



## VA Product Matrix

This overlay summary is provided as a resource to be used in conjunction with the [VA Lender's Handbook Pamphlet 26-7](#), and to identify areas in which HomeXpress Mortgage Corp. has additional requirements or restrictions in addition to standard VA guidelines. **This matrix does not replace the full requirements in [VA LENDER'S HANDBOOK PAMPHLET 26-7](#).**

CONFORMING LOAN LIMITS				
Property Type	LTV/ CLTV <sup>1</sup>	Credit Score	DTI	Loan Amount
PURCHASE				
1-4 Units & Manufactured	100% <sup>2</sup>	550	Per AUS <sup>3</sup>	\$806,500 <sup>4</sup>
Cash Out Refinance				
1-4 Units & Manufactured	90% <sup>2,5</sup>	550	Per AUS <sup>3</sup>	\$806,500 <sup>4</sup>
	100% <sup>2,5</sup>	580	50%	
JUMBO LOAN LIMITS				
Property Type	LTV/ CLTV	Credit Score	DTI	Loan Amount
PURCHASE				
1-4 Units	100%	550	Per AUS <sup>6</sup>	\$1,000,000
	90%	660	Per AUS <sup>6</sup>	\$2,000,000
	100%	700		\$2,000,000
	90%	700		\$2,500,000
Cash Out Refinance				
1-4 Units	90% <sup>2,5</sup>	550	Per AUS <sup>6</sup>	\$1,000,000
		660		\$2,000,000
		700		\$2,500,000
	100% <sup>2,5</sup>	700	50%	\$2,000,000
Topic	Requirement			
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>• Eligible borrowers               <ul style="list-style-type: none"> <li>○ Veteran</li> <li>○ Active-duty service-members with an acceptable COE and entitlement</li> <li>○ The spouse of a veteran or active-duty service member as a co-applicant</li> <li>○ Surviving spouse</li> </ul> </li> <li>• The primary applicant must be the veteran whose entitlement is being used for guaranty regardless of income.</li> <li>• The following are ineligible borrowers               <ul style="list-style-type: none"> <li>○ Non-veterans,</li> <li>○ Active-duty service-member without earned entitlement</li> <li>○ The spouse of a veteran or active-duty service-member without the veteran as an applicant</li> <li>○ Guardianships</li> <li>○ Life Estates</li> <li>○ LLCs</li> <li>○ Non-Revocable Inter Vivos Trusts</li> <li>○ Foreign nationals</li> </ul> </li> </ul>			

<sup>1</sup> The maximum LTV may be lower in cases where the veteran does not have full entitlement; the maximum LTV is lesser of the amount listed in this table or that which is required to obtain a 25% Guaranty. For more information on loan Guaranty refer to the VA Loan Guaranty section.

<sup>2</sup> Secondary financing must meet VA and GNMA restrictions, borrower may not borrow any portion of the down payment used to reduce the Funding Fee, or to cover a discrepancy between the VA reasonable value and the purchase price.

<sup>3</sup> DTI limited to 41% for manually underwritten transactions but may be exceeded up to 50% with approved compensating factors.

<sup>4</sup> FHFA loan limits apply for guideline applicability.

<sup>5</sup> The LTV on refinances is determined by dividing the Total Loan Amount, including any financed VAFF, by the reasonable value on the NOV.

<sup>6</sup> DTI limited to 41% for manually underwritten transactions but may be exceeded up to 45% with approved compensating factors.

	<ul style="list-style-type: none"> <li>○ Borrowers with diplomatic immunity</li> <li>• Each borrower on the loan transaction must have a valid Social Security number; ITIN (IRS Tax Identification Numbers) are not allowed.</li> </ul>
<b>Credit</b>	<p><b>Qualifying Credit Score:</b></p> <ul style="list-style-type: none"> <li>• A tri-merge credit report is required on all loans.</li> <li>• The qualifying score is the lower of two or the middle of three scores.</li> <li>• The lowest qualifying score of all applicants is used to qualify.</li> </ul> <p><b>Minimum Credit Score:</b></p> <ul style="list-style-type: none"> <li>• 550</li> </ul> <p><b>Credit Report Requirements:</b></p> <ul style="list-style-type: none"> <li>• Follow <a href="#">VA Lenders Handbook, Pamphlet 26-7</a>, for full requirements</li> <li>• Full Tri-Merged Credit Report (TRMCR) is required</li> </ul>
<b>Down Payment / Equity Requirement</b>	<p><b>Asset Verification:</b> The veteran or spouse must have sufficient cash to cover assets that are needed to close and those funds must be verified.</p> <p><b>Down Payment and Cash Required to Close:</b></p> <ul style="list-style-type: none"> <li>• Down payment/equity is required when the VA Guaranty does not equal 25% of the lesser of the sales price or Notice of Value (NOV). The <b>VA Calculator</b> worksheet should be completed on every loan. The calculator assists in calculating any required down payment from the borrower on purchase or refinance transactions. Regardless of the loan amount, the VA guaranty plus the Veteran’s down payment and/or equity must always be at least 25% of the lesser of the sales price or (NOV).</li> <li>• Any funds required that exceed 100% of the reasonable value of the property.</li> </ul> <p><b>Gift Funds:</b></p> <ul style="list-style-type: none"> <li>• Gift funds are allowed for down payment and closing costs</li> <li>• Gifts may not be used for reserves</li> </ul> <p>A gift can be provided by a donor that does not have any affiliation with the builder, developer, real estate agent, or any other interested party to the transaction. A gift letter must:</p> <ul style="list-style-type: none"> <li>• specify the dollar amount of the gift,</li> <li>• include the donor’s statement that no repayment is expected, and</li> <li>• indicate the donor’s name, address, telephone number and relationship to the borrower</li> </ul> <p><b>Gifts of Equity:</b></p> <p>When there is a gift of equity, the purchase price must be adjusted for the gift of equity. The VA Funding Fee and guaranty determination are based on the Adjusted Purchase Price (Adjusted Purchase Price = Purchase Price – Gift of Equity). Any LOS and loan document references to Purchase Price must reflect the Adjusted Purchase Price. The underwriter must verify that sufficient funds to cover the gift have been transferred to the borrower’s account, or will be documented as received by the closing agent at time of closing. Acceptable documentation includes the following:</p> <ul style="list-style-type: none"> <li>• evidence of the borrower’s deposit of the donor’s funds, or</li> <li>• a copy of the donor’s funds by check/electronic transfer to the closing agent, and</li> <li>• the CD showing receipt of the donor’s funds</li> </ul>
<b>Escrow Accounts</b>	<ul style="list-style-type: none"> <li>• Escrow accounts are required for the collection of property taxes, hazard insurance and flood insurance where applicable.</li> <li>• Flood insurance premiums where applicable must always be impounded/escrowed</li> </ul>
<b>Fee Limitations</b>	<p>The veteran can pay a maximum of:</p> <ul style="list-style-type: none"> <li>• reasonable and customary amounts for any or all of the “Itemized Fees and Charges” designated by VA, plus</li> <li>• a one percent flat charge by the lender, plus</li> <li>• reasonable discount points</li> </ul>

<b>Funding Fee</b>	<ul style="list-style-type: none"> <li>• Each veteran must pay the respective funding fee based on the VA funding fee schedule unless exempt</li> <li>• The funding fee may be financed in whole, or paid in cash at closing</li> <li>• Veterans/servicemembers who are not indicated as exempt on the COE must advise HomeXpress if they have any pending disability compensation, or pre-discharge claims pending.</li> <li>• The LTV for refinances is calculated based on the total loan amount including any financed funding fee</li> </ul>
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li>• <b>Texas:</b> Cash out (A6) transactions are not permitted, refinances in TX must result in \$0 cash back to borrower. NO exception.</li> <li>• <b>Nevada:</b> Purchase transaction loans secured by properties located in Fallon, Nevada and serviced by the City of Fallon Municipal Water System include a veteran-signed "Purchaser Acknowledgement and Release" form. For additional information, contact the local VA office.</li> <li>• <b>Rhode Island:</b> Manufactured housing is not eligible</li> </ul>
<b>Guaranty</b>	Regardless of the loan amount, the VA guaranty plus the Veteran's down payment and/or equity must always be at least 25% of the lesser of the sales price or Notice of Value (NOV). The calculator assists in calculating any required down payment from the borrower on purchase or refinance transactions.
<b>Housing History</b>	<ul style="list-style-type: none"> <li>• Where the mortgage is reporting on credit and analyzed by an AUS the housing payment history is deemed acceptable</li> <li>• When the housing payment history is not evaluated by an AUS, or for Refer/manually underwritten loans: <ul style="list-style-type: none"> <li>• There may be no history of any 30-day late mortgage or rental payments within the last 24 months.</li> <li>• The housing payment history must be documented by: <ul style="list-style-type: none"> <li>• The credit report/supplement; or</li> <li>• VOR received directly from the landlord (for landlords with no Identity of Interest with the borrower); or</li> <li>• VOM received directly from an institutional mortgage servicer; or</li> <li>• Canceled checks that cover the most recent 24-month period.</li> </ul> </li> </ul> </li> <li>• Borrowers who are living rent free are eligible provided the Mortgagee obtains verification directly from the property owner that the borrower has been living rent-free and the amount of time the borrower has been living rent free.</li> </ul>
<b>Ineligible Transactions</b>	<p>HomeXpress will not accept transactions including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Refinances where six payments have not been made on the loan being refinanced</li> <li>• Refinances where the note date is less than 210 days from the first monthly payment on the loan being refinanced</li> <li>• Buydowns</li> <li>• Energy Efficient Mortgages</li> <li>• Repair Escrow</li> <li>• Adjustable-Rate Mortgages (ARM)</li> <li>• Loans closed in conjunction with any Housing Finance Agency (HFA) down payment assistance or grant programs</li> <li>• One-time close construction</li> <li>• Borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller.</li> <li>• Borrower is a principal of the title company and/or settlement agent for the subject transaction.</li> </ul>
<b>Interest Rate Reduction Refinance Loan (IRRRL)</b>	Refer to the IRRRL Product Matrix
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>• Conforming Loan Limits only</li> <li>• AUS Approval required/no manual UW permitted</li> <li>• Owner occupied properties only</li> <li>• Must be classified as Real Property</li> <li>• The Manufactured Home must have been built on or after June 15, 1976</li> <li>• Double-wide minimum width</li> <li>• Leasehold properties are ineligible</li> <li>• Condo projects comprised of manufactured homes are ineligible</li> <li>• The manufactured home may not have been previously installed or occupied at another location</li> <li>• All manufactured housing must meet VA guidelines, and any restrictions in these Program Guidelines</li> <li>• Manufactured Homes located within a Special Flood Hazard Area are not eligible unless a FEMA National Flood Insurance Program (NFIP) Elevation Certificate (<b>FEMA Form 086-0-33</b>) prepared by a licensed engineer or</li> </ul>

	surveyor stating that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation is provided, and flood insurance under the NFIP is obtained.
<b>Max # loans</b>	<ul style="list-style-type: none"> <li>• A maximum of four Government or GSE loans are permitted to one borrower with HomeXpress.</li> <li>• Non-QM or Jumbo programs are not included in this restriction</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Owner occupied properties only</li> <li>• Non-Owner (investment) properties permitted for IRRRL only (loan amount subject to limitations described in VA Lenders Handbook, Pamphlet 26-7)</li> </ul>
<b>PACE Obligations</b>	<ul style="list-style-type: none"> <li>• Loan transactions secured by properties with PACE obligations or PACE-like assessments are not eligible. The obligation must be satisfied prior to or at closing.</li> </ul>
<b>Property Eligibility</b>	<p><b>Ineligible Properties:</b></p> <ul style="list-style-type: none"> <li>• Commercial property</li> <li>• Cooperatives</li> <li>• Condotels</li> <li>• Geothermal homes</li> <li>• Geodesic Domes</li> <li>• Mobile homes</li> <li>• Non-warrantable condos</li> <li>• Timeshares</li> <li>• Working farms, ranches, orchards</li> <li>• Properties with C6 quality rating</li> <li>• Properties with C5 or C6 condition rating</li> <li>• Properties secured with PACE obligations or PACE like assessments</li> <li>• Manufactured homes in condo project or on leased land</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• 1 Unit: not required</li> <li>• 2-4 Unit: 6 months PITIA</li> <li>• Other REO: 3 months PITIA</li> </ul>
<b>Seasoning</b>	<p><b>Requirements measured to the case number assignment date unless otherwise noted.</b></p> <p><b>Cash Out seasoning Requirements:</b> The note date of the refinance loan must be on or after the later of:</p> <ul style="list-style-type: none"> <li>• The date on which the borrower has made at least six consecutive monthly payments on the loan being refinanced; and</li> <li>• The date that is 210 days after the first payment due date of the loan being refinanced</li> <li>• If the subject loan is refinancing a modified loan, the seasoning is based on the modification, not the original loan that was subsequently modified</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>• Must meet all VA and GNMA requirements for subordinate financing.</li> <li>• New subordinate financing is not permitted</li> </ul>
<b>Tax Transcripts</b>	<p>IRS tax transcripts are required in the following circumstances listed below:</p> <ul style="list-style-type: none"> <li>• Borrower(s) is employed by a family member</li> <li>• Tax returns are required documentation based on the borrower's source of income</li> </ul>
<b>Transaction</b>	<p><b>Refinances:</b> All VA refinances must meet the requirements outlined in <b>VA Circular 26-19-5</b>. This is effective for all non-IRRRL refinances with application dates on or after February 15, 2019. Requirements include but are not limited to the following:</p> <ul style="list-style-type: none"> <li>• <b>Type I Cash-Out Refinance:</b> For refinances of loans guaranteed by the VA, the new loan amount, including the VA Funding Fee, does not exceed the payoff amount of the loan being refinanced.</li> <li>• <b>Type II Cash-Out Refinance:</b> The loan amount, including the VA Funding Fee, exceeds the payoff amount of the loan being refinanced.</li> </ul> <p><b>Refinance LTV:</b> For all refinance loans, the LTV is determined by dividing the total loan amount, including any financed VAFF, by the reasonable value per the NOV. The VA guaranty plus the Veteran's equity must always be at least 25% of the Notice of Value (NOV).</p> <p><b>Refinance Net Tangible Benefit (NTB):</b></p>

	<p>All refinances (Type I and Type II) must pass a NTB test and a NTB disclosure must be provided to the Veteran no later than the third business day after receiving the Veteran’s loan application, and again at loan closing.</p> <p><b>Type I Refinance NTB</b> – One of the following NTB must exist for all Type I Refinances:</p> <ul style="list-style-type: none"> <li>• Fixed Rate to Fixed Rate refinance requires an interest rate reduction of at least .5%</li> <li>• Fixed Rate to ARM refinance requires an interest rate reduction of at least 2%</li> </ul> <p><b>Type II Refinance NTB</b> - One of the following NTB must exist for all Type II Refinances:</p> <ul style="list-style-type: none"> <li>• The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance;</li> <li>• The term of the new loan is shorter than the term of the loan being refinanced;</li> <li>• The interest rate on the new loan is lower than the interest rate on the loan being refinanced;</li> <li>• The monthly principal and interest payment on the new loan is lower than the monthly principal and interest payment on the loan being refinanced;</li> <li>• The new loan results in an increase in the borrower’s monthly residual income;</li> <li>• The new loan refinances an interim loan to construct, alter, or repair the home;</li> <li>• The new loan amount is equal to or less than 90 percent of the reasonable value of the home, or;</li> <li>• The new loan refinances an adjustable rate loan to a fixed rate loan.</li> </ul>
<p><b>Underwriting Method</b></p>	<ul style="list-style-type: none"> <li>• All loans must be submitted to DU or LPA (except IRRRL)</li> <li>• Manual Underwriting is permitted except as otherwise mentioned in this matrix</li> <li>•</li> </ul>