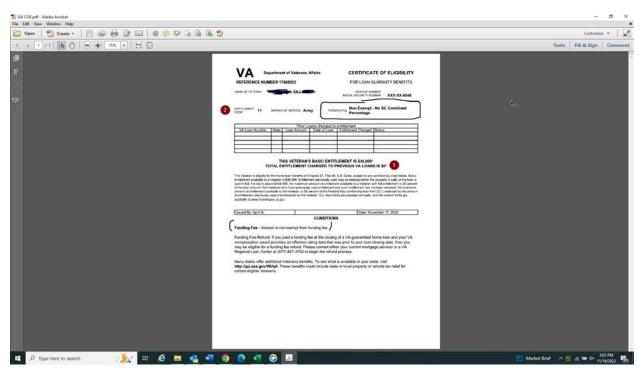
How to enter a VA loan in encompass.

Always request a COE as soon as you know you are working with a veteran. This is a MUST have in order to correctly disclose a VA loan. In some cases we will need the borrower to complete a 26-1880 (request for COE) AND provided back up documents in order to get the COE. This is VERY Important.

This sample COE shows our borrower IS NOT exempt from funding fee so there must be a funding fee in file. Use current charts for this. Also #1 shows he has not used entitlement before, so a first time user when looking at the current funding fee chart. #2 is the entitlement code for this borrower.

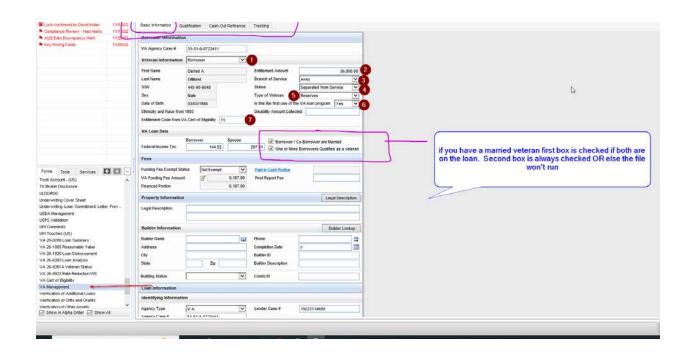
You need the certificate of eligibility which looks like this:



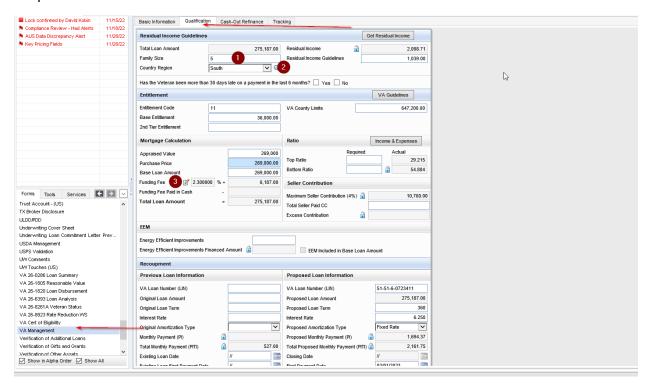
THIS veteran is NOT exempt but if the COE shows he is exempt here is where the "exempt" is located in encompass. Very IMPORTANT if exempt this is entered here.



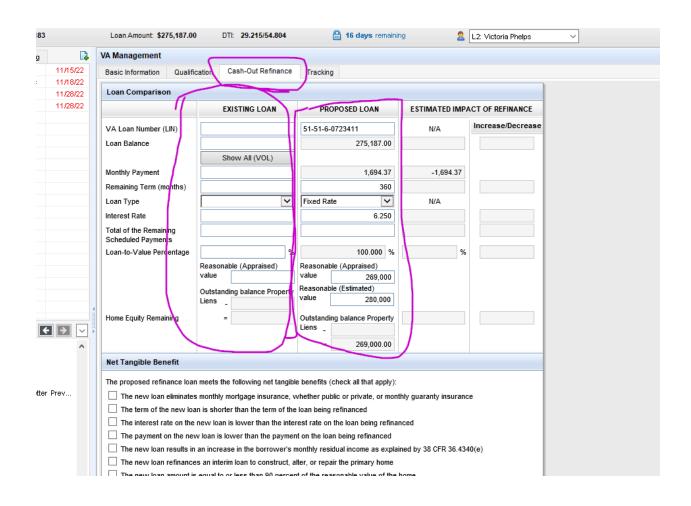
Still using your COE, pictured above you need to go to VA management in encompass. At the top of the VA management screen there are boxes for basic info, qualification etc.... see below. Go into Basic information first, some information will auto import. But 1-7 you get from the COE. SEE IMPORTANT note in purple on below screen shot. These boxes must be checked as applicable.



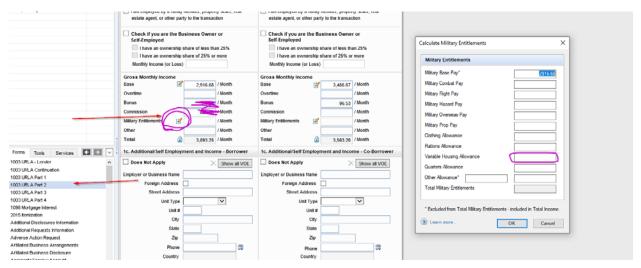
Next you will clock on the qualification, the second button the top under VA Management. It looks like this. You need to put in the family size#1 and the region #2. Your funding fee, #3 will import from the borrower summary but always check it to be sure it is correct. Regions, and funding fee table attached to these instructions for you to keep.



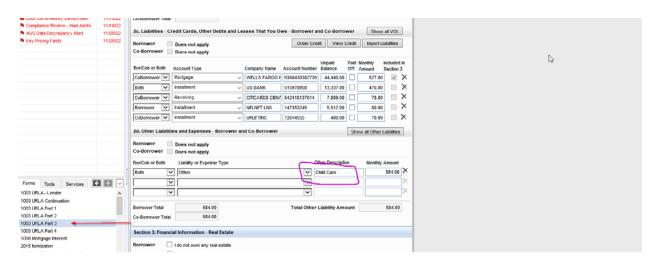
The next box is the cash out refinance box. We must have a NOTE from their current mortgage to get a COE on this or any other refinance loan. A COE will have to ordered for a refinance from the VA website as well. Using the NOTE, and the COE you would complete the existing loan screen and the proposed loan screen will come from information you have already entered. See below.



If you have an active duty veteran you will click right here to add VA entitlements such as housing allowance on so forth. These amounts would be found on the VA LES (military paystub.)



If you have a borrower or borrowers that have young children that require child care, remember you will need a childcare statement and you will need to enter this cost which is included in the debt ratio. This is entered right here in encompass:



2018 VA Residual and Regions

e. Item 44, Balance Available for Family Support (continued)

Table of Residual Incomes by Region For loan amounts of \$80,000 and above					
Family Size	Northeast	Midwest	South	West	
1	\$450	\$441	\$441	\$491	
2	\$ 755	\$738	\$738	\$823	
3	\$909	\$889	\$889	\$990	
4	\$1,025	\$1,003	\$1,003	\$1,117	
5	\$1062	\$1,039	\$1,039	\$1,158	
over 5	Add \$80 for	each additional n	ember up to a fan	nily of seven	

Key to Geographic Regions Used in the Preceding Tables			
Northeast	Connecticut	New Hampshire	Pennsylvania
	Maine	New Jersey	Rhode Island
	Massachusetts	New York	Vermont
Midwest	Illinois	Michigan	North Dakota
	Indiana	Minnesota	Ohio
	Iowa	Missouri	South Dakota
	Kansas	Nebraska	Wisconsin
South	Alabama	Kentucky	Puerto Rico
	Arkansas	Louisiana	South Carolina
	Delaware	Maryland	Tennessee
	District of Columbia	Mississippi	Texas
	Florida	North Carolina	Virginia
	Georgia	Oklahoma	West Virginia
West	Alaska	Hawaii	New Mexico
	Arizona	Idaho	Oregon
	California	Montana	Utah
	Colorado	Nevada	Washington
			Wyoming

Continued on next page

FUNDING FEE TABLES

The VA funding fee is calculated as a percentage of the total loan amount. It must be paid or rolled into the loan at closing time. VA strongly recommends that you verify with your lender that the funding fee matches your military service.

In <u>Public Law 116-23</u>, Congress has established rates for loans closed **on** or **after January 1, 2020**, and **before January 1, 2022** at the levels listed below:

Purchase and Construction Loan Note: Reduced fees only apply to purchase loans with a down payment of at least 5 percent.					
Type of Military Service	Down payment	Percentage for <u>First-time</u> Use	Percentage for Subsequent Use		
Active Duty**,	None	2.3%	3.6% *		
Reserves, &	5% or more	1.65%	1.65%		
National Guard	10% or more	1.4%	1.4%		

Cash-Out/Regular Refinancing Loan Note: See above table for reduced fees on loans with a down payment of at least 5 percent.				
Type of Military Service	Percentage for <u>First-Time</u> Use	Percentage for Subsequent Use		
Active Duty**, Reserves, & National Guard	2.3%	3.6% *		

^{*} If the Veteran's only prior use of entitlement was for a manufactured home loan, the higher subsequent use fee does **not** apply.

^{**} Active Duty includes Reserves and National Guard ordered to active service that meets the eligibility requirements for their era of service (https://www.benefits.va.gov/homeloans/purchaseco_eligibility.asp). Active service does **NOT** include active duty for training.

Other Types of Loans	Percentage for First-Time and Subsequent Use
Interest Rate Reduction Refinance Loan (IRRRL)	0.5%
Loan Assumption	0.5%
Manufactured Home Loan (NOT permanently affixed)	1.0%
Native American Direct Loan (NADL)	1.25%
Native American Direct Loan (NADL) Refinance Loan	0.5%
Vendee Direct Loan	2.25%

Note: A list of Tribes participating in the NADL Program is at https://www.benefits.va.gov/homeloans/nadl mou.asp

The following do NOT pay the VA funding fee:

- Veteran receiving VA compensation for a service-connected disability;
- Veteran entitled to receive VA compensation for a service-connected disability, but receives retirement pay or active service pay;
- Surviving spouse of a Veteran who died in active service or from a service-connected disability;
- Servicemember on Active Duty who provides, **on** or **before** date of loan closing, evidence of having been awarded the Purple Heart.