

DU Underwriting Findings

SUMMARY

Recommendation	Approve/Eligible		
Primary Borrower	Edward Davis	Co-Borrower	
Lender Loan Number	2012055764	Casefile ID	1510549343
Submission Date	07/20/2021 01:40PM	DU Version	DUG4.0

Mortgage Information

LTV/CLTV	100.00% / 100.00%	Note Rate	2.625%
Housing Expense Ratio	26.85%	Loan Type	Veterans Affairs
Total Expense Ratio	51.69%	Loan Term	360
Total Loan Amount	\$264180.00	Amortization Type	Fixed Rate
Sales Price (purchase transactions)	\$255000.00	Loan Purpose	Purchase
Appraised Value	\$255000.00	Refi Purpose	

Property Information

Address	9717 Paragon Drive Henrico, VA 23228	Property Type	Detached
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VERIFICATION MESSAGES/APPROVAL CONDITIONS

- Obtain certified copy of purchase contract and all amendments.
- All loans submitted to the VA for guarantee are required to contain the Underwriter's certification as stated in the VA Handbook.
- An original Certificate of Eligibility (VA Form 26-8320) is required.
- Approval subject to receipt of valid CAIVR number.
- Any increase in the note rate above the rate used for qualification requires a resubmission.
- This loan casefile may also be subject to other lender specified conditions.
- The VA Loan Analysis form (VA 26-6393) must be completed.
- If the subject property is located in a community property state, a social security number and credit report must be obtained for a non-purchasing spouse, if applicable.
- Lenders remain responsible for ensuring the loan amount will result in a guaranty percentage that will meet secondary market requirements.
- If the loan casefile has not already closed, the following documents have expired. While the document values have been used in the underwriting analysis, obtain more recent documents and resubmit the loan for an underwriting recommendation.

Borrower	Document Type	Document Date
12/17/2020	Credit Report	EDWARD DAVIS

Credit and Liabilities

- No determination of ratios or credit worthiness is required.
- No explanation of credit inquiries required
- Verification of current or previous rental history is not required.
- If a mortgage debt exists and does not appear on the credit report, direct verification of the last 12 months payment history for outstanding, assumed or recently retired mortgage is required. VA guidelines should be followed for manually downgrading loans if direct verification reveals more than 1 x 30 day late payment in the last 12 months.
- Desktop Underwriter used the minimum monthly payments, for alimony, child support, separate maintenance or job related expenses which are used in the total expense ratio.

Borrower	Creditor Name	Payment
Edward Davis	Alimony	413.00

- Desktop Underwriter has used the minimum monthly payments, to calculate the total expense ratio, from the following accounts:

Borrower	Creditor Name	Balance	Payment
Edward Davis	HENRICO FCU	4323.00	149.00

Edward Davis	CITI	5880.00	177.00
Edward Davis	USDOE/GLELSI	113099.00	471.25

- 17 If a mortgage or other significant debt is listed on the credit report as past due and was last updated more than 90 days ago, verification of the current status of past due debt is required. VA guidelines should be followed requiring manual downgrade of the loan if the current status is 90 days or more past due.
- 18 If the borrower has collection accounts, they do not necessarily have to be paid off as a condition for loan approval. Borrowers with a history of collection accounts should have reestablished satisfactory credit in order to be considered a satisfactory credit risk.

Employment and Income

- 19 Overtime or bonus income from the application was used to underwrite this case. Generally such income cannot be considered stable and reliable unless it has continued for two years and is verified for two years. To include income from these sources in effective income the income must be regular and predictable with a likelihood that it will continue in the foreseeable future. All overtime and bonus income must be verified and documented according to current standard VA documentation guidelines.
- 20 No explanation of employment gaps < 60 days is required.
- 21 Employment income for the applicant was used to underwrite this case. Edward Davis's income must be supported by documentation evidencing telephone contact with current employer, verifying employment. Obtain pay stubs covering at least one full month of employment containing Year to Date, Bonus, and Overtime information.
- 22 A VOE is not required for Edward Davis's previous employment if the employer for the past year has not changed and previous year's W-2 was obtained. W-2 not required if borrower is on active duty or: 1) Employer is the same for greater than or equal to 2 years; 2) Employment length and current status verified by employer by phone; 3) Borrower not self-employed or commissioned; 4) Bonus, overtime, or secondary income is not needed to qualify; 5) Current monthly base pay only used; and 6) Form 8821 or Form 4506 signed for previous 2 tax years.
- 23 The following sources of income were used in the underwriting analysis:

Borrower	Income Type	Verification	Amount
Edward Davis	Base Employment Income	1003 Values	4746.94
Edward Davis	Bonuses	1003 Values	125.00

Assets

- 24 Information about assets furnished on the loan application was used to underwrite this case. The depository assets totaling \$5031.68 must be verified using original bank statements or certified true copies covering the most recent one month period in lieu of a VOD.
- 25 The following assets were counted towards available funds:

Borrower Name	Account Type	Institution Name	Amount
Edward Davis	Checking	Henrico FCU	5031.68

- 26 Verification of veteran's source of funds is not required if closing costs plus difference between sales price of the property and the base loan amount is < 4 percent of the lesser of the following: 1) Sales Price 2) Reasonable value established by a Notice of Value (NOV).

Property and Appraisal Information

- 27 A Uniform Residential Appraisal Report (URAR) and a Notice of Value (NOV) must be provided for this transaction. Also, a Market Conditions Addendum is required (Fannie Mae Form 1004MC). Lenders approved for the Lender Appraisal Processing Program (LAPP) may elect to follow LAPP processing guidelines.
- 28 Based on the subject property data entered, DU determined that the subject address is located within the county of HENRICO COUNTY which has a county loan limit of \$548250.00.
- 29 DU returned the following standardized address and census tract for the subject property: 9717 PARAGON DR, HENRICO, VA 23228, 510872009061028. This is the address that DU used in its property verification process.

OBSERVATIONS

- 30 The following Credit Report information is associated with this submission:

Borrower Name	Credit Agency	Credit Report ID	Credit Report Date
EDWARD DAVIS	EQUIFAX MORTGAGE SERVICES	P805S3	12/17/2020

- 31 This loan casefile was submitted to Desktop Underwriter by CAPITAL CENTER LLC Institution. The following information is associated with this loan: Casefile ID is 1510549343, and VA Submission number is 8.

- 32 Version Number: 2.1

- 33 This loan casefile was submitted to DU for Government Loans Release 4.0.
- 34 Residual Income Required: \$441.00
- 35 Residual Income Actual: \$1179.61
- 36 Agency Case Number: 14-14-6-1504338
- 37 The following credit scores were obtained by the credit agency selected by the user and are included in the credit report:

Borrower	Credit Scores
Edward Davis	746 748 769

- 38 The debt to income ratio was not subject to restriction due to compensating factors in this case.

Underwriting Analysis Report

Recommendation	Approve/Eligible		
Primary Borrower	Edward Davis	Co-Borrower	
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Submission Date	07/20/2021 01:40PM	DU Version	DUG4.0

PROPERTY INFORMATION

Property Address	9717 Paragon Drive Henrico, VA 23228	Number of Units	1
Property Type	Detached	Occupancy Status	Primary Residence

MORTGAGE INFORMATION

Loan Type	Veterans Affairs	LTV/CLTV/HCLTV	100.00% / 100.00% / 0.00%
Amortization Type	Fixed Rate	Loan Amount	\$255000.00
Balloon	No	Financed MI Amount	\$9180.00
Community Lending	No	Total Loan Amount	\$264180.00
Payment Frequency	Monthly	Sales Price (purchase transactions)	\$255000.00
Lien Type	First Mortgage	Appraised Value	\$255000.00
Amt. Subordinate Fin.	\$0.00	P&I	\$1061.08
Loan Purpose	Purchase	Note Rate	2.625%
Refi Purpose		Qualifying Rate	2.625%
Owner Existing Mtg.		Bought Down Rate	0.00%
Buydown	No	Term (Months)	360

INCOME

Base	\$4746.94
Commission	\$0.00
Bonus	\$125.00
Overtime	\$0.00
Other	\$0.00
Positive Net Rental	\$0.00
Subj. Pos. Cash Flow	\$0.00
Total	\$4871.94

QUALIFYING RATIOS

Housing Expense	26.85%
Total Expense	51.69%

EXPENSE RATIOS

Including ≤ 10 Mos.	0.00%
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PROPOSED MONTHLY PAYMENT

First P&I (Qualifying)	\$1061.08	Negative Net Rental	\$0.00
Second P&I	\$0.00	Subj. Neg. Cash Flow	\$0.00
Hazard Insurance	\$82.08	All Other Payments	\$1210.25
Taxes	\$164.79	Total Expense Payment	\$2518.20
Mortgage Insurance	\$0.00		
HOA Fees	\$0.00		
Other	\$0.00		
Total Housing Payment	\$1307.95		

FUNDS

Required	\$2689.00	Net Cash Back	\$0.00
Available	\$5031.68	Reserves	\$2342.00
Cash Back	\$0.00	Months Reserves	1

The recommendation for this case is: Approve/Eligible

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