

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	\$806,500	100%	580	100%	660	100	620
	\$806,501-\$1MM					100	680 ²
	>\$1MM-\$1.5MM		640	90%	580	100	700 ²
	>\$1.5MM-\$2MM		680	90%	640		
Manufactured	\$806,500	100%	620	90%	640		
MIN LN AMT	\$75,000						
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							
AVAILABLE TERMS							
Fixed Rate Terms	11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30 YR						
ARM Terms	5/1 ARM Index; 1 YR CMT Margin 2.0% Caps (Initial/periodic/lifetime): 1-1-5 Qualifying Rate; Note Rate IL, MA & NM – Qualify using the greater of the note rate or fully indexed						
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		HI, MO TEXAS 50 (a) (6), (a) (4), (f) (2)					
AMENDED TAX RETURNS		Filed before application If amended 60 days or less prior to application, evidence of payment needed Filed after application Following documentation needed: Letter of explanation regarding the reason and evidence of filing or payment and the ability to pay tax if check has not canceled					
ASSETS		Ineligible: - Sweat Equity - Cash on Hand					
BORROWER EXPOSURE		Max 6 loans to one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.					
CREDIT		Credit Qualifying transactions require: RMCR or traditional tri-merge is required. Non-Credit Qualifying Refinance transactions require: Soft pull, single bureau credit report, which must include credit score(s) and mortgage rating					
CREDIT SCORE		580 required for all borrowers unless otherwise reflected - Each borrower must have at least one credit score					
DEED RESTRICTIONS		Permitted for age related only					
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	• 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 • Loans that have been previously modified • 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	• Co-Op's • Deed restrictions, Not 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	Refer/Eligible loans may be considered in accordance with the VA Lenders Handbook as well as the following: • 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: ○ 3 Months PITIA reserves (must be borrowers own saved funds). ○ No payment shock ≤150% ○ 0x30x12



MANUFACTURED HOUSING	• 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 Ineligible: • Manufactured Homes subject to deed restrictions • Leased Land Property • Single-Wide homes • Leaseholds • Leased Land																			
MAXIMUM DTI	<table><tr><th>LTV/CLTV</th><th>FICO</th><th>AUS Approval</th><th>Max DTI</th></tr><tr><td>All</td><td>≥620</td><td>Y</td><td>60%¹</td></tr><tr><td>100%</td><td>580-619</td><td>Y</td><td>50%</td></tr><tr><td><100%</td><td>580-619</td><td>Y</td><td>55%</td></tr></table> ¹ DTI≥60% may be considered with compensating factors and Underwriting Manager approval. MAX DTIs do not apply to IRRRLs				LTV/CLTV	FICO	AUS Approval	Max DTI	All	≥620	Y	60% ¹	100%	580-619	Y	50%	<100%	580-619	Y	55%
LTV/CLTV	FICO	AUS Approval	Max DTI																	
All	≥620	Y	60% ¹																	
100%	580-619	Y	50%																	
<100%	580-619	Y	55%																	
MAXIMUM LOAN AMOUNT	See grid.																			
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: • Cash-out transactions • Properties held in Trust.																			
PURCHASE TRANSACTIONS	• 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	All Refinance Transactions • Properties listed for sale within the most recent 12 months ◦ Cash-Out ▪ The listing must have expired or been withdrawn 180 days prior to the application date. VA IRRRL Specific • URLA must include 2-year employment history for all borrowers • Mortgage Only Credit Report with 0 x 30 in the most recent 24 months Seasoning Requirements • VA IRRRL- 1st monthly payment due date on the loan being refinanced is 210 days or more prior to the note date on the new loan and as of the note date of the new loan, at least six consecutive payments have been made in the month they were due on the loan being refinanced. • Cash Out Type I and Type II- 1st monthly payment due date on the loan being refinanced is 210 days or more prior to the note date on the new loan and as of the note date of the new loan, at least six consecutive payments have been made in the month they were due on the loan being refinanced. For Non-VA to VA loans the payments do not need to be consecutive.																			



SUBORDINATE FINANCING	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). Ineligible: • Property Assessed Clean Energy (PACE) • Home Energy Opportunity (HERO) loans Down Payment Assistance / Community Seconds with CLTVs greater than LTV guidelines
TAX TRANSCRIPTS	• 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	Eligible Terms: 1/0, 1/1, 2/1, 3/2/1 Permitted on the following: • SFR/PUD/Condo • Primary residence • Purchase only • Temporary BD Funds must be included in Interested Party Contributions • 30 YR Fixed rates only Ineligible: • Borrower funded buydowns. • Second Homes • Investment Properties • 2-4 Unit properties • Manufactured Homes • Refinance Transactions - including IRRRLs. • Custom loan terms • ARMs • High Balance Loan Limits
TITLE INSURANCE	Title insurance policy required; attorney title opinion letter in lieu of a title insurance policy is not permitted.
UNPAID FEDERAL TAX DEBT	FCM considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed. Evidence of one of the following required: • 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

