

This At-A-Glance (AAG) is a summary tool to use in conjunction with Averra (Guide). The AAG does not replace the published Guide. Where the AAG is silent or conflicts with the published Guide, the Guide will govern and control. This AAG applies only to the channel and investor program indicated. For each Agency and/or Program, there may be additional AAGs to cover specific products or transactions.

VA Full Doc Eligibility Matrix							
Primary Residence: Purchase							
Max Loan Amount ^{1,2}	LTV/CLTV	Property Type	FICO		DTI ^{2,1}		UW Engine & Required Response
			AUS	Manual	AUS	Manual	
\$1,000,000	100%	1-4 Units	580	600	60%	50%	DU - Approve LPA - Accept Manual Underwriting ⁶
\$1,500,000	100%	1-4 Units	680	680	50%	50%	
\$2,000,000	100%	1-4 Units	720	720	50%	50%	
Primary Residence: Type I & II Cash-Out Refinance ^{3,4,5}							
\$1,000,000	90%	1-4 Units	580	600	60%	50%	DU - Approve LPA - Accept Manual Underwriting ⁶
\$1,500,000	90%	1-4 Units	680	680	50%	50%	
\$2,000,000	90%	1-4 Units	720	720	50%	50%	

Notes:

¹Loan amounts above the applicable VA county loan limits are permissible up to \$2,000,000 with full entitlement. However, the LTV will be lower than the max LTV stated above. Refer to [Section 204 Loan Limits](#) for additional information

²100% purchase / 90% Cash-Out financing is available for full entitlement, if less than full entitlement up to the VA county loan limit

^{2,1}VA has a standard max total qualifying ratio (DTI) of 41% for all loans. Loans that exceed the max allowed ratio may be acceptable, but only if significant compensating factors are documented and are notated on the VA Loan Analysis Form 26-6393 and there is 120% minimum residual income. Requires an Approve from DU or an Accept from LPA. Max allowed qualifying DTI ratio for manually underwritten loans is 50% and fico is 600.

³Refinance transactions require an existing lien. If no lien exists, VA financing is not permitted.

⁴Type I Cash-Out: the principal amount of the new loan is not greater than or equal to the payoff amount of the loan being refinanced (see [Section 1111 Cash Out Refinance](#) for seasoning requirements)

⁵Type II Cash-Out: the new loan amount exceeds the payoff amount of the loan being refinanced (see [Section 1111 Cash Out Refinance](#) for seasoning requirements)

⁶Manual Underwrite Additional Requirements

- Min 600 fico
- Max DTI: 50%
- 0x30x12 on all prior mortgages
- 3 open tradelines used within the past 12 months, 0x30x12 housing history in the last 12 months
- Must verify 2 years employment
- If less than 2 years on current job the previous employment needs to be verified with WVOE
- Assets must be verified owned by the borrower to close the loan with 2 months bank statements
- Provide an LOE for any derogatory accounts per the credit bureaus
- Verification of the borrower's most recent 24-month rental history and any outstanding, assumed or recently retired mortgages must be verified and rated
- Refer/Caution AUS citing credit concerns requires re-establishment of credit with 0x30x12 for all liabilities

Notes:

- A VA funding fee applies to most veterans (see [Section 206 VA Funding Fee](#)). It is a percentage of the base loan amount and may be financed or paid by the borrower or seller. The funding fee tables may be found on the VA website [Here](#)
- No monthly MI
- Texas 50(a)(6) ineligible

Funding Fee			
Loans Closing (Note Date) On or After April 7, 2023			
Transaction Type	Down Payment	First-time Use	Subsequent Use
Purchase & New Construction	Less than 5%	2.15%	3.30%
	5% to 10%	1.50%	1.50%
	10% or more	1.25%	1.25%
Cash-out Refinance	N/A	2.15%	3.30%

VA Cash Out Refinance	
A VA refinance loan not underwritten as an IRRRL transaction is considered a VA cash-out refinance. If there are no liens against the subject property, the loan is ineligible for VA financing. The veteran may receive cash out from the loan proceeds beyond the payoff of all liens and allowable fees and charges.	
Eligibility Requirements	
• The maximum Guaranty for a cash-out refinance is the same as for a purchase transaction. • Veterans must have sufficient available entitlement for the loan. • Veterans must certify that they will personally occupy as primary residence.	
Refinance Seasoning Requirements	
All VA refinance transactions must meet the seasoning requirements on the current mortgage. The Note date of the refinance mortgage must be on or after the later of:	
• The date 210 days after the date the first monthly payment was made on the mortgage being refinanced; AND • The date on which six full consecutive monthly payments have been made on the mortgage being refinanced (prepaying to meet seasoning not permitted).	
For Cash-out VA to VA loans being refinanced within one year from the date of closing, all payments made in that timeframe must be documented (e.g., servicer payment	

history or credit bureau supplement).

Cash-Out Refinance Types

VA categorizes cash-out refinances into two types. Within each type, they also consider if the current mortgage is a VA mortgage or non-VA mortgage:

- Type 1: The loan amount, including the VA funding fee, does not exceed the payoff amount of the loan being refinanced.
- Type 2: The loan amount, including the VA funding fee, exceeds the payoff amount of the loan being refinanced.

Requirements	By Type 1		By Type 2	
	Current Mortgage		Current Mortgage	
	VA	Non-VA	VA	Non-VA
New loan with VA Funding fee $\leq$ 90% LTV/CLTV	Yes	Yes	Yes	Yes
The new loan will provide at least one NTB ¹	Yes	Yes	Yes	Yes
Veteran will acknowledge the Initial/Final Net Tangible Benefits Test ²	Yes	Yes	Yes	Yes
Fee Recoupment ³	Yes	N/A	N/A	N/A
Fixed to fixed rate: interest rate must be lowered by at least 0.50%	Yes	N/A	N/A	N/A

¹ Net Tangible Benefit (NTB)

- Eliminate monthly mortgage insurance
- Decrease loan term
- Decrease monthly P&I payment
- Reduce interest rate
- LTV/CLTV $\leq$ 90% of reasonable value
- Refinance an interim construction loan
- Increase monthly residual income
- Refinance from ARM to fixed rate mortgage

² Initial/Final Net Tangible Benefits Test Elements

Include information for the existing and new loan regarding:

- Loan amount versus payoff amount
- Loan type, i.e., fixed rate or ARM
- Interest rate
- Loan term
- Total of all payments as scheduled (principal, interest, and mortgage insurance)
- LTV
- Veteran's equity position (LTV and equity being removed)

Veteran will acknowledge the Initial/Final Net Tangible Benefits Test twice:

- Initial statement issued no later than the third business day after application; AND
- Final statement issued at closing

³ Fee Recoupment

When required, the underwriter will document and certify that the Veteran will recoup the expense of refinancing within 36 months from the closing date by a lower P&I payment. This includes all fees, expenses and closing costs paid by the veteran at closing or financed into the new loan.

Prepaid expenses like insurance, taxes, special assessments, and HOA fees are excluded from calculation. Divide the sum of all fees, closing costs, and expenses by the reduced monthly P&I payment to determine the number of months to recoup.

Unallowable Fees that cannot be charged to the Veteran Borrower

Attorney Fees other than for title commitments
 Realtor Commission
 Prepayment Penalties
 HUD/FHA Inspection Fees for Builders
 Delinquent payments (late payments and late charges) for the existing VA loan
 Late Appraisal, Rush or Priority Fees

Products & Terms	Amortization	Conforming Product Codes	Term	High Balance Product Codes	Term
	FRM	VA Fixed 30	360	VA High Balance Fixed 30	360
		VA Fixed 25	300		
		VA Fixed 20	240		
		VA Fixed 15	180		

- Base loan amount exceeding the FHFA baseline loan limits are registered as high balance product.

FHFA Baseline Loan Limits	Area	1 Unit	2 Units	3 Units / 4 Units
	Standard Conforming	\$832,750	\$1,066,250	\$1,288,800 / \$1,601,750
	High Balance	\$1,249,125	\$1,599,375	\$1,933,200 / \$2,402,625
Maximum base loan amounts to \$2 million.				

VA Program Summary

The following is an overview of core guidelines and overlays. See Averra Guide for full program requirements.

AUS Underwriting Method

- All loans must be run through an AUS, and a copy of the finding provided in file.
- If an 'Approve/Accept' recommendation is not given, manual underwriting downgrade is permitted pursuant to manual underwriting overlays.

Manual Underwriting Method	• Min 600 fico • Max DTI: 50% • 0x30x12 on all prior mortgages • 3 open tradelines used within the past 12 months, 0x30x12 housing history in the last 12 months • Must verify 2 years employment • If less than 2 years on current job the previous employment needs to be verified with WVOE • Assets must be verified owned by the borrower to close the loan with 2 months bank statements • Provide an LOE for any derogatory accounts per the credit bureaus • Verification of the borrower's most recent 24-month rental history and any outstanding, assumed or recently retired mortgages must be verified and rated • Refer/Caution AUS citing credit concerns requires re-establishment of credit with 0x30x12 for all liabilities
Borrower Eligibility	• Primary borrower must be a veteran and document entitlement with a Certificate of Eligibility (COE) • All borrowers must have a Social Security Number • Not have been suspended or debarred from participation in federal programs • Exclusionary List: GSA SAM and CAIVRS list must be checked and cleared • Permanent resident aliens may be the veteran/primary borrower. Non-permanent resident aliens are permitted only as the veteran's spouse. See the VA: Non-U.S. Citizen Guidelines Section in Averra guide for additional requirements. • Surviving spouses of veterans that died in service permitted if not remarried and can obtain valid COE. • Veteran/veteran joint loans are permitted (see Section 1001 Joint Loans). Other joint loan combinations (e.g., veteran/non-veteran who is not the spouse, mismatched funding fee factors) are ineligible. A veteran and spouse are not considered 'joint' borrowers.
Eligible Properties	Single family, PUDs, VA approved condominiums, 2 to 4-unit residential (ineligible in NJ; 3 to 4 units ineligible if any borrower has no credit score), Double Wide Manufactured, Modular, New construction properties (completed only, proposed construction ineligible), New VA approved condo projects eligible (new condo conversions created in the past 3 years ineligible, except detached or 2 to 4 unit projects).
Wood Destroying Pest Inspection	Wood-Destroying Insect Information must be considered prior to issuance of the VA Notice of Value. States requiring a wood-destroying insect inspection are included Here . If a state is not listed in the link, then a wood-destroying insect inspection is not required unless specific issues are noted in the VA appraisal report.
Ineligible Properties	• Cooperatives • Leasehold • Mobile Homes • Properties held in a community trust • Properties with a condition rating of C5/C6 or a quality rating of Q6 • Single-wide Manufactured • Energy Efficient Mortgages (EEMs) • Texas 50(a)(6) loans
Credit Score	• A tri-merge credit report is required for all borrowers with at least one valid score returned per borrower. • Non-traditional credit not permitted. • Valid CAIVRS is required for all borrowers. No delinquent Federal Debt permitted unless the delinquent account has been brought current or a satisfactory arrangement has been made. • Must document repayment plan terms and verify three satisfactory payments have been made.
Credit History	Manual Underwriting: Specific Credit History Requirements • Credit History: No significant derogatory credit permitted in the last 12 months. • Housing Payment History: AUS A/E requires manual downgrade if more than 1x30 in the most recent 12 months. Most recent 24-month rental history documented by VOR, canceled checks, or shown on credit report. For all mortgages, explanation required for payment history that shows more than 1x30 in past 12 months. • All Derogatory Credit > 12 Months: LOE covering all derogatory items signed and dated by the borrower required. Must determine that derogatory events are not part of a pattern of credit disregard.
Significant Derogatory Credit	• Bankruptcy: Chapter 7: Two-year seasoning from date of discharge. Chapter 13: Permitted if a minimum of 12 months repayment is documented and Trustee/Bankruptcy Judge approval received. • Deed in Lieu, Short Sale, Foreclosure: Two years from the date the property transferred out of the borrower's name. • Judgments: Must be paid in full prior to or at closing, unless a valid repayment agreement exists with a minimum of 12 months of timely scheduled payments (no prepaying), the payment is included in DTI, and the judgment will not supersede the VA lien. • Collections: Payoff not required if overall credit is acceptable; underwriter must address on VA Form 26-6393. Use the payment on the credit report if listed; non-medical collections with no payment are qualified at 5% of the balance divided by 12. • Federal Debt including Student Loans: Must validate with CAIVRS. No current delinquent federal debt permitted unless: A satisfactory repayment plan has been established and documented; AND minimum of three satisfactory payments have been made under the repayment plan. See the VA: Credit History Section in Averra Guide for additional requirements.
High Cost & High-Priced Loans	• 'High Cost' loans are not permitted. • Loans defined as a 'Higher-priced Mortgage Loan' or 'Higher-priced Covered Transaction' under Reg Z may be eligible. Additional restrictions apply.
Income Documentation	VA has additional income documentation requirements beyond AUS requirements. See the VA: Program Section in Averra Guide for additional requirements.
Interested Party Contributions	Sales concessions permitted up to 4% of the established reasonable value evidenced on the LNOV. The seller-paid standard closing costs and normal discount points are not included in this calculation.
Temporary Buydowns	Eligible: 1-0, 2-1 and 3-2-1 Purchase transactions, fixed rate, 1-4 unit primary residence Paid by the seller or builder only (one contributor); Averra does not fund the buydown Qualify at the note rate; interested party contribution limits apply
Appraisals	• An appraisal is required on every transaction and must be ordered through the VA Portal (WebLGY). Exterior-only or desktop

	appraisals permitted only per Section 1305 Alternative Valuation Methods; hybrid appraisals ineligible. - Appraisals may be transferred to Averra from another lender with required documentation per Section 1305 (original appraisal report, paid invoice, transfer letter from departure lender, and signed Appraisal Transfer Request Form from the broker portal) (Reflect Averra as Sponsoring Lender in the VA Portal). - LNOV must be issued within five business days of completion of the URAR. - Appraisals must be completed no more than 180 days prior to closing. Note: The Veteran cannot be charged for Late Appraisal, Rush or Priority Fees
Escrows	Escrow accounts are required for VA loans. See Section 1105 Escrow/Impound Account in Averra guide for details.
Down Payment Assistance	Any DPA that requires Averra to become an approved lender to participate is ineligible.
MCC	Mortgage Credit Certificate (MCC) is not permitted.
Resources	VA Loan Limits VA Home Loans Certificate of Eligibility HUD Credit Alert System (CAIVRS) VA Lender Handbook
An underwriter may require additional documentation above AUS requirements. Averra has sole discretion for the final underwriting decision.	

Need Help?

Please connect with your dedicated Sr. Account Executive
for support throughout the loan process!