previously defaulted on a federally assisted loan. • All borrowers must be screened by CAIVRS to determine there have been no late payments on Federal debt obligations • A CAIVRS is required and must be noted in the remarks section of the IRRRL Worksheet and the CAIVRS findings must be evaluated and be used in the credit decision • CAIVRS needs to be run • A CAIVRS screening on each veteran and any co-obligor must be performed and documented. • A borrower 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 arrangements have been made between the veteran and the federal agency. • If the CAIVRS that begins with a “C” (Claim) or a “D” (Default) is not eligible, unless proof that the debt has been satisfied is provided.
LDP/GSA REQUIREMENT	<ul style="list-style-type: none"> • All parties involved with and who handle the loan file (see instructions in the Resource Center for additional information) must be checked against HUD’s Limited Denial of Participation (LDP) list at • https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp and the General Services Administration’s (GSA) Excluded Party List at • https://www.sam.gov/portal/public/SAM/ • Any entity noted on either of the LDP and GSA lists must be removed from the transaction or will cause the loan to be ineligible. • The parties to verify include, but are not limited to, Buyers (including AKAs on the credit report), Sellers, Loan Officer, Buyers Agent, Sellers Agent, Escrow Officer, Title Officer, Appraiser, Processor, and Underwriter.
VA LOAN GUARANTY / ENTITLEMENT	<ul style="list-style-type: none"> • The entitlement is the dollar amount of loan guarantee that VA provides to each eligible veteran. • No additional charge is made to the veteran’s entitlement for an IRRRL (i.e. the amount of the veteran’s previously used and available entitlement remains the same before and after obtaining the IRRRL). • The new IRRRL loan amount may be different than the original loan amount being refinanced. • Veterans with partial entitlement are allowed provided there is a minimum 25% coverage requirement. Coverage is a combination of VA provided entitlement plus cash down payment/equity. • Compromised Entitlement is acceptable under the following conditions: <ul style="list-style-type: none"> • The event that caused the compromise occurred more than three years prior to the date of the application, • The loan conforms to GNMA secondary market guidelines which include the minimum 25% coverage requirement. Coverage is a combination of VA provided entitlement plus cash down payment/equity.
FUNDING FEE	<ul style="list-style-type: none"> • The Funding Fee is the fee that VA charges when a Veteran uses its Home Loan Guarantee Program. • The VA funding fee may be paid in cash (including with seller credits/rebate) or financed, or a combination of the two, provided the entire loan amount including any financed Funding Fee does not exceed the maximum loan amount permitted for this

	<p>product.</p> <ul style="list-style-type: none"> • If the Veteran is disabled, they may be eligible for a waiver or reduced Funding Fee. • The funding fee for all IRRRLs is .50%
<p>FEES AND CHARGES</p>	<ul style="list-style-type: none"> • For applications taken on or after 5/25/18: The recoupment period for all allowable fees and charges financed as part of the loan or paid at closing may not exceed thirty-six (36) months. • For applications taken prior to 5/25/18: The recoupment period for all allowable fees and charges financed as part of the loan or paid at closing may not exceed seventy-two (72) months (if it is over 72 months it is not eligible), except in cases in which the loan is being refinanced from an adjustable rate to a fixed rate mortgage or in which a fixed rate loan is being refinanced into another fixed rate loan of a shorter duration (in these two instances there is no recoupment limit.) If recoupment period is >36 months then “Recoupment >36 months” must be entered in the Loan Program Comments section of Investor Overlay Screen in FT360 and Secondary must be notified if the loan is locked prior to approval. • Recoupment calculation must be in alignment with Circular 26-18-1 and policy clarification, which generally is as follows: <ul style="list-style-type: none"> • Recoupment is the amount of time it will take the borrower to recoup the fees required to refinance new loan based on the monthly P&I savings (total fees divided by monthly savings (old P&I – new P&I) = months of recoupment). • Note: Pre-paid expenses such as real estate taxes and homeowners insurance are excluded as transaction costs when calculating recoupment period. • Lender credits and premium pricing may be used to offset allowable fees. • The veteran can pay a maximum of: <ul style="list-style-type: none"> • A 1% flat charge (typically called an “Origination Fee”), plus, • Reasonable discount points used to buy down the interest rate, plus, • Reasonable and customary amounts for any or all of these “ Itemized Fees and Charges” • Appraisals, including second appraisals requested by the veterans for reconsideration of value • Compliance inspections on new construction • Home inspection if desired by veteran • Credit report or on AUS-decisioned loans, up to \$50 evaluation fee charged in lieu of a credit report. • Recording fees and recording taxes • MERS registration fee • Hazard insurance premium including flood insurance, if required. • Flood zone determination • Survey fee • Title exam and insurance • VA funding fee • Prepaid items for taxes, assessments, and similar items for the current year chargeable to the veteran and the initial deposit for the impound account • Overnight courier fees on a refinance if interest savings will exceed the cost of special handling • Third-party charges are limited to the invoice charge, regardless of the amount charged for the loan origination fee. • Appraisal fees may not exceed VA’s published rate for the jurisdiction. Refer to http://benefits.va.gov/homeloans/appraiser_fee_schedule.asp . • If a 1% flat charge is not paid, or is paid but is less than 1%, then the veteran may pay fees and charges that would otherwise be non-allowable, provided the total does not

	<p>exceed 1%.</p> <ul style="list-style-type: none"> • VA no longer prohibits the veteran from paying the pest inspection fee on a purchase transaction, provided the fee is included in the 1% aggregate calculation. • Lender and seller credits for costs paid on behalf of the veteran must be itemized on the HUD-1 or broken out on an attachment or addendum to the HUD-1. An unidentified, lump-sum credit is not acceptable. • Fees and charges must comply with all Federal, State and local regulations and predatory lending rules. • PRMG will not allow or accept a loan where the buyer is paying seller common and customary costs. This includes typical seller closing costs, pre-paids, judgments, tax liens, delinquent taxes, short sale payoffs, etc.
ASSETS	<ul style="list-style-type: none"> • See sub-sections below for Reserves, Gift Funds, Seller Contributions, and Required Down payment. • All asset sources used to qualify borrowers must be legal at the local, state, and federal level. Any assets derived from an activity or source that violates Federal, state, or local laws cannot be considered for loan qualification for both self-employed borrowers and wage earners working for a company. • Cryptocurrency, digital currencies or altcoins (i.e. Bitcoins, Litecoin, Ethereum, etc.) may not be included as financial assets for mortgage qualification purposes and is an ineligible source of funds for down payment, closing costs or reserves unless being converted into U.S. currency. To be used as a source of funds for down payment, closing costs, or reserves, cryptocurrency, digital currencies or altcoins must be converted into U.S. currency and be held within a U.S. Financial Institution and verified prior to underwriting final approval. In addition to the verification of U.S. currency, the borrower(s) must be able to provide acceptable documentation for the source of funds used to initially acquire the cryptocurrency prior to the conversion. • If the borrower's source of funds are from a country included on the OFAC Sanctioned Countries List that is found in the Resource Center, the funds are not eligible for use in the transaction. • Access letter is <u>not</u> required for any accounts where a non-borrowing party is on the account (including a non-borrowing spouse)
RESERVES	<ul style="list-style-type: none"> • None required.
GIFT FUNDS	<ul style="list-style-type: none"> • N/A
SELLER CONTRIBUTIONS	<ul style="list-style-type: none"> • N/A
REQUIRED DOWN PAYMENT	<ul style="list-style-type: none"> • N/A
SUBORDINATE FINANCING	<ul style="list-style-type: none"> • No new subordinate financing allowed. • Existing subordinate financing may remain, but must be subordinated to the new IRRRL. • No other liens, except the existing VA loan, may be paid off from the IRRRL proceeds. • Properties that have a Property Assessed Clean Energy (PACE) loan are not eligible (such as the Home Energy Renovation Opportunity (HERO) Program).
MORTGAGE CREDIT CERTIFICATES (MCC)	<ul style="list-style-type: none"> • PRMG will not allow MCCs that are paid by the issuer directly to the servicing lender as a supplement to the borrower's monthly payment. • The MCC cannot restrict the transfer of ownership or servicing rights of the first Mortgage. In addition, it may not require prior notification or approval from the sponsoring authority in the event of the transfer of the first Mortgage's servicing rights. • PRMG must be documented as an approved participant in good standing with the MCC issuing authority. • PRMG must confirm that that they will represent and warrant their responsibility for

	<p>all requirements prescribed by the issuing authority. The MCC must not require any subsequent investor or servicing lender to fulfill any special requirements of the issuer or the IRS, including servicing and/or reporting responsibilities.</p> <ul style="list-style-type: none"> • Per VA, MCC can only be applied to offset tax deductions when determining residual income. • Copy of the MCC and associated calculations must be in the file. • Must comply with all HUD Requirements • Following documents must be in loan file if MCC is being used to qualify: <ul style="list-style-type: none"> • Copy of the Mortgage Credit Certificate (A Commitment in lieu of the Certificate will not satisfy this requirement) • Copy of the W-4 and worksheet • MCC Worksheet • On wholesale transactions, broker to verify that PRMG is approved with the issuing MCC and that no specific training is required by the lender. If PRMG needs to be approved (provided additional training is not required), broker can provide information to Account Executive who can request the application be submitted to the MCC by PRMG for approval. Broker is responsible for obtaining any paperwork, etc. from the MCC. On retail transactions, Loan Officer to verify that PRMG is approved with the issuing MCC and if specific training is required by the lender, the Loan Officer must complete the training. If any training is required by other staff (besides the loan officer) it must be approved by management. If PRMG needs to be approved by issuing MCC, Loan Officer can request application be submitted by PRMG for approval. Loan Officer is responsible for obtaining any paperwork, etc. from the MCC. • Must complete the MCC screen in FastTrac and review the below document. • Additional information about Mortgage Credit Certificates can be found here: • http://www.eprmg.net/MortgageCreditCertificates.pdf
APPRAISAL	<ul style="list-style-type: none"> • No maximum LTV/CLTV, and no 2055 or AVM allowed (no appraisal required) • For applications taken on or after 5/25/18, appraisal may be required if reducing rate with discount points for Net Tangible Benefit test. See Net Tangible Benefit section for additional requirements.
REVIEW/SECOND APPRAISALS	<ul style="list-style-type: none"> • N/A
MULTIPLE LOANS	<ul style="list-style-type: none"> • No limit on additional financed properties • PRMG or its investors will only finance up to 4 properties for all borrowers. Therefore, if the borrower(s) have 3 or more current loans with one lender/investor, approval is required with PRMG
QM – SAFE HARBOR AND REBUTTABLE PRESUMPTION	<ul style="list-style-type: none"> • Effective for loans with applications dated as of 6/1/14, for a VA IRRRL to be considered a Safe Harbor QM loan, the loan must meet all three of the following requirements and all of the seven criteria for exemption from income verification listed below: <ul style="list-style-type: none"> • The loan being refinanced was originated at least 6 months before the new loan’s closing date and at least 6 payments have been made on the original VA loan; and • The veteran has not been more than 30 days past due during the 6 months preceding the new loan’s closing date; and • For applications taken prior to 5/25/18: The recoupment period for all allowable fees and charges financed as part of the loan or paid at closing does not exceed thirty-six (36) months (if it is over 36 months it is not eligible), except in cases in which the loan is being refinanced from an adjustable rate to a fixed rate mortgage or in which a fixed rate loan is being refinanced into another fixed rate loan of a shorter duration (in these two instances there is no recoupment limit.)

	<ul style="list-style-type: none"> • For applications taken on or after 5/25/18: The recoupment period for all allowable fees and charges financed as part of the loan or paid at closing may not exceed thirty-six (36) months. • Recoupment calculation must be in alignment with Circular 26-18-1 and policy clarification, which generally is as follows: <ul style="list-style-type: none"> • Recoupment is the amount of time it will take the borrower to recoup the fees required to refinance new loan based on the monthly P&I savings (total fees divided by monthly savings (old P&I – new P&I) = months of recoupment). • Note: Pre-paid expenses such as real estate taxes and homeowners insurance are excluded as transaction costs when calculating recoupment period. • Lender credits and premium pricing may be used to offset allowable fees. • Note: There must be a monthly P&I savings in order to complete the recoupment period calculation except in following situations when minimum recoupment is not required: ARM to fixed rate or fixed rate to fixed rate with a shorter amortization term. • For applications taken prior to 5/25/18: PRMG will allow loans that fall under Rebuttable Presumption but only for the recoup period. (in other words, you can exceed 36 month recoup as allowed by Fees and Charge section.) • VA continues to exempt income verification from IRRRL transactions if ALL seven of the following conditions are met. <ul style="list-style-type: none"> • Veteran is not 30 days or more past due on the loan being refinanced; • The proposed IRRRL does not increase the principal balance outstanding on the prior existing residential mortgage loan, except to the extent of fees and charges allowed by VA; • Total points and fees, (as defined in 12 CFR 1026.32(b)(1) (i.e., Qualified Mortgages), other than bona fide third party charges not retained by the mortgage originator, creditor, or an affiliate of the creditor or mortgage originator and all other applicable VA allowable fees) payable in connection with the proposed IRRRL do not exceed 3% of the Total Loan Amount as defined in 12 CFR 1026.32(b)(4) (i.e., QMs); • The interest rate on the proposed IRRRL is lower than the interest rate on the loan being refinanced, unless the borrower is refinancing from an adjustable rate to a fixed-rate loan, under guidelines that VA has established; • The proposed IRRRL is subject to a payment schedule that will fully amortize the IRRRL in accordance with VA regulations; • The terms of the proposed IRRRL do not result in a balloon payment, as defined in TILA; and • Both the residential mortgage loan being refinanced and the proposed IRRRL satisfy all other VA requirements. • If the loan does not meet the seven requirements above, it will require income verification and the loan must receive prior approval from VA to be guaranteed. If the IRRRL receives prior approval from VA but fails to meet all three of the VA QM Safe Harbor criteria listed above, it is considered Rebuttable Presumption and only eligible if the reason for Rebuttal Presumption is for the payment seasoning and the recoup period. • If the loan does not meet the seven income verification requirements above it will require prior approval from VA. • Regardless if the loan receive VA prior approval, if the loan does not meet the first three bullet points required to be considered Safe Harbor, it is only eligible if the reason for Rebuttal Presumption is for the payment seasoning and the recoup period.
RESIDUAL INCOME	<ul style="list-style-type: none"> • Not required in relation to QM/ATR requirements

EVALUATION	
HIGHER PRICED COVERED TRANSACTIONS (HPCT)	<ul style="list-style-type: none"> Higher Priced Covered Transaction (HPCT) are not allowed Higher Priced Covered Transaction (HPCT) uses the same calculation as HPML, but applies to all occupancy types
HIGHER PRICED MORTGAGE LOAN (HPML)	<ul style="list-style-type: none"> Not allowed
SECTION 32 / HIGH COST LOAN	<ul style="list-style-type: none"> Brokers are responsible for identifying loans that are considered high cost loans as defined by federal and/or state laws and/or regulations. High cost loans are not allowed: Loan is not a high cost loan as defined by Section 32 of the Federal Truth-in-Lending Act; <i>and</i> Loan is not a high cost loan as defined by applicable state laws and/or regulations.
REAL ESTATE COMMISSIONS	<ul style="list-style-type: none"> N/A
ESCROW ACCOUNT	<ul style="list-style-type: none"> Escrows are required. Flood insurance must be impounded (escrowed) for all loans with a note date of 1/1/16 or later if the property is in a Special Flood Hazard Area (SFHA), designated as a flood zone beginning with A or V, regardless of LTV and/or federal exemptions and is required for the life of the loan. It is not required to be impounded if the flood insurance is paid through the condominium association, HOA dues, etc. Additionally, the escrow requirement needs to be stated in the Flood Notice that is provided to the borrower.
PROPERTY INSURANCE	<ul style="list-style-type: none"> See PRMG’s Resource Center for PRMG Insurance Requirements and Additional Information For refinances transactions, all insurance policies must have, at minimum, an expiration date after the first payment date as shown on the note. Acceptable Proof of Flood Insurance: <ul style="list-style-type: none"> Copy of Flood Insurance Policy Copy of Declaration Page Copy of the application for flood insurance with a paid receipt for the first year’s premium or if paid at closing, premium reflected on the HUD Flood policies and applications provided for closing must indicate the flood zone of the property. This zone must match our flood determination provider’s zone. Otherwise, evidence that the borrower’s zone is “grandfathered” must be provided. If the improvements are in a split zone (partially in and partially out) the policy must be rated for the more hazardous zone. Flood insurance is required if there is knowledge that the property is exposed to flood risks, even if the property is located in a community that does not have FEMA flood maps. For hazard insurance, properties in an attached condominium and attached PUD project (including 2-4 unit projects) require 100 percent of the insurable replacement cost coverage for the complete condominium (interior and exterior of the condominium).The HO-6 policy must be sufficient to repair the interior of the condominium unit, including any additions, improvements and betterments to its original condition in the event of a loss. If the HOA Master Policy does not provide coverage for the interiors of the project units, an HO-6 (or its equivalent) Policy for the individual unit is required. If the homeowners association owns the common elements, areas/facilities of a project separately (or holds them in a leasehold estate), insurance on those areas is required to insure that ownership (if there are no common areas owned by HOA a letter from them will suffice to prove it is not needed.)
TITLE INSURANCE	<ul style="list-style-type: none"> The Title Insurance policy for Condo and Planned Unit Developments (PUDs) must

REQUIREMENTS FOR CONDOS/PUDS	<p>include coverage that provides protection by:</p> <ul style="list-style-type: none"> • Insuring that the mortgage is superior to any lien for unpaid common expense assessments. In jurisdictions that give these assessments a limited priority over a first or second mortgage lien, the policy must provide assurance that those assessments have been paid through the effective date; • Insuring against any impairment or loss of title of PRMG’s first lien caused by any past, present, or future violations of any covenants, conditions, or restrictions of the master deed for the project. The title insurance policy must specifically insure against any loss that results from a violation that existed as of the date of the policy; • Insuring that the unit does not encroach on another unit or on any of the common elements, areas or facilities. This policy must also insure that there is no encroachment on the unit by another unit or by any of the common elements, areas or facilities; • Insuring that the mortgage is secured by a unit in a condominium project that has been created in compliance with the applicable enabling statutes; • Insuring that real estate taxes are assessable and lien able only against the individual condominium unit and its undivided interest in the common elements, rather than against the project as a whole; and • Insuring that the owner of a PUD unit is a member of the homeowners association and that the membership is transferable if the unit is sold.
UNDERWRITING	<ul style="list-style-type: none"> • Delegated underwriting allowed. • For loan amounts >\$1,000,000, additional requirements apply, see Loan Amounts >\$1,000,000 section • DU/LPA underwriting is not allowed.
INDEX	<ul style="list-style-type: none"> • N/A
MARGIN	<ul style="list-style-type: none"> • N/A
INTEREST RATE CAPS	<ul style="list-style-type: none"> • N/A
INTEREST RATE CHANGES	<ul style="list-style-type: none"> • N/A The qualifying guidelines below only apply to credit qualifying IRRRLs.

Texas Addendum

The following guidelines refer to loans in Texas only. If a topic is not addressed in this addendum, the standard VA IRRRL guidelines above should be followed. Also, please note that no underwriting exceptions are allowed on properties located in Texas.

PURCHASE	<ul style="list-style-type: none"> • N/A
INTEREST RATE REDUCTION REFINANCE	<ul style="list-style-type: none"> • Proceeds from an IRRRL may NOT pay off the following: <ul style="list-style-type: none"> • Any loan that is considered a Section (a) (6) loan • Any loan that the borrower received cash back on • Federal tax debt liens • Liens for delinquent property taxes on the property securing the new loan • See LTV Calculation in the standard VA IRRRL guidelines for allowable items. • IRRRL's may NOT receive any cash back to the borrower, even incidental cash. Limited cash out refinances that allow the lesser of 2% of the loan amount or \$2,000 are NOT eligible under the Texas rate/term refinance program. • Incidental cash back to the borrower at Closing is not allowed, including incidental cash back as result of POC fees being refunded to borrower. Additionally, incidental cash back must either be handled by reducing/curtailing principal or reducing the loan amount and having the documents re-drawn. • For owner occupied primary residence Texas loans, if the property was ever refinanced under Section 50(a)(6) (a cash out refinance) unless specific requirements are met as described in the Rate/Term Refinance section, every subsequent refinance is considered a Section 50(a)(6) loan it must be processed under the Agency Texas Home Equity program • Any previous Section 50(a)(6) must be processed as a Section 50(a)(6) unless the following requirements are met to make it a Section 50(f)(2) transaction: <ul style="list-style-type: none"> • Application dated on or after 1/1/18 • The refinance will be closed no less than one year from the closing of the previously funded home equity loan; • The loan proceeds do not exceed any existing liens on the property being refinanced plus any costs associated to the refinance (i.e. no cash back to the borrower); • The loan proceeds cannot be used to pay off other debts; • The refinanced loan cannot exceed 80% loan to value; • The lender must provide the borrower with a notice about their rights associated with a home equity or non-home equity loan 12 more days prior to closing. • Note: for HELOC loans where the borrower has taken his/her last advance in under a year, in calculating the seasoning requirements, PRMG will look to the original advance of credit/HELOC Agreement Date • In addition to standard rate/term refinance guidelines, the following guidelines apply to all rate/term refinances secured by Owner Occupied, Homestead properties in the state of Texas: Total financed Closing costs are limited to 10% of the new loan amount and are limited to those costs that are reasonable and actually required to close the transaction. Prepays/escrows can't be financed into the new loan when grossed up in loan payoff. POC Fees can't be financed into the loan amount. Special title insurance coverage must be obtained when impounds for prepaid expenses* are included in the new Loan amount. The following must be included as a Schedule B Exception: Possible defect in lien of the insured mortgage because of the Insured's inclusion of reserves or impounds for taxes and insurance in the original principal of the indebtedness secured by the insured mortgage. *Prepays are defined as funds collected for the payment of real estate taxes (includes non-delinquent taxes which are due and payable, as well as

	<p>reserves), hazard insurance premiums, and monthly MI premiums covering any period after the settlement date.</p> <ul style="list-style-type: none"> • The following P-39 Express Insurance Coverage endorsement is recommend: “Company insures the Insured against loss, if any, sustained by the Insured under the terms of this Policy by reason of a final, non-appealable judgment of a court of competent jurisdiction that divests the Insured of its interest as Insured because of this right, claim or interest. Company agrees to provide the defense to the Insured in accordance with the terms of this Policy if suit is brought against the Insured to divest the Insured of its interests as Insured because of this right, claim or interest.” • Documentation is required (title insurance binder, Mortgage/Deed of Trust, and/or HUD-1) which verifies that a home equity/cash out Loan {Section 50(a)(6)} has not previously been originated on the subject property. If the purpose of the Loan is not clearly identified on the title binder, it will be necessary to provide the previous Deed of Trust or Hud-1 settlement statement for each transaction originated on or after 1/1/98 to verify the purpose of the existing Loan. • If any subordinate financing exists, its purpose must be verified. Documentation (title insurance binder, Mortgage/Deed of Trust, and/or HUD-1) which verifies the purpose of the subordinate financing is required. If that purpose is not clearly identified on the title binder, it will be necessary to provide the previous Mortgage/Deed of Trust and/or HUD-1 settlement statement for each transaction originated on or after 1/1/98 to verify the purpose of the existing subordinate financing. Depending on the purpose of the subordinate Loan, the following options are available: (1) If the subordinate Loan was used for purchase of the home, the HUD-1 settlement statement from that transaction must be provided as evidence and the title binder may not reflect that Loan was originated as a home equity/cash out {Section 50 (a)(6)} Loan. (2) If the subordinate Loan was used for home improvements, it must have been originally closed with the purpose to use the entire amount for home improvements as evidenced by a Mechanics’ or Materialmen’s lien on the title binder. Documenting the home improvements by obtaining canceled checks, invoices, receipts, lien waivers, etc is not acceptable. In either of those situations, the financing may be paid off, paid down, or re-subordinated as a rate/term refinance provided the first mortgage was not originated as a home equity/cash out {Section 50 (a)(6)} Loan. If the borrower received any cash back from the subordinate financing and the Loan is being paid off or paid down, the lien is subject to Texas Equity provisions and considered a home equity/cash out {Section 50 (a)(6)}and therefore ineligible. If the subordinate lien was used for a purpose other than the purchase of the home or home improvements, then it must be re-subordinated. The subordinate financing may not be paid off or paid down with the proceeds of the refinance since the entire transaction would then be considered a cash-out/home equity transaction which is ineligible for purchase by Wells Fargo. The first mortgage may not have been originated as a home equity/ cash out {Section 50 (a)(6)} Loan.
RATE/TERM REFINANCE	<ul style="list-style-type: none"> • N/A
CASH OUT REFINANCE	<ul style="list-style-type: none"> • N/A
ADDITIONAL DOCUMENTATION	<ul style="list-style-type: none"> • All IRRRL’s require a completed Texas Refinance Worksheet (See Exhibit A) • All rate/term refinances require a completed Borrower Acknowledgement Form (See Exhibit B) when the borrower is receiving a refund check at closing. • If impounds for prepaid expenses are included in the new loan amount, special title insurance coverage must be obtained as a Schedule B Exception. • For IRRRL’s, a copy of the commitment for title insurance, mortgage/deed of trust, or HUD-1 is required in order to verify that a Section 50 (a) (6) loan has not previously been originated against the subject property. • If impounds for prepaid expenses are included in the new loan amount, special title

insurance coverage must be obtained as a Schedule B Exception.

Exhibit A

**TEXAS REFINANCE
Worksheet**

1. Is the loan being refinanced a “low-rate home loan*?” **Y/N**
 - If yes, continue.
 - If no, stop. This worksheet is not required.

2. Did a government or non-profit lender make the “low-rate home loan?” **Y/N**
 - If yes, continue.
 - If no, stop. This worksheet is not required.

3. When was the “low-rate home loan” closed? _____ (Anniversary Date)
 - If the anniversary date is less than seven years, continue.
 - If the anniversary date is equal to or greater than seven years, stop. This worksheet is not required.

4. What was the initial interest rate on the “low-rate home loan?” _____ %
 - A. In the case of a loan with a discounted introductory rate, what was the initial fully indexed rate? _____ %
 - B. Is the interest rate on the new loan less than the rate referenced in 4A? **Y/N**
 - If yes, continue.
 - If no, this loan is not eligible.

5. A. What were the total points and fees paid by the borrower on the “low-rate home loan?” \$ _____
B. Are the points and fees being paid by the borrower on the new loan less than the points and fees referenced in 5A? **Y/N**
 - If yes, this loan is eligible.
 - If no, the loan is not eligible.

****A “low-rate home loan” is a loan with an initial rate that is two percentage points or more below the yield on treasury securities with maturities comparable to the loan term. If the loan had a discounted introductory rate, then the fully indexed rate should be used to determine whether the loan is a “low-rate home loan”.***

Attachment A

Community Property Requirements

(See “Non-Purchasing Spouse in a Community Property State” Section)

- A credit report for the non-purchasing spouse is required to determine any joint or individual debts. The spouse’s authorization to pull a credit report must be obtained. If the spouse refuses to provide authorization for the credit report, the loan must be rejected
- Even if the non-purchasing spouse does not have a social security number, the credit reporting company should verify that the non-purchasing spouse has no credit history and no public records recorded against him/her.
- Credit Company should be given non-purchasing spouse information: Name(s), address, birth date and any other significant information requested in order to do the records check.
- Except for those obligations specifically excluded by state law, the debts of the non-purchasing spouse must be considered in the qualifying ratios. If the debts are the sole responsibility of the non-purchasing spouse, they still must be considered debt in the DTI, as required by VA.
- The greater of the monthly payment amount or 5% of the outstanding balance (if minimum payment is not reflected on credit report) of the non-purchasing spouse must be included in the qualifying ratios
- Disputed debts of the non-purchasing spouse need not be counted provided the file contains documentation to support the dispute.
- Credit history of the non-purchasing spouse should not be the basis for declining the loan. The FICO score for the non-occupying co-borrower is not considered for eligibility or VA Funding Fee.

Attachment B

Geographical Regions for Residual Income Guidelines (See "Residual Income" Section)

Northeast

Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont

Midwest

Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin

South

Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virginia, West Virginia

West

Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming

VA IRRRL Product Policies and Procedures

Steps To Submit VA Loans

1) Obtain IRRRL Case Assignment and Abbreviated Certificate of Eligibility (combination document)

- COE can be obtained online
 - <https://vip.vba.va.gov>
 - Sign in with your user name and password (First time users must register)
 - Choose “WebLGY” and click on “Eligibility”
 - Complete screen and submit

2) For Credit-Qualifying Only, Order a CAIVRS report.

- The following is the link to the HUD website for instructions on how to order a CAIVRS report on borrowers.
<https://entp.hud.gov/caivrs/public/home.html>
- Go to: <https://entp.hud.gov/clas/>
- - Sign in with your user name and password
 - Click on “Single Family FHA”
 - Click on “Single Family Origination”
 - Click on “Case Processing”
 - Select “CAIVRS Authorization”
 - Select SSN and Input each borrowers’ social security number
 - Enter PRMG’s Lender ID # 900115-00-00
 - Select “Veteran’s Affairs” under Agency
 - Submit

The VA Submission Requirements and Stacking Order can be found in the Resource Center in FastTrac