

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.

Lock confirmed by David Kohn 11/15/22
Compliance Review - Had Alerts 11/15/22
AUS Data Discrepancy Alert 11/28/22
Key Pricing Fields 11/28/22

Basic Information Qualification Cash-Out Refinance Tracking

Borrower Information

VA Agency Case # 51-51-6-0723411

Veteran Information

First Name Darren A. Entitlement Amount 36,000.00
Last Name Gilmore Branch of Service Army
SSN 445-90-4045 Status Separated from Service
Sex Male Type of Veteran Reserves
Date of Birth 03/03/1988 Is this the first use of the VA loan program Yes
Ethnicity and Race from 1993 Disability Amount Collected
Entitlement Code from VA Cert of Eligibility 11

VA Loan Data

Borrower Federal Income Tax 144.52 Spouse 207.11
☒ Borrower / Co-Borrower are Married
☒ One or More Borrowers Qualifies as a veteran

Fees

Funding Fee Exempt Status Not Exempt Paid in Cash Portion
 VA Funding Fee Amount 5,187.00
 Financed Portion 5,187.00

Property Information

Legal Description

Builder Information

Builder Name Phone
 Address Completion Date
 City Builder ID
 State Zip Builder Description
 Building Status Condo ID

Loan Information

Identifying Information

Agency Type V.A. Lender Case # 19222114609

Forms Tools Services
 Trust Account - (US)
 TX Broker Disclosure
 ULDD/PDD
 Underwriting Cover Sheet
 Underwriting Loan Commitment Letter Prev...
 USDA Management
 USPS Validation
 UMW Comments
 UMW Touches (US)
 VA 26-0286 Loan Summary
 VA 26-1805 Reasonable Value
 VA 26-1820 Loan Disbursement
 VA 26-6393 Loan Analysis
 VA 26-8261A Veteran Status
 VA 26-8923 Rate Reduction WS
 VA Cert of Eligibility
 VA Management
 Verification of Additional Loans
 Verification of Gifts and Grants
 Verification of Other Assets
☒ Show in Alpha Order ☒ Show All

if you have a married veteran first box is checked if both are on the loan. Second box is always checked OR else the file won't run

Next you will click 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.

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Basic Information Qualification Cash-Out Refinance Tracking

Residual Income Guidelines

Total Loan Amount 275,187.00 Residual Income 2,098.71
 Family Size 5
 Country Region South
 Has the Veteran been more than 30 days late on a payment in the last 6 months? Yes No

Entitlement

Entitlement Code 11 VA County Limits 647,200.00
 Base Entitlement 36,000.00
 2nd Tier Entitlement

Mortgage Calculation

Appraised Value 269,000
 Purchase Price 269,000.00
 Base Loan Amount 269,000.00
 Funding Fee 5,187.00
 Funding Fee Paid in Cash
 Total Loan Amount 275,187.00

Ratio

Top Ratio Required Actual 29.215
 Bottom Ratio 54.804

Seller Contribution

Maximum Seller Contribution (4%) 10,760.00
 Total Seller Paid CC
 Excess Contribution

EEM

Energy Efficient Improvements
 Energy Efficient Improvements Financed Amount
☐ EEM Included in Base Loan Amount

Recoupment

Previous Loan Information

VA Loan Number (LIN)
 Original Loan Amount
 Original Loan Term
 Interest Rate
 Original Amortization Type
 Monthly Payment (PI)
 Total Monthly Payment (PTI)
 Existing Loan Date

Proposed Loan Information

VA Loan Number (LIN) 51-51-6-0723411
 Proposed Loan Amount 275,187.00
 Proposed Loan Term 360
 Interest Rate 6.250
 Proposed Amortization Type Fixed Rate
 Proposed Monthly Payment (PI) 1,694.37
 Total Proposed Monthly Payment (PTI) 2,161.75
 Closing Date
 End Document Date

Forms Tools Services
 Trust Account - (US)
 TX Broker Disclosure
 ULDD/PDD
 Underwriting Cover Sheet
 Underwriting Loan Commitment Letter Prev...
 USDA Management
 USPS Validation
 UMW Comments
 UMW Touches (US)
 VA 26-0286 Loan Summary
 VA 26-1805 Reasonable Value
 VA 26-1820 Loan Disbursement
 VA 26-6393 Loan Analysis
 VA 26-8261A Veteran Status
 VA 26-8923 Rate Reduction WS
 VA Cert of Eligibility
 VA Management
 Verification of Additional Loans
 Verification of Gifts and Grants
 Verification of Other Assets
☒ Show in Alpha Order ☒ Show All

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.

83 Loan Amount: \$275,187.00 DTI: 29.215/54.804 16 days remaining L2: Victoria Phelps

VA Management

Basic Information Qualification **Cash-Out Refinance** Tracking

Loan Comparison

	EXISTING LOAN	PROPOSED LOAN	ESTIMATED IMPACT OF REFINANCE	
VA Loan Number (LIN)		51-51-6-0723411	N/A	Increase/Decrease
Loan Balance		275,187.00		
Show All (VOL)				
Monthly Payment		1,694.37	-1,694.37	
Remaining Term (months)		360		
Loan Type		Fixed Rate	N/A	
Interest Rate		6.250		
Total of the Remaining Scheduled Payments				
Loan-to-Value Percentage		100.000 %	%	
Reasonable (Appraised) value		269,000		
Outstanding balance Property Liens		280,000		
Home Equity Remaining	=	269,000.00		

Net Tangible Benefit

The proposed refinance loan meets the following net tangible benefits (check all that apply):

- ☐ The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance
- ☐ The term of the new loan is shorter than the term of the loan being refinanced
- ☐ The interest rate on the new loan is lower than the interest rate on the loan being refinanced
- ☐ The payment on the new loan is lower than the payment on the loan being refinanced
- ☐ The new loan results in an increase in the borrower's monthly residual income as explained by 38 CFR 36.4340(e)
- ☐ The new loan refinances an interim loan to construct, alter, or repair the primary home
- ☐ The new loan amount is equal to or less than 90 percent of the reasonable value of the home

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.)

1c. Additional Self Employment and Income - Borrower

1c. Additional Self Employment and Income - Co-Borrower

Calculate Military Entitlements

Military Entitlements

Military Base Pay	2915.00
Military Combat Pay	
Military Flight Pay	
Military Hazard Pay	
Military Overseas Pay	
Military Prop Pay	
Clothing Allowance	
Rations Allowance	
Variable Housing Allowance	
Quarters Allowance	
Other Allowance	
Total Military Entitlements	

* Excluded from Total Military Entitlements - included in Total Income.

OK Cancel

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:

11/1/2022 11/1/2022 11/1/2022 11/1/2022

1003 URL A - Lender
1003 URL A Continuation
1003 URL A Part 1
1003 URL A Part 2
1003 URL A Part 3
1003 URL A Part 4
1008 Mortgage Interest
2015 Itemization

2c. Liabilities - Credit Cards, Other Debts and Leases That You Owe - Borrower and Co-Borrower

Borrower ☐ Does not apply
Co-Borrower ☐ Does not apply

Order Credit View Credit Import Liabilities

Bor/CoB or Both	Account Type	Company Name	Account Number	Unpaid Balance	Paid Off	Monthly Amount	Included in Section 3
CoBorrower	Mortgage	WELLS FARGO	9360430382739	44,440.00	<input type="checkbox"/>	527.00	<input checked="" type="checkbox"/>
Both	Installment	US BANK	515978950	13,337.00	<input type="checkbox"/>	476.00	<input checked="" type="checkbox"/>
CoBorrower	Revolving	CHFCARDS CBN	542418137014	7,809.00	<input type="checkbox"/>	78.00	<input checked="" type="checkbox"/>
Borrower	Installment	NEUNET LNS	147353240	5,512.00	<input type="checkbox"/>	80.00	<input checked="" type="checkbox"/>
CoBorrower	Installment	UPRI TRIC	72014555	400.00	<input type="checkbox"/>	70.00	<input checked="" type="checkbox"/>

2d. Other Liabilities and Expenses - Borrower and Co-Borrower

Borrower ☐ Does not apply
Co-Borrower ☐ Does not apply

Other Description Monthly Amount

Bor/CoB or Both	Liability or Expense Type	Other Description	Monthly Amount
Both	Other	Child Care	584.00

Borrower Total 584.00
Co-Borrower Total 584.00
Total Other Liability Amount 584.00

Section 3: Financial Information - Real Estate

Borrower ☐ I do not own any real estate

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 member up to a family 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 [Public Law 116-23](#), 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			
<i>Note: Reduced fees only apply to purchase loans with a down payment of <u>at least</u> 5 percent.</i>			
Type of Military Service	Down payment	Percentage for First-time Use	Percentage for Subsequent Use
Active Duty**, Reserves, & National Guard	None	2.3%	3.6% *
	5% or more	1.65%	1.65%
	10% or more	1.4%	1.4%

Cash-Out/Regular Refinancing Loan		
<i>Note: See above table for reduced fees on loans with a down payment of <u>at least</u> 5 percent.</i>		
Type of Military Service	Percentage for First-Time 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 (<i>NOT permanently affixed</i>)	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

<u>The following do NOT pay the VA funding fee:</u>
<ul style="list-style-type: none"> • 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.