



Eligible States:

AL,AR,AZ,CA,CO,CT,DC,DE,FL,GA,IA,IL,IN,
 KS,KY,LA,MA,ME,MD,MI,MN,MO,NC,NH,NJ,
 NM,OK,OH,OR,PA,RI,SC,TN,TX,UT,VA,
 VT,WA,WI,WV

VA Matrix (Wholesale)

Fixed Rate & ARM

August 3, 2015

Product Codes

Fixed Rate: 30yr= 1004, 15yr= 1008
High Balance Fixed Rate: 30yr= 1007

ARM: 5/1 Arm= 1009
High Balance ARM: 5/1= 1010

IRRRL's
Fixed Rate: 30yr= 1300, 15yr= 1301
High Balance Fixed Rate: 30yr= 1303
ARM: 5/1 Arm= 1302

	Purchase		Rate/Term Refinance		Cash-Out Refinance	
	Maximum LTV/CLTV	Min Credit	Maximum LTV/CLTV	Min Credit	Maximum LTV/CLTV	Min Credit
1 Unit	100.00%	580	100.00%	580	100.00%	580
2-4 units	100.00%	580	90.00%	580	90.00%	580

Funding Fee Table		
Loan Type	Veteran	Reservist/ National Guard
Purchase Zero Down	2.15%	2.40%
Subsequent Use Zero Down	3.30%	3.30%
Purchase & Subsequent Use 5% Down	1.50%	1.75%
Purchase & Subsequent Use 10% Down	1.25%	1.50%
Refinance Loan	2.15%	2.40%
Refinance Loan (Subsequent use)	3.30%	3.30%
IRRRL	0.50%	0.50%

VA Mortgage limits for all areas: http://www.benefits.va.gov/homeloans/loan_limits.asp

VA IRRRL is eligible up to 100% LTV/CLTV. Refer to page 2 of VA guidelines for details.

***VA 15 Year Fixed is not available under the High Balance or the Portfolio Programs

Texas: Cash out refinance transactions are not eligible

West Virginia: Max LTV/CLTV is 100%. An appraisal (exterior/interior) is required.

****Manual underwriting accepted (see additional guidelines) ****



August 3, 2015

VA General Guidelines (Wholesale)

Loan Terms	<ul style="list-style-type: none"> Fixed: 30 year Fixed: 15 year (Not available on High Balance or the Portfolio programs) ARM: 5/1
ARM Information	<ul style="list-style-type: none"> Loan Term - 30 Year Amortization Fixed Period- 5 Year Margin- 2.25% Index - 1 Year Treasury Caps: 1/1/5 Floor: Can never be lower than the margin Qualify at initial note rate.
Loan Purpose	<ul style="list-style-type: none"> Purchase, Rate/Term Refinance, Cash-out Refinance, IRRRL
Property Types	<ul style="list-style-type: none"> SFR, PUD, Condos (refer to VA Approved Condo list https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch), 2-4 units, and Modular Homes <i>See detailed guidelines for specifics</i>
Loan Amount	<ul style="list-style-type: none"> Maximum Loan Amount: <ul style="list-style-type: none"> VA county loan limit (Revised County Limits in Circular 26-14-6 <ul style="list-style-type: none"> For 2015 county-specific loan limits, refer to the VA high-cost county loan limit list. http://www.benefits.va.gov/homeloans/loan_limits.asp Financing above the VA county loan limit (up to the maximum loan amounts listed above) is permissible but will require the borrower to make a down payment or to have equity, which when added to the amount of their available VA guaranty, equals at least 25% of the gross loan amount, including the funding fee. *Note- Loan amounts exceeding \$700,000 will require Second Signature from Underwriting Manager*
Eligible Borrowers	<ul style="list-style-type: none"> An eligible veteran is a person who served on active duty in the Army, Navy, Air Force, Marines, or Coast Guard, and who was discharged or released from active duty under conditions other than dishonorable; or Members of the Reserves and National Guard are eligible upon completion of 6 years of service; or Unmarried surviving spouses of veterans who died as a result of service or service-connected causes.
Ineligible Property Type	<ul style="list-style-type: none"> Manufactured homes, Co-ops, Working farms, Ranches, Orchards, Construction to Permanent, Leasehold Estates, Non-VA Approved Condo's, Mixed Use, Hobby Farms, Log Homes, Bed & Breakfast, Live/Work Properties, N/O/O (eligible only for IRRRL's) Properties with individual water purification systems used for safe water, Occupancy restricted Condo or PUD's. <i>Additional ineligible property types are listed in the Finance of America Mortgage detailed guidelines</i>
Underwriting Method	<ul style="list-style-type: none"> DU or LP allowed (Manual Underwrites available- see additional guideline requirements). Note: Cannot run one AUS when the other gives a Refer. If the selected AUS gives a refer, the loan must be manually downgraded*
Max DTI Ratio	<ul style="list-style-type: none"> As per AUS Approval (Restrictions with manual underwriting- see additional guidelines)
Age of Credit Documents	<ul style="list-style-type: none"> Credit documents cannot be older than 90 days from the funding date. These documents include credit report, employment, income, and asset. Prelim is good for 90 days. Appraisals are good for 180 days (Note: A recert of value will be required for all appraisals over 120 days).
Credit	<ul style="list-style-type: none"> Credit Inquiries: All inquiries in the last 120 days must be explained. Credit Score- Minimum 580
Bankruptcy	<ul style="list-style-type: none"> Extenuating Circumstances are not eligible Chapter 7 or 11 - 2 years from discharge date (4 years from discharge for High Balance) Chapter 13 - 1 year from discharge/dismissal date. (4 years from dismissal for High Balance) Note: Borrower(s) currently in a BK 13 may be eligible, with documentation showing borrower has satisfactorily made at least 12 months payments on time and receives approval from Trustee/ Bankruptcy Judge to enter into a mortgage transaction may be eligible if there are no other recent derog Multiple Bankruptcy within 7 years - Underwriter's discretion
Foreclosure	<ul style="list-style-type: none"> Extenuating Circumstances are not eligible 2 years from completion (4 Years from completion for High Balance)
Deed in Lieu, Pre-Foreclosure, Short Sale	<ul style="list-style-type: none"> Extenuating Circumstances are not eligible 1 year from completion date or settlement (4 years from completion or settlement for High Balance)
Income	<ul style="list-style-type: none"> Per AUS Findings 4506-T from all borrowers at both application and closing. Validation for all loans will be a 1040 transcript. If the most recent signed personal tax return cannot be provided and validated due to a filing of an extension, the following documentation must be provided (Required After April 15th): *Note- to use 2014 income for a self employed borrower, the income must validate * <ul style="list-style-type: none"> Copy of the most recent federal tax extension, proof of payment (Finance of America Mortgage will pull the tax transcript reflecting "No Record Filed") A copy of the previous two year's tax returns and signed and dated 2015 P & L Verbal VOE should be completed no more than 10 business days prior to loan close.
Asset & Reserves	<ul style="list-style-type: none"> Per AUS findings Manual underwriting requires 2 months bank statements
Gift Funds	<ul style="list-style-type: none"> Fully executed gift letter must be provided. Evidence of donor's withdrawal of funds (copy of donor's cancelled check, bank statement or withdrawal slip) Evidence of deposit into borrower's account. Excess gift funds may not be considered as reserves but may be considered as a compensating factor. All gift fund documentation must be satisfied prior to closing. * Gift of Equity is ineligible
Seller Contribution (IPC)	<ul style="list-style-type: none"> All closing costs and discount points may be paid by the seller, regardless of amount. All other seller contributions are limited to 4% of the lesser of the purchase price or appraised value.

VA General Guidelines (Wholesale)

Number of Properties Finance of America Mortgage will Finance	<ul style="list-style-type: none"> Finance of America Mortgage may finance up to Four (4) financed properties, including primary residence (include Joint or Total ownership) Finance of America Mortgage limits the maximum number of properties financed for VA borrowers with all lenders at four (4), including Finance of America Mortgage. The maximum of four financed properties includes the subject property along with any other financed mortgages, conventional, or government, not to exceed \$1.5 million.
Property Listed for Sale	<ul style="list-style-type: none"> Rate & Term: <ul style="list-style-type: none"> Properties listed for sale must be taken off the market at least 1 day prior to application Cash Out Refinance: <ul style="list-style-type: none"> LTV < 90% - Property must be off the market at least 1 day prior to application. LTV ≥ 90% - Property must be off the market at least 3 months prior to application.
Condo Project	<ul style="list-style-type: none"> All condo projects must be VA approved. https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch Condominiums without Homeowner's Associations are ineligible for financing. HOA cert, Master policy (to include fidelity coverage) and HO6 required Insurance: Copy of the Master/Blanket Hazard Policy is required (To include fidelity coverage). If the blanket policy does not provide "walls in" coverage (aka-HO6 coverage), the borrower will need to obtain it separately.
Appraisal Requirements	<ul style="list-style-type: none"> All VA appraisals (except VA IRRRL) must be ordered through VA Portal by Finance of America Mortgage. Refer to Finance of America www.Finance of America Mortgage for instructions on Appraisal Request Form (VA). For appraisal requirement for IRRRL loans, refer to IRRRL section below.
Termite Reports	<ul style="list-style-type: none"> Termite report and clearance is required on ALL VA transactions (Except VA IRRRL's) if the property is located in a Pest Control TIP Zone. See below link to check your state requirement. Note: There are no exceptions or waivers accepted http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/ref/sfh1-23a
Current Principal Residence is a Pending Sale	<ul style="list-style-type: none"> Both the current and proposed mortgage payments must be used to qualify the borrower for the new transaction.
Conversion to 2nd Home	<ul style="list-style-type: none"> Both the current and proposed mortgage payments must be used to qualify the borrower for the new transaction.
Conversion to Investment Property	<ul style="list-style-type: none"> Up to 75% of the rental income may be used to offset the mortgage for qualifying including documented > 10% equity in the existing property (appraisal). Rental income must be documented with: copy of the fully executed lease agreement and the receipt of a security deposit into the borrowers account. If the 10% equity cannot be documented, rental income may not be used to offset the mortgage payment and both the current and proposed mortgage must be used to qualify (reserves may be required).
IRRRL	<ul style="list-style-type: none"> IRRRL General Guidelines "Mortgage Rating Only" credit report is acceptable with a minimum of 580 FICO. Note: Mortgage Rating Only credit report is acceptable with 3 FICO's (each borrower) (OFAC & RBPN required on report as well) Existing loan must be current and have no 30-day or greater mortgage lates in the most recent 12 months. Current employment must be verified. Assets will be verified only when the borrower requires to bring funds to close. The borrower must have a Net Tangible benefit meeting one of the following: <ol style="list-style-type: none"> Borrower has a net tangible benefit of at least \$50 minimum savings in their P & I payment, <u>and</u> Borrower must recoup closing costs to the refinance within 36 months If the loan is seasoned less than 12 months, evidence: <ol style="list-style-type: none"> The existing loan has 0x30 since the inception of the loan and 0x30 for any other mortgage loans associated with the property and borrower(s) in the most recent 12 months. The interest rate for a IRRRL must be lower than the existing rate being refinanced (unless the loan being refinanced is an ARM) Appraisal Requirements: (Max LTV is 100%) <ul style="list-style-type: none"> An appraisal is not required. Note: Property value to be based off of the borrowers estimate of their property on their signed application Non-Owner Interest Rate Reduction Refinances are eligible- meeting all general guidelines and the following additional requirements: Minimum FICO: 640 Loan amount may not exceed principal balance on payoff Evidence of 12 mos occupancy (borrowers to sign certification letter they once occupied) 6 months seasoning requirement from last transaction AVM required- if exceeds Max LTV, a 2055 appraisal (int/ext) is required Investment properties are not eligible for streamlining into ARM's
Funding into the Month	<ul style="list-style-type: none"> Allowed through the 5th calendar day of the following month.
Escrow Hold Backs	<ul style="list-style-type: none"> * Escrow Hold backs are in-eligible in all states *
Manual Underwriting Overlays	<ul style="list-style-type: none"> Available when AUS cannot be validated or when an AUS Approval requires the underwriter to manually downgrade the loan (All VA guidelines apply with the addition of the below overlays) Conforming Loan limits only Maximum DTI 41% (Can go to 43% with 120% of required residual income requirement) Income: Paystub covering a full 30 days, 2 years W2's & Federal Tax returns (all schedules) Assets: 2 months bank statements (all pages) Credit: Minimum of 4 tradelines rating for 12 months Landlord rating required for the past 12 months * For VA IRRRL- please follow the IRRRL General Guidelines *



VA General Guidelines (Wholesale)

Power of Attorney	<ul style="list-style-type: none"> · VA will allow general or specific POA's which are valid and legally adequate * Ensure that the POA complies with state law to the extent that: <ul style="list-style-type: none"> · the mortgage can be legally enforced in that jurisdiction · clear title can be conveyed in the event of foreclosure · VA requires the veteran's written consent to the specifics of the transaction. The file will need one of the following: <ul style="list-style-type: none"> · Signature on both the sales contract and the 1003 · Specific POA signed by the veteran which encompass the following elements: <ul style="list-style-type: none"> · Entitlement- A clear intention to use all or specified amount of entitlement · Purpose- A clear intention to obtain a loan for purchase or refinance · Property Identification- Street address and legal description · Price & Terms- The sales price (if applicable) and other relevant terms of the transaction · Occupancy- Intention to use the property as a home to be occupied by the veteran · Additional items may apply- the VA underwriter will condition as applicable · <u>Note:</u> An Alive and Well Statement must be obtained at closing
Approved States	<p>AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, IA, IL, IN, KS, KY, LA, MA, ME, MD, MI², MN, MO, NC, NH, NJ, NM, OH, OK, OR, PA, RI, SC, TN, TX¹, UT, VA, VT, WA, WI, WV³</p> <p>¹Texas: Cash out refinance transactions are <u>not</u> eligible in Texas.</p> <p>²Michigan: The Minimum loan amount allowed is \$10,000</p> <p>³West Virginia: Max LTV/CLTV is 100%. An appraisal (exterior/interior) is required.</p>