

VA 1st Advantage Conforming:

Primary Residence – Owner Occupied

Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase	550	1 - 4 Unit	100%
Cash-Out Refinance	550	1 - 4 Unit	100%

VA 1st Advantage High Balance:

Primary Residence – Owner Occupied

Transaction	FICO	Number of Units	Maximum LTV/CLTV
Purchase	580	1 - 4 Unit	100%
Cash-Out Refinance	580	1 - 4 Unit	100%

Conforming VA 1st Advantage Program:

30 Year Fixed	6059-00
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High Balance VA 1st Advantage Program:

30 Year Fixed High Balance	6052-00
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Highlights

Topic	Highlights
4506 Transcripts	Transcripts are required per income documentation type included in the loan file.
Assets	Cryptocurrency, such as Bitcoin and Ethereum, may NOT be used for down payment funds or closing funds. These types of funds must be backed out of the borrower's assets.
AUS	Loans must be submitted to Desktop Underwriter (DU) only. Loan Product Advisor (LP) is not allowed.
Borrower Eligibility	<p>Eligible borrowers are:</p> <ul style="list-style-type: none"> • United States Citizens • Permanent Resident Aliens with proof of lawful permanent residence • Non-Permanent Resident Aliens with proof of lawful residence <p>All borrowers must have a valid Social Security number. ITINs are not allowed.</p> <p>Title may be held:</p> <ul style="list-style-type: none"> • Individually; • As Joint Tenants; • As Tenants in Common; or • As an <i>inter-vivos</i>, Living Trust <ul style="list-style-type: none"> ▪ Trusts may not be used on cash-out refinance transactions. <p>The following are ineligible borrowers:</p> <ul style="list-style-type: none"> • Corporations • Partnerships • Real Estate Syndications • Irrevocable Trusts • Non-Resident Aliens • Foreign Nationals
Cash-Out Refinance	<ul style="list-style-type: none"> • <u>Document the borrower has made at least six consecutive monthly payments on the loan being refinanced beginning with the payment made on the first payment due date.</u> • <u>The first payment due date of the refinance loan occurs no earlier than 300 days after the first payment date of the loan being refinanced.</u>
Co-Borrower	Veteran's legally married spouse only. All borrowers must occupy the subject property.
Community Property States	<ul style="list-style-type: none"> • Arizona • California • Idaho • Louisiana

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	<ul style="list-style-type: none"> • Nevada • New Mexico • Texas • Washington • Wisconsin
Condominium	The condo project must be VA approved.
Construction to Perm	Not Eligible
Credit	<ul style="list-style-type: none"> • If the subject property is located in a community property state and the borrower has a spouse who will not be part of the loan transaction, a credit report for the spouse is required and his/her debt payments must be included in the borrower's DTI ratio. • Two years since Chapter 7 bankruptcy. • All judgments must be paid in full or be subject to a repayment plan with a history of timely payments.
Credit Report	<ul style="list-style-type: none"> • A full tri-merged credit report is required. • A new credit report may not be pulled once the file has been submitted for underwriting. • A new credit report is allowed only after the existing credit report has expired.
Credit Score	<ul style="list-style-type: none"> • Conforming: 550-639 • High Balance 580-639 • Loans with credit scores ≥ 640 are not eligible
Deed Restrictions	Age related restrictions only. All other deed restrictions are ineligible.
Down Payment Assistance Programs/MCC Programs	Not Eligible
Escrow Waivers	Not Allowed – Regardless of LTV
Escrow Withhold/Repair Escrows	Not Allowed
Foreign Documents	<p>A foreign document is defined as a document originating from a country outside of the United States. If the document is in a foreign language:</p> <ul style="list-style-type: none"> • Obtain an English translation along with a statement from the translator certifying the transaction is complete and accurate. • The translation must convert all foreign currency to U.S. dollars. • Document that the funds belong to the borrower. • Document that the funds have been transferred into a U.S. bank account.
Funding Fee	<p>The VA Funding Fee must be:</p> <ul style="list-style-type: none"> • Entirely paid in cash; or • Entirely financed.
Ineligible Property	<ul style="list-style-type: none"> • Assisted Living Facilities • Board and Care Facilities • Bed and Breakfast Establishments • Commercial Property • Condo/PUD Hotel • Condotels • Co-ops • Dome Homes • Hawaii Properties Located in Lava Flow Zones 1 or 2 • Life Estates • Log Homes • Manufactured Homes • Mixed Use Properties • Mobile Homes • Properties Currently in Litigation • Properties Located Outside of the United States • Properties Located in a U.S. Territory, Province or Commonwealth • Properties with Ratings of C5, C6, or Q6 • Properties with Zoning Violations • Unimproved/Vacant Land • Timeshares

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	<ul style="list-style-type: none"> Working Farms and Ranches
Ineligible Transactions	<ul style="list-style-type: none"> Illinois Land Trusts Nonprofit Borrowers Reverse Mortgages Unexpired Redemption Rights
Joint Loans and Vet/Non-Vet Transactions	Not Eligible
Leasehold Estates	Not Eligible
LTV/CLTV	Maximum 100% plus the Funding Fee
Manual Underwriting	<p>VA manually underwritten loans must comply with the following requirements:</p> <ul style="list-style-type: none"> 45% maximum DTI for Conforming loan amounts 43% maximum DTI for High Balance loan amounts Minimum three open trade-lines used in the past 12 months Minimum 12 month housing payment history with zero late payments in the past 12 months Homebuyer education conducted by a HUD approved Counseling Agency is required for purchase transactions for first time homebuyers when: <ul style="list-style-type: none"> The representative credit score is < 580; and The borrower is using gift funds. A copy of the counseling certificate must be in the loan file.
Marijuana Related Business/Employment	Income received from a marijuana related business or employment may not be used as qualifying income.
Non-Traditional Credit	Not Eligible
Occupancy	<p>United States law requires a Veteran obtaining a VA loan to occupy the subject property as his/her primary residence.</p> <ul style="list-style-type: none"> Occupancy must occur within 60 days after loan closing. Occupancy by the Veteran's spouse or dependent children satisfies the occupancy requirements for a Veteran who is on active duty and cannot occupy the property within 60 days. Single or married service members, while deployed from their permanent duty station, are considered to be on temporary duty status and able to meet the occupancy requirement. The occupancy requirement is met if the Veteran will retire within 12 months. Retirement must be verified with a specified start date and the retirement income must be used to qualify for the loan. <p>The use of the subject property as a seasonal home does not meet VA's occupancy requirements.</p>
PACE/HERO Obligations	Not Allowed
Power of Attorney	<ul style="list-style-type: none"> Must meet VA requirements May not be used on cash-out refinance transactions
Sales Concessions	Must not exceed 4% of the appraised value.
Sales Contract	Assigned sales contracts are not permitted.
Section 8 Vouchers	Not Eligible
State Restrictions	<ul style="list-style-type: none"> 2-4 Units in New Jersey – Not Allowed Properties in West Virginia – Not Allowed
Subordinate Financing	<ul style="list-style-type: none"> For refinance transactions, eligible existing liens must be re-subordinated Subordinate liens with negative amortization or balloon payments are not eligible
Temporary Buy Down	Not Eligible
Termite Reports	<ul style="list-style-type: none"> Regardless of the location of the property, a termite inspection is always required if the appraisal report indicates evidence of wood-destroying insect damage or an active infestation. Termite inspections are required on properties if the property is located in an area where the probability of termite infestation is "very heavy" or "moderate to heavy" as shown on the Termite Infestation Probability (TIP) Map published in The Council of American Building Officials (CABO) one and two family dwelling code. <ul style="list-style-type: none"> If there is a question about the location of an infestation or probability boundary line in relation to the subject property, contact the VA Regional Loan Center of jurisdiction to determine if the requirement is applicable. The pest control operator must meet all requirements of the state where the subject property is located. In states which require the use of a state inspection form, the state form is acceptable for VA purposes.

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	<ul style="list-style-type: none"> • Inspection reports are valid for VA purposes for 90 days from the date of inspection. • Termite reports must be clear of all active infestation, dry rot, fungus infections and earth to wood contact. <p>Termite reports and clearances are required in the following states:</p> <ul style="list-style-type: none"> • Alabama, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii*, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Missouri, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, and West Virginia <p>*Required on all existing residential properties including condo projects that are five stories or less in height.</p> <p>Termite reports and clearances are required in certain Counties of the following states:</p> <ul style="list-style-type: none"> • Michigan: Allegan, Barry, Berrien, Branch, Calhoun, Cass, Hillsdale, Ionia, Jackson, Kalamazoo, Kent, Lenawee, Livingston, Macomb, Mason, Monroe, Muskegon, Oakland, Oceana, Ottawa, St. Clair, St. Joseph, Van Buren, Washtenaw, and Wayne. • New Hampshire: Termite reports are required in the following Counties: Belknap, Cheshire, Hillsborough, Merrimack, Rockingham, Strafford, and Sullivan. • New York:: Bronx, Broome, Columbia, Delaware, Dutchess, Greene, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Suffolk, Sullivan, Ulster, and Westchester. • Vermont: Bennington and Windham. <p>Termite reports and clearances are not required in the following states:</p> <ul style="list-style-type: none"> • Alaska, Colorado, Idaho, Maine, Minnesota, Montana, North Dakota, South Dakota, Washington, Wisconsin, and Wyoming. <p>Oregon – Contact the Denver Regional Loan Center</p>
<p>Texas 50(a)(6) Transactions</p>	<p>Not Eligible</p>
<p>Verification of Employment/Verification of Deposit/Verification of Mortgage/Rent</p>	<ul style="list-style-type: none"> • The use of a Verification of Employment (VOE) and/or a Verification of Deposit (VOD) only is not allowed. <ul style="list-style-type: none"> ▪ At a minimum paystubs and bank statements are required. At their discretion, underwriters may require additional income/asset documentation. • When the borrower's current lender or landlord is a private party, the use of a Verification of Mortgage (VOM) or Verification of Rent (VOR) only is not allowed. <ul style="list-style-type: none"> ▪ Copies of the borrower's most recent, consecutive 12 months cancelled checks are required.