

VA MATRIX							
VA MAXIMUMS							
Property Type	MAX Loan ¹ Amount	Purchase		Cash-Out Refinance		IRRRL	
		LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO
1-4 Units	Up to \$766,500 \$806,500	100%	580	100%	660	100	620
	\$766,501 \$806,501-\$1MM					100	680 ²
	>\$1MM-\$1.5MM		640	90%	580	100	700 ²
	>\$1.5MM-\$2MM		680	90%	640		
Manufactured	≤\$766,550 \$806,500	100%	620	90%	640		

¹ \$1.5MM-\$2MM- 3 mos. PITIA required. Must be borrower's own funds (no gifts)
² 620 FICO allowed with AVM or 2055 for loan amounts \$766,201-\$2MM

2025 FUNDING FEES					
PURCHASE – FIRST TIME USE		PURCHASE SUBSEQUENT USE		CASH-OUT REFINANCE	
Down Payment	Funding Fee	Down Payment	Funding Fee	First Use	Subsequent Use
Less than 5%	2.15%	Less than 5%	3.30%	2.15	3.30%
5% or more	1.50%	5% or more	1.50%		
10% or more	1.25%	10% or more	1.25%		

VA	PROGRAM OVERLAYS
STATE EXCLUSIONS	AK, HI, MO, NY TEXAS 50 (a) (6), (a) (4), (f) (2)
AMENDED TAX RETURNS	Accepted for the following amendment reasons: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Amended at least thirty (30) days before mortgage application taken. Amendment shows on transcripts (stamped returns not acceptable) Documentation supplied to support the increase, including but not limited to: <ul style="list-style-type: none"> 1099 or W2 showing missed/updated income. Canceled Checks or Bank Statements showing missed/updated rental income
ASSETS	Ineligible: <ul style="list-style-type: none"> Sweat Equity Cash on Hand
BORROWER ELIGIBILITY	Max 6 loans to one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.
CREDIT	RMCR or traditional tri-merge is required.
CREDIT SCORE	<ul style="list-style-type: none"> 580 required for all borrowers unless otherwise reflected Each borrower must have at least one credit score
DEED RESTRICTIONS	Not Permitted
ESCROW ACCOUNT	Escrow Account required; escrow waivers not permitted.
ESCROW REPAIR/HOLDBACKS	Not permitted
FAMILY-OWNED BUSINESS	When a borrower is employed by a family-owned business - Two years tax returns are required regardless of AUS recommendation.

INELIGIBLE PROGRAMS/TRANSACTIONS	<ul style="list-style-type: none"> • Build to own • Community Land Trust • Construct to Perm (single or two-time close) • Energy Efficient Mortgages (EEM) • Farm Residence Loans • Graduated Payment Mortgage GPM) • Growing Equity Mortgages (GEM) • Indian Reservations or Native American Direct Loans • Investment properties • Joint loans • Loan Assumptions • Loans for Alterations and Repairs • Loans that require VA prior approval • Loans to Native American Veterans on Trust Lands • Loans with resale deed restrictions, <u>including</u> age restricted properties • Non-Resident Aliens & Foreign Nationals • ARM's • VA Renovation Loans • Specially Adapted Housing • Supplemental Loans • TX 50 (f) (2) • TX 50 (a)(4) • TX 50 (a)(6) • Transactions with subordinate PACE liens
INELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • Co-Op's • Deed restrictions including for age • Mixed Use • Properties in Redemption • Properties with Individual Purification water Systems • Properties with PACE obligations or PACE-like assessments • Property Flip of Non-Arm's Length Transaction
MANUAL UNDERWRITING	<p>Refer/Eligible loans may be considered in accordance with the VA Lenders Handbook as well as the following:</p> <ul style="list-style-type: none"> • Purchase transaction • Manufactured home not permitted • 620 FICO • No Ch. 7 BK within most recent 24 mos. • No Foreclosure, DIL, Short Sale in the most recent 36 mos. • DTI 41-50% requires the following: <ul style="list-style-type: none"> ○ 3 Months PITIA reserves (must be borrowers own saved funds). ○ No payment shock ≤150% ○ 0x30x12



MANUFACTURED HOUSING	<ul style="list-style-type: none"> • Fixed Rate only • Temporary Buydowns not permitted • Primary Residence • Purchase of existing home only (must have been built ≥12 mos) • DTI ≤50% • One unit • Minimum 700 square feet • Property condition must be average or better. • Must be taxed as real property prior to application date • Must meet all other MH requirements in VA Lenders Handbook as well as FHA 4000.1 <p>Ineligible:</p> <ul style="list-style-type: none"> • Manufactured Homes subject to deed restrictions • Leased Land Property • Single-Wide homes • Leaseholds • Leased Land 			
MAXIMUM DTI	LTV/CLTV	FICO	AUS Approval	Max DTI
	All	≥620	Y	60% ¹
	100%	580-619	Y	50%
	<100%	580-619	Y	55%
	¹ DTI≥60% may be considered with compensating factors and Underwriting Manager approval.			
MAXIMUM LOAN AMOUNT	See grid.			
MINIMUM LOAN AMOUNT	\$75,000			
MORTGAGE CREDIT CERTIFICATE	Not permitted			
NON-PERMANENT RESIDENT ALIENS	Not permitted			
NON-TRADITIONAL CREDIT/CREDIT REPORTS	Not permitted			
POWER OF ATTORNEY (POA)	POA must be specific to the transaction Ineligible: <ul style="list-style-type: none"> • Cash-out transactions • Properties held in Trust. 			
PURCHASE TRANSACTIONS	<ul style="list-style-type: none"> • Assignment of contract not permitted. • Renegotiated Purchase Contract not permitted, however, minor adjustments due to condition or other relevant factors are permitted. • Increase of sales price after appraisal completion is not permitted 			



REFINANCE TRANSACTIONS	<p>All Refinance Transactions</p> <ul style="list-style-type: none"> • Must include a copy of the original Note and most recent mortgage statement for the loan being refinanced. If the original Note is not available, reasonable alternatives can be considered to validate the loan being paid off was not subject to a recent modification. • Properties listed for sale within the most recent 12 months <ul style="list-style-type: none"> ○ VA IRRRL <ul style="list-style-type: none"> ▪ The listing must have expired or been withdrawn on or before the application date. ○ Cash-Out <ul style="list-style-type: none"> ▪ The listing must have expired or been withdrawn 180 days prior to the application date, and, ▪ The appraised value should be at least 10% below the lowest listing price ○ All Transactions <ul style="list-style-type: none"> ▪ Borrowers must provide written confirmation of their intent to occupy property as their primary residence for the next 12 months. <p>VA IRRRL Specific</p> <ul style="list-style-type: none"> • URLA must include 2-year employment history for all borrowers • VVOE to confirm employment required • Mortgage Only Credit Report with 0 x 30 in the most recent 24 months
RESERVES	<p>Loan amounts \geq\$1.5MM require 3 Mo. PITIA reserves, borrowers' own funds.</p>
SUBORDINATE FINANCING	<ul style="list-style-type: none"> • Down Payment Assistance programs are permitted as long as the source is a Government Agency or Government Entity (e.g. For-Profit, Non-Profits and Trade Unions are not permitted). <p>Ineligible:</p> <ul style="list-style-type: none"> • Property Assessed Clean Energy (PACE) • Home Energy Opportunity (HERO) loans • Down Payment Assistance / Community Seconds with CLTVs greater than LTV guidelines
TAX TRANSCRIPTS	<ul style="list-style-type: none"> • Transcripts are required in all instances when a tax return will be used to determine qualifying income. • Business transcripts are required when business income that does not flow onto a personal tax return is used to qualify. (ie.1120)
TEMPORARY BUY-DOWNS	<p>Permitted on the follow:</p> <ul style="list-style-type: none"> • Single family • Primary residence • Purchase only <p>Ineligible:</p> <ul style="list-style-type: none"> • Lender and Borrower funded buydowns. • Second Homes • Investment Properties • 2-4 Unit properties • Manufactured Homes • Refinance Transactions - including IRRRLs.
TITLE INSURANCE	<p>Title insurance policy required; attorney title opinion letter in lieu of a title insurance policy is not permitted.</p>
UNPAID FEDERAL TAX DEBT	<p>FCM considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed.</p> <ul style="list-style-type: none"> • Evidence of one of the following required: <ul style="list-style-type: none"> • A payment plan must be established and at least one payment made in accordance with the agreement (may not be pre-paid). Copy of Approved Repayment and evidence of payment required. • Tax obligation to paid in full prior to or at closing



VERBAL VERIFICATION OF EMPLOYMENT (VVOE)

- Verbal Verification of Employment is required for all borrowers using salaried income to qualify and must be completed within 10 business days prior to the note date.
- Verbal Verification of Employment is required for all borrowers using self-employed income to qualify and must be completed within 30 calendar days prior to the note date.

