

VA Purchase Product Summary

This document is a product summary; please refer to VA Handbook for complete underwriting guideline requirements

VA PURCHASE ELIGIBILITY MATRIX					
Units	Occupancy	Loan Amount ¹	Credit Score	LTV/CLTV ^{2,4}	DTI ³
AUS Approve/Accept					
1-4	Purchase	\$2,500,000	720	95%	45%
		\$2,000,000	720	100%	55%
		\$2,000,000	700	100%	45%
		\$1,500,000	720	100%	AUS
		\$1,500,000	680	100%	55%
		\$1,000,000	680	100%	AUS
		\$1,000,000	580	100%	55%
		\$650,000	580	100%	AUS
1	Primary Residence Manufactured Home	\$1,000,000	580	100%	55%
		\$650,000	580	100%	AUS
Refer/Eligible and Manual Underwrite					
Units	Occupancy	Loan Amount ¹	Credit Score	LTV/CLTV ^{2,4}	DTI ³
1-4	Purchase	\$1,500,000	700	100%	55%
		\$1,000,000	580	100%	55%
1	Primary Residence Manufactured Home	\$1,000,000	580	100%	55%
Nontraditional Credit					
Units	Occupancy	Loan Amount ¹		LTV/CLTV ^{2,4}	DTI ³
1-4	Primary Residence	\$806,500		100%	55%
		\$1,000,000			43%
1-unit manufactured homes					
¹ Base loan amount					
² LTV and CLTV based on the base loan amount excluding the VA Funding Fee					
³ DTI >41% when residual income exceeds 120% or significant documented compensating factors exist					
⁴ Maximum CLTV 105% with an approved Housing Assistance Program (HAP)					

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- | | |
|---|---------------------------------|
| 1. Loan Terms | 20. Ineligible Property Types |
| 2. Product | 21. State Requirement |
| 3. ARM Adjustments | 22. Eligible Borrowers |
| 4. Temporary Buydown | 23. Non-Occupant Co-Borrower |
| 5. Qualified Mortgage | 24. Credit |
| 6. QM Rebuttable Presumption | 25. Mortgage Payment History |
| 7. Power of Attorney | 26. Rental Payment History |
| 8. Eligible AUS Decision | 27. Borrower Contribution |
| 9. Manual Underwrite | 28. Seller Contributions |
| 10. Qualifying Rate | 29. Reserves |
| 11. Compensating Factors | 30. IRS Form 4506-C |
| 12. Residual Income | 31. Tax Transcripts |
| 13. Types of Financing | 32. Maximum Financed Properties |
| 14. Subordinate Financing | 33. Appraisals |
| 15. Down Payment Assistance/Housing Assistance Programs | 34. Principal Curtailment |
| 16. Guaranty/ Entitlement | 35. Escrow Waivers |
| 17. VA Funding Fee | 36. VA REO |
| 18. Occupancy | 37. Resources |
| 19. Eligible Property Types | 38. Ineligible Programs |

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1. Loan Terms	<ul style="list-style-type: none">Fixed Rate: 10- to 30-year terms in annual incrementsARMs: 30-year term				
2. Product Codes	VA Fixed Rate 10 Year		High-Balance VA Fixed Rate 10 Year		
	VA Fixed Rate 15 Year		High-Balance VA Fixed Rate 15 Year		
	VA Fixed Rate 20 Year		High-Balance VA Fixed Rate 20 Year		
	VA Fixed Rate 30 Year		High-Balance VA Fixed Rate 30 Year		
	VA Hybrid 5/1 ARM 1/1/5		High-Balance VA Hybrid 5/1 ARM 1/1/5		
3. ARM Adjustments	Index	One (1) Year Treasury Bill per the Wall Street Journal			
	Margin	2.00% 2.25%			
	Life Floor	The Floor is the Margin			
	Interest Rate	Product	First	Subsequent	Lifetime
	Caps	5/1 (1/1/5)	1%	1%	5%
	Change Date	5/1	The first Change Date is the 61 st payment due date. Subsequent Change Dates are every twelve months thereafter		
	Conversion Option	Not available			
4. Temporary Buydown	Temporary Buydowns must have a loan term of 240 or greater.				
	<p>Permitted for the following:</p> <ul style="list-style-type: none">Purchase transactionsFixed Rate <p>Not permitted with the following:</p> <ul style="list-style-type: none">ARMs <p>Eligible Buydown Plans</p> <ul style="list-style-type: none">1-0: payment will be calculated at 1.00% below the Note rate for payments 1-121-1: payment will be calculated at 1.00% below the Note rate for the first two years2-1: payment will be calculated at 2.00% below the Note rate for payments 1-12 and 1.00% below the Note rate for months 13-24				

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	<ul style="list-style-type: none"> • 3-2-1: payment will be calculated at 3.00% below the Note rate for payments 1-12 and 2.00% below the Note rate for months 13-24 and 1.00% below the note rate for months 25-36 				
5. Qualified Mortgage	All transactions are considered QM Safe Harbor				
6. QM Rebuttable Presumption	<ul style="list-style-type: none"> • AUS Approve/Accept • Maximum 43% DTI 				
7. Power of Attorney	Permitted. See Client Guide				
8. Eligible AUS Decision	<ul style="list-style-type: none"> • Accept/Eligible • Approve/Eligible 				
9. Manual Underwrite	<ul style="list-style-type: none"> • The following must be manually underwritten <ul style="list-style-type: none"> ○ A manual downgrade from an AUS Accept if additional information is not considered by the AUS that affects the overall insurability or eligibility of the mortgage ○ AUS Refer 				
10. Qualifying Rate	Note rate				
11. Compensating Factors	Compensating factors include, but are not limited to the following: <ul style="list-style-type: none"> • excellent credit history • conservative use of consumer credit • minimal consumer debt • 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 • low DTI ratio • tax credits for childcare • tax benefits of home ownership 				
12. Residual Income	Loan Amounts \$79,999 and below				
	Family Size	Northeast	Midwest	South	West
	1	\$390	\$382	\$382	\$425
	2	\$654	\$641	\$641	\$713
	3	\$788	\$772	\$772	\$859
	4	\$888	\$868	\$868	\$967
	5	\$921	\$902	\$902	\$1004
	Above 5	Add \$75 for each additional member up to a family of seven			

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	Loan Amounts \$80,000 and Above				
	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
	Above 5	Add \$80 for each additional member up to a family of seven			
13. Types of Financing	<ul style="list-style-type: none">• Purchase mortgage• Single Close Construction to Permanent financing• Two-Close financing				
14. Subordinate Financing	New subordinate financing				
15. Down Payment Assistance/Housing Assistance Programs	<ul style="list-style-type: none">• Federal, state, local government agencies and VA approved non-profit agencies considered by VA to be an instrumentality of the government may provide grants for closing costs and prepaid expenses• Homebuyer Assistance Programs (HAP) in the form of “soft second or silent mortgages” administered by non-profit entities (requires VA approval)• HAPs administered by state, county, or municipal government entities (have VA blanket approval)• HAPs must be approved by CW Lend• Clients must be approved through the HAP• These state and local programs are not the same as the Department of Defense homebuyer assistance program				
16. Guaranty/Entitlement	<ul style="list-style-type: none">• Veteran must provide evidence of available entitlement. Certificate of Eligibility must be dated within six months of the application• VA mortgages must have at least 25% VA Loan Guaranty and/or down payment or equity, based on the Sales Price or Appraised Value, whichever is less to meet Ginnie Mae requirements• Refer to the VA Handbook for additional requirements and maximum loan calculation worksheets.				
17. VA Funding Fee	VA Funding Fee				
	Veteran/Military Status	Down Payment ¹	Loans Closed on or After 04/07/2023		
			First Time Use	Subsequent Use ²	
	Veteran/Active Duty/Reserves/National Guard	Less than 5%	2.15%	3.3%	
5% or more		1.5%	1.5%		

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		10% or more	1.25%	1.25%
	Disabled Veteran (Service-connected disability or Active-Duty Purple Heart)	NA	0.00%	0.00%
	¹ Does not include down payment from gift of equity or equity earned from lease-to-purchase transaction ² The higher subsequent use fee does not apply if the veteran's only prior use of entitlement was for a manufactured home not classified as real estate			
18. Occupancy	Primary residence			
19. Eligible Property Types	<ul style="list-style-type: none"> • 1-4 units • Condos <ul style="list-style-type: none"> ○ Must be VA approved • Leasehold estates • Manufactured housing • Modular homes • PUDs 			
20. Ineligible Property Types	<ul style="list-style-type: none"> • Condo hotels • Co-ops • Non-warrantable condos 			
21. State Requirement	See guidelines			
22. Eligible Borrowers	<ul style="list-style-type: none"> • Must be a qualified Veteran or spouse • Certificate of Eligibility must have sufficient entitlement to meet minimum 25% guaranty of total loan amount or Ginnie Mae requirement of VA Guaranty plus down payment and/or equity that covers 25% of the Sales Price or Appraised Value, whichever is less. • Inter vivos revocable trusts (living trust) 			
23. Non-Occupant Co-Borrower	The Veteran-borrower must occupy the subject property. Non-occupant borrowers may be eligible per VA Joint Loan policy			
24. Credit	<ul style="list-style-type: none"> • Nontraditional credit is permitted <ul style="list-style-type: none"> ○ Follow FHA Nontraditional Credit/Underwriting Requirements 			

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25. Mortgage Payment History	<ul style="list-style-type: none"> • Inclusive of all liens regardless of lien position • Applies to all mortgages on all financed properties • All loans must be current at application • Follow Approve/Accept <ul style="list-style-type: none"> ○ A manual downgrade is required due to any of the following: <ul style="list-style-type: none"> ▪ Any mortgage with more than 1x30x12 ▪ Any mortgage past due and was last updated ≥ 90 days ▪ A written explanation is required
26. Rental Payment History	<ul style="list-style-type: none"> • Follow Approve/Accept • AUS Refer and Manual Underwrite/Downgrade <ul style="list-style-type: none"> ○ 24-month rental history
27. Borrower Contribution	<ul style="list-style-type: none"> • No minimum borrower investment is required for loan amounts; however, all VA Purchase loans require at a minimum, a VA Guaranty, or a combination of a VA Guaranty plus down payment and/or equity that covers 25% of the Sales Price or Appraised Value, whichever is less. If Veteran does not have sufficient entitlement to provide 25% guarantee of the total loan, a down payment will be required. • For 2-4-unit properties, if the total loan amount is greater than the limit for a 1-unit dwelling, a down payment may be required
28. Seller Contributions	<ul style="list-style-type: none"> • Seller may pay 100% of the discount points and borrower's non-recurring closing costs • Maximum 4% Seller Contribution
29. Reserves	<ul style="list-style-type: none"> • 1-unit: none • 2-4 units <ul style="list-style-type: none"> ○ Rental income not used to qualify: none ○ Rental income used to qualify: Six months • Three months reserves if borrower owns other real estate. Reserves are based on PITI of REO property • Reserves not required if rental income not used to qualify
30. IRS Form 4506-C	<ul style="list-style-type: none"> • Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.) <p>At Closing (all loans)</p> <ul style="list-style-type: none"> ○ 4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing ○ 4506-C for the business tax return transcript(s) must be signed at closing when the business returns are used for qualification

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31. Tax Transcripts	For underwritten loans W-2 or tax transcripts, as applicable, must be obtained when: <ul style="list-style-type: none"> • Handwritten paystubs are used as verification of income • There is a non-arm's length transaction At the underwriter's discretion
32. Maximum Financed Properties	<ul style="list-style-type: none"> • No restrictions
33. Appraisals	<ul style="list-style-type: none"> • A new appraisal completed by a VA approved or VA fee panel appraiser required VA LAPP Underwriter will issue the NOV
34. Principal Curtailment	The amount of the curtailment cannot exceed \$500 unless due to an excess Premium Pricing <ul style="list-style-type: none"> • Credit
35. Escrow Waivers	Not permitted
36. VA REO	Lenders who are selling their own REO properties while underwriting the VA Home Loan for the purchase of these properties may not process as LAPP, but order and process VA appraisals as "IND" (reviewed by VA)
37. Resources	Access VA Circulars
38. Ineligible Programs	<ul style="list-style-type: none"> • Farm Residence Loans • Graduated Payment Mortgage (GPM) • Growing Equity Mortgage (GEM) • HFA Programs • HPML Loans • High-Cost Loans • Rehabilitations loans • Specially Adapted Housing • Supplemental Loans • Texas 50(a)(6)

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