

VA AUS UNDERWRITING MATRIX*					
TRANSACTION	PROPERTY TYPE	OCCUPANCY	MAX LTV/CLTV	MAX LOAN AMOUNT	MINIMUM FICO
PURCHASE	1-4 UNITS	PRINCIPAL RESIDENCE	100%	≤ \$1.00 MM	580
			100%	> \$1.00 MM ≤ \$1.50 MM	640
			90%	> \$1.00 MM ≤ \$1.50 MM	580
CASH-OUT REFINANCE	1-4 UNITS	PRINCIPAL RESIDENCE	90%	≤ \$1.00 MM	580
			100%	≤ \$1.00 MM	600
			100%	> \$1.00 MM	640

* Only Desktop Underwriter® (DU®) may be used on loans where AUS is required

VA IRRRLs are eligible – see the VA IRRRL Guidelines with Overlays Matrix for program details

VA MANUAL UNDERWRITING MATRIX					
TRANSACTION	PROPERTY TYPE	OCCUPANCY	MAX LTV/CLTV	MAX LOAN AMOUNT	MINIMUM FICO
PURCHASE	1-4 UNITS	PRINCIPAL RESIDENCE	100%	≤ \$1.00 MM	580
	SFR	PRINCIPAL RESIDENCE	100%	\$500,000	No FICO
			95%	> \$500K ≤ \$1.00 MM	No FICO
CASH-OUT REFINANCE	1-4 UNITS	PRINCIPAL RESIDENCE	90%	≤ \$1.00 MM	580

PRODUCT OFFERINGS	
Fixed Rate Products	15, 20, 25, 30 year fixed - Nonstandard terms available

Loan Limits – Please reference [FHFA Conforming loan limits](#).

For guidance not covered in this document, please reference VA lender handbook

https://www.benefits.va.gov/warms/pam26_7.asp.

LOAN TASK	RESPONSIBLE PARTY	FURTHER DETAILS
VA Case Assignment	SWF	SWF is responsible for initial VA Case Assignment.
VA Appraisal Delivery	SWF	SWF is responsible for uploading appraisals to the VA portal in order to receive the Notice of Value (NOV).
VA Loan Underwriting	SWF	SWF will complete the required underwriting review and approval of all VA loans.
VA Funding Fee (VAFF) Payment	SWF	Correspondent Lender is responsible for ensuring the VAFF is paid as applicable.
VA LGC Completion	SWF	SWF will complete the required tasks to obtain the Loan Guaranty Certificate (LGC).

TOPIC	OVERLAY
BASIC GUIDELINES	Overlays in this matrix apply to US Department of Veterans Affairs (VA) conforming guidelines . Refer to the VA lender handbook for additional guidance. Information in this matrix is subject to change without notice.
Amended Tax Returns	Accepted for the following amendment reasons: • Amended for clerical items only (i.e. modifying a prior ITIN number to a newly issued SSN) • Amended for income-related items, under the following conditions: ▪ Amended at least sixty (60) days before mortgage application taken ▪ Amendment shows on transcripts (stamped returns not acceptable) • Documentation supplied to support the increase, including but not limited to: ▪ 1099 or W2 showing missed/updated income ▪ Canceled Checks or Bank Statements showing missed/updated rental income
Assets	• Assets must be documented as determined by DU, as applicable, and in accordance with VA guidelines • Internet Statements, obtained from financial institution's website, must contain the same information found on a standard bank statement. • VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.
AUS	• Only Desktop Underwriter® (DU®) may be used on loans where AUS is required

Cash-Out - Type I	- Seasoning requirements (see Seasoning Requirements section below) must be met - The proposed interest rate must be lower than the existing interest rate: 0.5% rate reduction required for Fixed to Fixed 2.0% rate reduction required for Fixed to ARM - If discount points are utilized to reduce the interest rate, the LTV calculation is determined as follows: ≤ 1.000 discount point requires a ≤ 100% LTV > 1.000 discount points requires a ≤ 90% LTV - ARM to Fixed and ARM to ARM are exempt from rate reduction requirement - Net Tangible benefit must be met as indicated on the Loan Comparison - Fee recoupment must be ≤ 36 months after the date the loan closed - No more than 2.000 discount points can be charged - Recoupment is calculated by dividing all fees, expenses, and closing costs—whether included in the loan or paid outside the loan or paid outside of closing (i.e. an appraisal fee)—by the reduction of the monthly PI payment - Borrower can only be charged for one appraisal/valuation product - The VA funding fee, escrow, and prepaid expenses, such as insurance, taxes, special assessments, and homeowners' association (HOA) fees, are excluded from the fee recoupment calculation
Cash-Out - Type II	- Seasoning requirements (see Seasoning Requirements section below) must be met - Net Tangible benefit must be met as indicated on the Loan Comparison - Cash in hand at closing does not satisfy this requirement

TOPIC	OVERLAY
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Credit – Borrower with No FICO	Non-traditional Credit Requirements - Absence of Credit History For borrower(s) with no established credit history, base the determination on the borrower’s payment record on alternative or nontraditional credit directly from the borrower or creditor in which a payment history can be verified. Absence of a credit history is not generally considered an adverse factor. It may result when: - Borrower has not yet developed a credit history - Borrower has routinely used cash rather than credit, and/or - Borrower has not used since some disruptive credit event, such as bankruptcy or debt pro-ration through consumer credit counseling - SWF requires Manual Underwriting with no FICO with all of the following conditions met: 12-24 month housing payment history, no late payments; borrowers without housing payment history will not be considered for manual underwriting - A minimum of three non-traditional credit sources - Maximum payment shock of 100% - Limited credit history cannot be used to overcome poor credit history; RMCR must be ordered to confirm limited/no credit 120% residual income required for DTI > 41% 45% maximum DTI for transaction with no FICO
Debt-to-Income Ratio (DTI)	Maximum DTI - DU® Approved: 60% (> 60% requires Credit Policy 2nd-level review) - Manual Underwrite: 600 FICO, 50% - Manual Underwrite: No FICO, 45%
Electronic Signatures/eSigning	- eSigning is allowed for most documents. - eSigning is not allowed for items below: (or any Loans with POA) - Note Rider(s) - Notice of Right to Cancel - Security Instrument - Security Instrument Rider(s) Note
Employment Verification	Direct electronic verification of employment by third-party vendors is not permitted.

Escrow Account	Escrow Account required; no escrow waiver allowed.
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TOPIC	OVERLAY
Escrow Holdback	Not allowed
Family-Owned Business	Two years tax returns are required regardless of DU® recommendation.
Ineligible Programs	• Construction to Permanent – One Closing Vehicle (Single-Closing) • Energy Efficient Mortgages (EEM) • Joint Loans • Native American Direct Loan • Property with PACE Lien (unless paying off through the transaction) • Property with resale restrictions (age restrictions are acceptable) • Texas 50(a)6 transactions • TPO Originated Loans
Ineligible Properties	• Co-Ops • Indian Leased Land • Single-wide Manufactured Home • Solar Panels that affect first lien position
Minimum Loan Amount	\$75,000
Mortgage Credit Certificate (MCC)	Not permitted
Non-Occupant Co-Borrower	Not eligible

Non-Permanent Resident Aliens	These borrowers accepted under the following conditions: • Acceptable Visa evidence provided • Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS • Borrower has valid Social Security Number (SSN) • Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen • DACA: Category C33 work status under deferred action, DACA borrowers allowed with proper documentation. ○ EAD must be current; if expiring within 1 year, evidence of history of renewals ○ Income source must be stable with two-year work history • Diplomatic Immunity: Borrowers with Diplomatic Immunity are ineligible
Payment History	• 0x30 lates in the last 12 months for all manual underwrites • Follow VA guidelines for all DU® approved loans

TOPIC	OVERLAY
Power of Attorney (POA)	• A POA may not be eSigned and must be specific to the transaction. • SWF requires all of the following: ○ Alive and Well Statement from commanding officer (if active duty) ○ Underwriter must be able to validate the Veteran applied for the mortgage (lender certification is required) ○ Specific POA is required; a Military POA may be used in cases where borrower is actively deployed
Recently Listed Properties	Property must be off the market at least one day prior to mortgage application date.
Renegotiated Purchase Contract	• Not allowed; however, minor adjustments due to condition or other relevant factors are permitted. • Increase of sales price after appraisal completed is not permitted.
Rental Income	• Departing Residence: Obtain the Lease Agreement AND the loan can qualify using gross rents (non-family member) to offset the payment (cannot use as effective income); justification of the market and reasonableness is required • Rental Income as Effective Income: 3 months reserves and 2 years tax returns (or transcripts) to support income on each property owned • 2-4 Units: borrower must have a history as a landlord or use of property management company AND 6 months reserves AND 75% of the amount indicated on the appraisal opinion of the property's fair monthly rental AND evidence of which unit number the borrower will occupy is required

Reserve Requirements	6 months PITIA is required if subject is 2-4 units and rental income is being used for qualifying purposes 3 months PITIA is required if rental income is being used from other properties
Seasoning Requirements	Seasoning requirements are applicable to all VA refinances regardless of the type of loan paid off through the transaction. - The new note date must be on or after: - The date that is 210 days or more after the date on which the first monthly payment was due on the mortgage being refinanced, and - The date on which six (6) consecutive monthly payments have been made on the mortgage being refinanced - For modified loans, the note date of the new loan must be on or after: - The date that is 210 days or more after the date on which the first modified monthly payment was due on the mortgage being refinanced, and - The date on which six (6) consecutive modified monthly payments have been made on the mortgage being refinanced NOTE: Mortgage payments cannot be made in advance to meet the six consecutive payment requirements
Social Security Number (SSN)	All borrowers must have a valid SSN.
Tax Transcripts	Transcripts are required when tax returns are used to qualify borrower income; this includes both personal and business returns, where applicable
TOPIC	OVERLAY
	- If the most recent year's tax returns have been filed, but not processed by the IRS, the following alternative documentation is allowed: - Copy of eFiled tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower - Letter from CPA who filed taxes stating the Adjusted Gross Income and copy of tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower - IRS stamped tax returns with proof of payment for taxes owed or proof of deposit for refunds due to borrower - Borrower's copy of transcripts pulled directly from the IRS website Note: A copy of the "Where's My Refund" screen from IRS site can be provided in lieu of proof of deposit for tax refund
Temporary Buydowns	Allowed with Limitations – see ' Temporary Buydown Guide ' below for specific terms and conditions
Unpaid Federal Tax Debt	- Delinquent tax debt that has not become a lien and does not impact title (open liens reflected on credit report will impact title and must be paid off) may remain open provided they are in an IRS approved payment plan with timely payments made, if applicable - Delinquent tax debt that has become a lien or does not meet the above requirements is ineligible NOTE: Record of Account can be used in lieu of canceled check or proof of electronic payment.

VA IRRRL	VA IRRRLs are eligible – see VA IRRRL Guidelines with Overlays Matrix for more details
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TOPIC	OVERLAY
MANUFACTURED HOME GUIDELINES	Overlays in this matrix apply to US Department of Veterans Affairs (VA) conforming guidelines . Refer to the VA lender handbook for additional guidance. Information in this matrix is subject to change without notice.
Standards (09/14/2015)	Appraiser must notify mortgagee and report any deficiency of MPR or MPS if a manufactured home does not comply with the following: • Floor area must be ≥ 400 sq ft • Constructed on or after June 15, 1976, in conformance with the federal MHCSS, as evidenced by an affixed HUD Certification Label in accordance with 24 CFR § 3280.11 (Manufactured Homes produced prior to June 15, 1976 are ineligible for insured financing.) • Manufactured home and site exist together as a real estate entity in accordance with state law (but need not be treated as real estate for taxation purposes) • Manufactured home was moved from the factory or dealer directly to the site • Manufactured home was designed to be used as a dwelling with a permanent foundation built to comply with PFGMH • Finished grade elevation beneath the manufactured home (or, if basement used, the grade beneath the basement floor) is at or above the 100-year return frequency flood elevation

TOPIC	OVERLAY
	• Structure is designed for occupancy as a principal residence by a single family
Flood Zone	• SWF does not allow manufactured homes in a flood zone.

Foundation: Existing Construction	• Definition: Existing construction for manufactured housing refers to a manufactured home that has been permanently installed on a site for one year or more prior to the case number assignment date. • Standard: If the perimeter enclosure is non-load-bearing skirting comprised of lightweight material, the entire surface area of the skirting must be permanently attached to backing made of concrete, masonry, treated wood, or a product with similar strength and durability. ○ Skirting: Skirting refers to a non-structural enclosure of a foundation crawl space that is typically, but not always, a lightweight material such as vinyl or metal attached to the side of the structure and extending to the ground (generally not installed below frost depth). ○ Perimeter Enclosure (MPR/MPS Item): The space beneath the manufactured home must be properly enclosed; the perimeter enclosure must be a continuous wall that is adequately secured to the perimeter of the unit and allows for proper ventilation of the crawl space. • Required Analysis and Reporting: If the manufactured home foundation does not meet the requirements for Existing Construction, the appraiser must notify the mortgagee and report the deficiency in the MPR or MMPS.
HUD Data Plate	• Standard HUD Data Plate Requirements: Manufactured homes have a data plate affixed in a permanent manner, typically adjacent to the electric service panel, the utility room, or within a cabinet in the kitchen. • Required Analysis and Reporting: The appraiser must report the information on the data plate within the appraisal, including the manufacturer name, serial number, model, and date of manufacture, as well as wind, roof load, and thermal zone maps. • Missing Data Plate (of Appraiser Cannot Locate): If the data plate is missing or the appraiser is unable to locate it, the appraiser must report this in the appraisal and is not required to secure the data plate information from another source. ○ If the data plate is missing or appraiser cannot locate it, SWF requires an IBTS report.
IBTS Report/HUD Certification FHA	• HUD Certification Label Standard: The manufactured home must have an affixed HUD Certification Label located at one end of each section of the house, approximately one foot up from the floor and one foot in from the roadside, or as near that location on a permanent part of the exterior of the house, as practicable. Etched on the HUD Certification Label is the certification label number, as referred to as the HUD label number. Label numbers are not required to be sequential on a multi-section house. • Required Analysis and Reporting: The appraiser must report the HUD label number for all sections, or report that the HUD Certification Label is missing or that the appraiser was unable to locate it. ○ If the HUD Certification is missing or appraiser cannot locate it, SWF requires an IBTS report.
TOPIC	OVERLAY

Ineligible Features	- The following are not allowed in relation to a manufactured home: - Located in a co-op, condo, or PUD project - Located in a flood zone - Manufactured home with a leasehold - Manufactured home with an ADU or other dwelling structure - Single-wide manufactured homes - Graduated Payment Mortgage (GPM)
Manufactured Home Additions	- Any addition to the original structure (i.e. patio, deck, carport, rooms, etc.) requires a structural engineer report. - If the appraiser observes additions or structural changes to the original manufactured home, the appraiser must condition the appraisal upon inspection by the state or local jurisdiction administrative agency that inspects manufactured housing for compliance (or a licensed structural engineer may report on the structural integrity of the manufactured dwelling and the addition if the state does not employ inspectors).

TEMPORARY BUYDOWN GUIDE	
Product Eligibility	- DU® Approve recommendations only – not allowed on manually underwritten loans 30-Year Fixed Rate only - Conforming and High-balance loan amounts - Primary Residence only - Purchase Transactions only - Single Family (1-2 Units), PUD and Condo only - Seller / Builder funded only
Term of Buydown	2/1 Buydown: 24-month term - Initial interest rate temporarily reduced by no more than two percent below the note rate and increased by no more than one percent annually for no more than two years, with the non-reduced note rate applying for years three through 30 1/0 Buydown: 12-month term - Initial interest rate temporarily reduced by no more than one percent below the note rate, with the non-reduced note rate applying for years two through 30
Underwriting Criteria	Borrowers qualified using note rate, not buydown rate

- Standard Interested Party Contribution guidelines apply
- Temporary Buydowns are not allowed on manually underwritten loans
- Seller / Builder funded only