

# Government Full Documentation Matrix

## Wholesale & Mini-Correspondent

Below is an abbreviated product eligibility matrix; items in italics are VCI-specific. Agency requirements as stated in the respective Handbook, Circular, Mortgagee Letter, and/or Procedure Notice must be adhered to unless otherwise noted below.

	FHA	USDA	VA
<b>Eligible Loan Programs</b>	Purchase - 203(b) (includes the HUD \$100 Down program) No Cash-Out Refinance - 203(b) Cash-Out Refinance - 203(b) Simple (FHA-to-FHA) Refinance - 203(b)	Purchase Non-Streamlined Refinance Single Family Housing Guaranteed Loan Program (SFHGLP)	Purchase Cash-Out Refinance
<b>Age of Documents</b>	The document expiration date is based on the disbursement date.	The document expiration date is based on the Note Date.	The document expiration date is based on the Note Date.
<b>Appraisal</b>	All appraisal options allowed by the respective Agency are accepted.		
<b>Assets</b>	<i>Assets in the form of crypto currency must be liquidated and deposited into an established U.S. depository institution for the minimum length seasoning as required per the Agency/AUS findings.</i>		
<b>AUS Requirements</b>	<i>DU Approve/Eligible, DU Refer/Eligible, LPA Accept and LPA Refer are acceptable findings.</i>	<i>GUS Accept/Eligible, GUS Refer and GUS Refer with Caution are acceptable findings.</i>	<i>DU Approve/Eligible, DU Refer/Eligible, LPA Accept and LPA Refer are acceptable findings.</i>
	<i>A DU Approve/Ineligible may be acceptable; the underwriter must analyze the file to determine whether or not the ineligibility is within the Agency allowable parameters.</i>		<i>A DU Approve/Ineligible may be acceptable; the underwriter must analyze the file to determine whether or not the ineligibility is within the Agency allowable parameters.</i>
	Manual underwriting permitted--follow Agency requirements.		
<b>Borrower Eligibility</b>	Refinance: • At least one borrower must hold title to the property being refinanced prior to case number assignment date.	Refinance: • Additional borrowers may be added to the new guaranteed loan. • Existing borrowers on the current mortgage note may be removed, when one of the original borrowers remains on the refinance loan.	Refinance: • The veteran must have sufficient available entitlement for the loan. If an existing VA loan on the same property will be paid off by the refinancing loan, the entitlement used for that existing loan can be restored for purposes of obtaining the new loan.
<b>Cash-Back on No Cash-Out Refinance</b>	Not to exceed \$500	Not to exceed \$0	N/A
<b>Citizenship</b>	<ul style="list-style-type: none"> <li>• Each borrower must have a valid Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) when accepted by the respective Agency.</li> <li>• A borrower with lawful permanent resident alien status may be eligible provided the borrower satisfies the same requirements, terms, and conditions as those for U.S. citizens.</li> <li>• A borrower who is a non-permanent resident alien may be eligible provided: <ul style="list-style-type: none"> <li>• The borrower has a valid SSN, except for those individuals exempted by the applicable GSE/Agency guidelines; and</li> </ul> </li> </ul>		

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	<ul style="list-style-type: none"> <li>The borrower is eligible to work in the United States as evidenced by either: <ul style="list-style-type: none"> <li>An Employment Authorization Document (USCIS Form I-766) showing that work authorization status is current;</li> <li>A USCIS Form I-94, Arrival/Departure Record, evidencing H-1B status, and evidence of employment by the authorized H-1B employer for a minimum of one year; or</li> <li>Evidence of citizenship of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau; and</li> </ul> </li> <li>The Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizens.</li> </ul>	
<b>Closing Documentation</b>	<ul style="list-style-type: none"> <li>VCI will accept electronic signatures on all documents other than the Note, Security Instrument, any related riders/addendums, Power of Attorney, Modification Agreement, Right to Rescind and Name Affidavit Disclosure.</li> <li>Loans closed under the Hybrid E-Closing method must follow the Electronic Signatures in Global and National Commerce Act. In addition, applicable local, state, and federal guidelines must be followed when loans are closed in this manner.</li> <li><i>VCI is unable to accept documentation notarized by a Remote Online Notary (RON) at this time.</i></li> </ul>	
<b>Community Property State</b>	<ul style="list-style-type: none"> <li>Credit Report for a non-borrowing spouse is required.</li> <li>Monthly obligations must be included in DTI.</li> <li>Credit history is not considered.</li> </ul>	
<b>Condominium</b>	Project must meet Agency requirements.	
	<i>FHA Single-Unit Condo is acceptable; DELRAP is not eligible.</i>	
<b>Credit Requirements</b>	<ul style="list-style-type: none"> <li>A soft pull credit report may be used to qualify an applicant prior to taking application.</li> <li>Prior to final approval, a tri-merge credit report with score(s) will be required.</li> <li>Follow Agency guidance in relation FICO requirements, no-score borrower(s) and non-traditional credit.</li> </ul>	
<b>Debt to Income (DTI)</b>	Follow Agency requirements.	
<b>Dual Compensation</b>	<i>VCI will not allow dual compensation for Third Party Originators (TPOs).</i>	
<b>Escrow Holdback</b>	<ul style="list-style-type: none"> <li>A repair item that poses a health or safety hazard is not eligible for an Escrow Holdback.</li> <li>The subject property must be habitable, sound and safe for occupancy at the time of loan closing.</li> <li>The completion escrow may not adversely affect the mortgage insurance or title insurance.</li> <li><i>The following must be provided for all holdback requests:</i> <ul style="list-style-type: none"> <li><i>An itemized bid for the outstanding repair(s) must be provided; the bid must include:</i> <ul style="list-style-type: none"> <li><i>The cost to repair;</i></li> <li><i>Who will complete the repair(s); and</i></li> <li><i>A reasonable time frame for completing the repair(s).</i></li> </ul> </li> <li><i>Acceptability of the holdback request and the amount of the contingency will be determined on a case by case basis.</i></li> </ul> </li> <li>Mini-Corr: Escrow holdback funds will be netted from the purchase advise and applied to the VCI restricted escrow account.</li> </ul> <p>VCI to monitor repairs, inspect the subject property for completion, and disburse escrow funds per the terms of the Escrow Agreement.</p>	

	<ul style="list-style-type: none"> <li>• HUD requires that subject property meet the Minimum Property Requirements (and Minimum Property Standards for new construction) detailed in Section II.A.3.a.ii of the 4000.1 prior to closing.</li> <li>• Items such as landscaping or exterior improvements may be considered for an escrow holdback.</li> <li>• The escrow account must be established with the greater of \$500 or 150% of the estimated cost to complete the improvement(s)/repair(s).</li> <li>• All repairs must be completed within 120 days of the Note Date; extension requests must be escalated to management.</li> <li>• A HUD REO property is eligible for an escrow holdback provided the property requires no more than \$10,000 in repairs and the appraiser states that the property is insurable with a repair escrow.</li> <li>• Energy Efficient Mortgages: Installations must be completed within 90 days of the mortgage Disbursement Date.</li> <li>• Solar and Wind Technologies: Installations must be completed within 120 days of the mortgage Disbursement Date.</li> </ul>	<ul style="list-style-type: none"> <li>• Repairs must be limited to minor items not affecting the livability of the structure or that cannot be completed due to weather conditions.</li> <li>• A signed contract between the borrower(s) and the contractor is required for the proposed work.</li> <li>• The escrow account must be established with the greater of \$500 or 150% of the estimated cost to complete the improvement(s)/repair(s).</li> <li>• All repairs must be completed within 120 days of the Note Date; extension requests must be escalated to management.</li> </ul>	<ul style="list-style-type: none"> <li>• For purchase transactions: <ul style="list-style-type: none"> <li>○ The property seller must fund the escrow account, including the required contingency.</li> <li>○ VA <u>Form 26-1849</u>, Escrow Holdback Agreement for Postponed Exterior Onsite Improvements must be completed by the seller(s).</li> <li>○ The escrow account must be established with the greater of \$500 or 150% of the estimated cost to complete the improvement(s)/repair(s).</li> <li>○ All repairs must be completed within 120 days of the Note Date; extension requests must be escalated to management.</li> </ul> </li> <li>• As Chapter 12.44 of the VA Handbook restricts lenders from obtaining the Guaranty on a refinance transaction until the escrow holdback is complete, the following will be required: <ul style="list-style-type: none"> <li>○ <i>An itemized bid for the outstanding repair(s) must be provided; the bid must include:</i> <ul style="list-style-type: none"> <li>▪ <i>The cost to repair;</i></li> <li>▪ <i>Who will complete the repair(s); and</i></li> <li>▪ <i>A reasonable time frame for completing the repair(s).</i></li> </ul> </li> <li>○ <i>All repairs must be completed within 30 days of the Note Date.</i></li> <li>○ <i>Acceptability of the holdback request and the amount of the contingency will be determined on a case by case basis.</i></li> </ul> </li> <li>• An escrow account is not required when: <ul style="list-style-type: none"> <li>○ The incomplete work is limited to the installation of landscaping features (lawns, shrubbery, etc.) due to inclement weather,</li> </ul> </li> </ul>
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			<ul style="list-style-type: none"> <li>○ The estimate of the cost to complete the work is ≤ \$2,500, and</li> <li>○ There is adequate assurance that the work will be completed timely and satisfactorily (usually 90 to 120 days).</li> <li>• Energy Efficient Mortgages are acceptable as outlined in Chapter 7 of the VA Handbook.</li> <li>• The improvements must be completed within six (6) months of the Note Date.</li> </ul>
<b>High Cost Loans</b>	High Cost Loans under the Home Ownership and Equity Protection Act (HOEPA) are prohibited.		
<b>Higher Priced Mortgage Loans</b>	High Priced Mortgage Loans (HPML) are considered for purchase review with no additional overlays, so long as the mortgage loan complies with all requirements under Regulation Z and applicable state law.		
<b>Impounds</b>	Escrow accounts for property taxes, homeowner's insurance, flood insurance, etc. are required on all government loan products.		
<b>IRS Transcripts / 4506-C</b>	<ul style="list-style-type: none"> <li>• Each file must contain a fully completed 4506-C (version Rev. 10-22); a separate 4506-C must be completed for each income source.</li> <li>• IRS Validation will be required if necessitated by the AUS findings, program specific guidelines, USDA requirements or subject to underwriter discretion to resolve income/employment discrepancies.</li> </ul>		
<b>Loan Amount - Maximum</b>	Loan amount cannot exceed <u>FHA Mortgage Limits</u> .	Established by the maximum allowable income limits.	<p>\$2 MM (Contact the Lock Desk for a loan amount above this limit.)</p> <p>In all situations, the amount of entitlement plus the amount of downpayment/equity must equal at least 25% of the purchase price or reasonable value, whichever is less.</p>
<b>Loan Term</b>	Loans are offered in terms between 120-360 months, in one (1) year increments.	30-year Fixed	Loans are offered in terms between 120-360 months, in one (1) year increments.
<b>Loan Type</b>	Fixed Rate and Adjustable Rate Mortgage (ARM)	Fixed Rate	Fixed Rate and Adjustable Rate Mortgage (ARM)

<b>LTV Requirements</b>	<p>Purchase:</p> <ul style="list-style-type: none"> <li>• 96.5% of the adjusted value (90% for FICO 500-579).</li> </ul> <p>No Cash-Out Refinance:</p> <ul style="list-style-type: none"> <li>• 97.75% for primary residence that has been owner-occupied for the previous 12 months or since acquisition (90% for FICO 500-579).</li> <li>• 85% for a primary residence occupied less than 12 months prior to the case number assignment date or not occupied for the entire period of ownership.</li> <li>• 85% for all HUD-approved secondary residences.</li> </ul> <p>Cash-Out Refinance:</p> <ul style="list-style-type: none"> <li>• 80%</li> </ul> <p>Simple Refinance:</p> <ul style="list-style-type: none"> <li>• 97.75% for primary residence.</li> <li>• 85% for HUD-approved secondary residence.</li> </ul> <p>Reference the 4000.1 for LTV restrictions.</p>	<p>Purchase and Non-Streamlined Refinance:</p> <ul style="list-style-type: none"> <li>• 100% of the market value of the property, excluding the Guarantee fee.</li> </ul> <p>A newly constructed dwelling that does not meet the definition of an existing dwelling as defined in the 3555.1 is limited to 90% of the present market value.</p>	<p>Purchase:</p> <ul style="list-style-type: none"> <li>• 100% of the lesser sales price or reasonable value, excluding the VAFF.</li> </ul> <p>Cash-Out Refinance (<b>maximum LTV/CLTV</b>)</p> <ul style="list-style-type: none"> <li>• 100% of the reasonable value, including the VAFF.</li> </ul>
<b>Net Tangible Benefit</b>	All refinance transactions must evidence a Net Tangible Benefit (NTB) to the Borrower(s); If a state-specific disclosure form is required, it must be included in the loan file.		
			All VA cash-out refinance transactions (Type I and Type II) must pass the Net Tangible Benefit test as detailed in <a href="#">Circular 26-19-05</a> .
<b>Occupancy</b>	<p>Purchase &amp; Cash-Out Refinance</p> <ul style="list-style-type: none"> <li>• Primary residence</li> </ul> <p>No Cash-Out Refinance</p> <ul style="list-style-type: none"> <li>• Primary residence or HUD-approved second home</li> </ul>	Primary residence	Primary residence

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<b>Power of Attorney</b>	<ul style="list-style-type: none"> <li>• A POA should only be used in extraordinary circumstances, such as a hardship or emergency situation.</li> <li>• <i>The POA may be used for closing documents only; it is not acceptable for loan application and/or credit verification purposes.</i></li> <li>• A POA is not permitted when the loan is closing in an Inter Vivos Revocable Trust.</li> <li>• The attorney-in-fact may not have any direct or indirect financial interest in the transaction.</li> <li>• Authorization is for the attorney-in-fact to perform specific functions related to the real estate financing, or the POA must be specific to the subject property.</li> <li>• The POA must be in full-force and effect on the date of the closing, must survive subsequent disability (durable), and has to be revoked in writing, unless a specific expiration date is stated which survives the closing date.</li> </ul>		
			All requirements stated in <u>Chapter 9</u> of the VA Lender's Handbook must be followed.
<b>Property Eligibility</b>	<ul style="list-style-type: none"> <li>• 1-4 Unit, Condominium, PUD, Manufactured Home (must be titled as real property and constructed on or after 06/15/1976).</li> <li>• <i>Subject property must have a minimum 600 square feet (unless a lesser GLA is allowed per the respective Agency Handbook).</i></li> </ul>		
	Manufactured home must meet the requirements of the <u>Permanent Foundations Guide for Manufactured Housing (PFGMH)</u> , dated September 1996.		
		Manufactured homes under the USDA Manufactured Housing Pilot Program are acceptable provided the requirements of the <u>USDA Federal Register</u> are satisfied.	
<b>Purchase Contract</b>	<i>An assignment of a purchase contract is not acceptable.</i>		
<b>Refinance Transactions</b>	<ul style="list-style-type: none"> <li>• <i>For all refinance transactions aged less than 12 months, VCI will require a copy of the Promissory Note, Security Instrument or other documentation for the underlying mortgage with evidence of the first payment due date, when the subject property is secured by an existing mortgage lien. The additional documentation will not be required when the mortgage being refinanced is aged 12 months or more unless there are red flags within the loan documents that indicate a modification or partial claim may have occurred with the transaction.</i></li> <li>• <i>Any and all subsequent loan modification documents must be provided when an existing mortgage has been modified from the original terms.</i></li> <li>• <i>A refinance with indication of a partial claim on the lien being paid off will require the most recent mortgage statement for comparison of the current terms to the original loan documents. In the event the interest rate, P&amp;I and/or remaining unpaid principal balance do not reconcile from the current statement to the original loan documents, VCI will require that the Borrower has met the 210 day rule from the date the first payment after the partial claim is due and that the borrower has made at least six (6) consecutive timely payments.</i></li> </ul>		
<b>Seasoning Requirements</b>	<b>Cash-Out Refinance:</b> On the date of the FHA case number assignment: <ul style="list-style-type: none"> <li>• The property securing the refinance must have been owned and occupied by at least one Borrower as their primary residence for at least 12 months prior to the date of the Case Number Assignment.</li> </ul>		<ul style="list-style-type: none"> <li>• The existing loan must have closed 12 months prior to the Agency's receipt of a Conditional Commitment request.</li> </ul>
			The Note Date of the refinance loan must be on, or after, the later of: <ul style="list-style-type: none"> <li>• The date on which the borrower has made at least six (6) consecutive monthly payments on the loan being refinanced; and</li> <li>• The date that is 210 days after the first payment due date of the loan being refinanced.</li> </ul>

	<ul style="list-style-type: none"> <li>• The borrower must have made at least six (6) consecutive monthly payments on the loan being refinanced, referred to herein as the Initial Loan, beginning with the first payment due date; and</li> <li>• The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan.</li> <li>• The borrower cannot prepay payments to satisfy the six (6) consecutive monthly payments requirement. and</li> <li>• If the borrower assumed the mortgage that is being refinanced, they must have made six (6) payments since the time of assumption.</li> </ul> <p>When refinancing a modified loan, the refinance transaction must be qualified based on the loan terms at the time of the note modification. All seasoning requirements must be based on the modification documentation and payment history.</p>		<p>GNMA <a href="#">APM 19-05</a> specifically requires that any VA-guaranteed refinance loan that is used to pay off another mortgage loan must meet these seasoning requirements to be eligible collateral.</p> <p>Per GNMA <a href="#">APM 21-06</a>, when refinancing a modified loan, the refinance transaction must be qualified based on the loan terms at the time of the note modification. All NTB and seasoning requirements must be based on the modification documentation and payment history.</p> <p>Reference <a href="#">Chapter 24</a> of the Ginnie Mae MBS Guide for the only acceptable seasoning exemptions.</p>
<b>State Restrictions</b>	<i>Properties located in New York are not eligible.</i>		
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>• Subordinate financing permitted.</li> <li>• <i>Downpayment Assistance programs that require a designated servicer are not eligible.</i></li> <li>• Not to exceed Agency maximum CLTV.</li> </ul>		
<b>Temporary Interest Rate Buydown</b>	<i>Not permitted</i>		
<b>Texas 50(a)(6)</b>	Not eligible		
<b>Verification of Employment (VOE)</b>	Every loan for which income from a wage-earner and/or self-employed borrower is utilized must contain a valid verification of employment (VOE) performed and dated within the time frame stipulated by the respective Agency. Each source of self-employment income requires that the existence of the business is independently verified through a disinterested third party.		
<b>Version History (2024)</b>	SL, Quarterly Update, 8/15/2024		