

WM VA GUARANTEED FIXED RATE WITH HIGH BALANCE OPTION

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LOAN PROGRAM DESCRIPTION:

- The Veterans Administration (VA) was established in 1930 when Congress authorized the President to “consolidate and coordinate government activities affecting war Veterans.” The Servicemen’s Readjustment Act of 1944 (known as “the G.I. Bill”) authorized the VA to administer a variety of benefit programs, including a home loan guaranty program, to facilitate the adjustment of returning Veterans to civilian life. The Department of Veterans Affairs (VA) was established as a Cabinet-level position on March 15, 1989.
- The underwriting information contained in this section is intended for use in conjunction with pamphlet 26-7 Guaranty of Insurance of Loans to Veterans – GI Loan Programs, located at <http://www.va.gov>.
- [VA Lender’s Handbook](#) and [VA Circulars](#).

LOCK-IN/REGISTRATION:

- Loans must be locked through Blue Connect.
- Tips:
 - **Loan Type** – VA.
 - **Doc Type** – Full Doc
 - **Amortization** – 15 & 30 years.
 - **High Balance** – 30 years.
 - **Loan Program Labels:**
 - WM_VA_15_Fxd
 - WM_VA_20_Fxd
 - WM_VA_30_Fxd
 - WM_VA_30_Fxd_Jmbo
 - WM_VA_15_IRRRL_Fxd
 - WM_VA_30_IRRRL_Fxd

MINIMUM MORTGAGE:

- None.

MAXIMUM MORTGAGE:

- **Purchase** - \$1,000,000 (regardless of number of units). The total loan amount (base plus funding fee).
 - See [HIGH BALANCE](#) option.
- **Cash-Out Refinance:**
 - The maximum base loan amount is 90% of the appraised value.
 - **Loan Amounts ≤\$453,100** - Refer to Exhibit E-144 VA Maximum Mortgage Calculation Worksheet on how to calculate max mortgage.
 - **Loan Amounts >\$453,100 to \$700,000** – Refer to Exhibit E-145 VA Maximum Mortgage Calculation Worksheet on how to calculate max mortgage. See [HIGH BALANCE](#) option.
- Loan amounts over \$453,101 requires a second sign by a Wintrust Mortgage Underwriter.
- **Loan Guaranty / Entitlement** – The maximum guaranty is the lesser of the Veteran’s available entitlement or the maximum potential guaranty amount detailed in the following table:

Loan Amount	Maximum Potential Guaranty
Up to \$45,000	50% of the loan amount
\$45,001 to \$56,250	\$22,500
\$56,251 to \$144,000	40% of the loan amount with a maximum of \$36,000
\$144,001 to \$417,000	25% of the loan amount with a maximum of \$104,250
\$417,001 to \$700,000**	25% of the loan amount with a maximum of \$273,656**

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** - VA will provide guaranty equal to the lesser of 25% of the total loan amount or 25% of the County limit for a one (1) unit dwelling subject to Veterans available entitlement.

- **High Balance** – Regardless of loan amount, the VA Guaranty plus cash/equity must be equal to at least 25% of the purchase price or Notification of Value (NOV), whichever is less.

MAXIMUM LTV/CLTV:

- Refer to **WM VA Fixed Rate with High Balance Option** Matrix.
- Refer to **MAXIMUM MORTGAGE** section.
- Use base loan amount for LTV calculation.
- **Purchase and Rate & Term** – 100/100% LTV/CLTV with full entitlement is \$700,000.
- **Cash-Out** – 90/90%LTV/CLTV of the property value shown on the CRV or NOV.

ADDITIONAL CONSIDERATIONS:

- **IMPORTANT** - Settlement agents need to be verified. Contact your Account Executive.
- **Correspondent Non-Delegated:**
 - Maximum cash back is limited to \$100,000 unless the LTV is ≤ 70%.
 - Installment debt can be omitted if less than 10 payments remain and the payment is less than 5% of the total qualifying income.
 - Non-medical collections totaling > \$2,000 must be paid in full, or document a payment arrangement is in place (include the payment in DTI) and verify 3 months of payments, or include 5% of the collection balance to qualify.
- Refer to **PROPERTY TYPES INELIGIBLE** section.

AGE OF DOCUMENTS:

- 120 days for existing property.
- 180 days for new construction.

APPLICATION REQUIREMENTS:

- A fully complete and signed IRS Form 4506-T must be signed and dated at application and at closing for each Borrower on the loan regardless of income source or employment.
- **TAX TRANSCRIPTS:**
 - Tax Return Transcripts are required for at least one (1) year. If an AUS response requests more than the additional transcripts are required. The Official Tax Return Transcript is required even if tax returns are NOT required for loan qualification.
 - The Official Tax Return Transcript is required on each Borrower.

APPRAISAL REQUIREMENTS:

- VA Appraisal.
- VA requires Appraisers to include Fannie Mae’s Market Conditions Addendum, Form 1004MC, in all VA Appraisal reports.
- VA Approved/VA Fee panel Appraisers.
- LAPP – Notification of Value (NOV) to be issued by a WM VA Lender’s LAPP Approved Underwriter via The Appraisal System (TAS) at <https://tas.vba.va.gov> Or Certificate of Reasonable Value (CRV) issued by VA.
 - **Important: NOV must be issued within five (5) days of receipt of Appraisal.**
- **Water Purification Systems** –WM will no longer purchase properties with water purification systems.
- **Appraisals need to be UAD compliant.**
 - UAD standardization does not change existing VA policy on Minimum Property Requirements (MPR) and Property Eligibility or Appraisal inspection protocol.
 - There are changes to VA Policy & Procedures for Appraisals in relation to UAD requirements.

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DECLINING MARKET REQUIREMENTS:

- If Appraiser notes that property is in a “declining or soft market” (soft market is where sales are taking greater than six (6) months to sell and/or there is an oversupply of housing), a reduction in LTV/CLTV/HCLTV will not be required however the following additional guidelines must be followed:
 - ◆ A full URAR Appraisal is required.
 - ◆ Three (3) comps required, two (2) comps must be have closed within the last 90 days, one (1) no greater than six (6) months old, all within the neighborhood boundaries as defined on page one (1) of the Appraisal.
 - ◆ Two (2) pending sales or listings from the subject’s neighborhoods.

PROCEDURE FOR APPRAISALS ON PROPERTIES IN A DISASTER AREA:

- If property was appraised prior to the disaster you must obtain an additional property inspection prior to closing. Appraiser must provide an addendum stating “I have reviewed the subject property and noted no damage, deferred maintenance, adverse affect on value or marketability related to the recent severe weather.”
- If the Appraiser indicates damage, the extent of the damage must be addressed, and completion of any repairs needed to ensure that the property is “safe, sound and sanitary” will be required. A new full Appraisal is required.
- If a property is appraised after the disaster, you must obtain an interior and exterior inspection even if the AUS or loan program has offered a more streamlined property inspection.
- Non-standard Appraisals (1075/466, 2055 or 2075/2070) are not allowed for a minimum of one (1) year after the disaster.
- Refer to [FEMA website](#).
- Verify the Borrowers place of employment has not been negatively impacted by these events.
- Veteran Disaster Certification Exhibit E-348.
 - **Correspondent Note:** Must be on company’s letterhead.
- Lender Disaster Certification Exhibit E-349.
 - **Correspondent Note:** Must be on company’s letterhead.

- Refer to [GEOGRAPHIC RESTRICTIONS](#) section.

ARM INDEX:

- N/A.

ARM INITIAL INTEREST RATE CAPS:

- N/A.

ARM INTEREST RATE CEILING:

- N/A.

ARM INTEREST RATE FLOOR:

- N/A.

ARM MARGIN:

- N/A.

ARM RATE ADJUSTMENT:

- N/A.

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BORROWERS ELIGIBLE:

- Must be a Veteran who served the minimum duty with other than a dishonorable discharge. Veterans who served less than the minimum required period may be eligible if discharged because of service-connected disabilities.
- Active duty with at least 181 days of duty.
- Un-remarried surviving spouse of eligible Veteran (COE).
- Reservists/National Guard.
- Certificate of Eligibility must have sufficient entitlement to meet minimum 25% guarantee.
- Joint loans involving a Veteran and a non-Veteran who is not the Veteran's spouse (VA prior approval required) refer to [CO-BORROWER\(S\)](#) section.
- Joint loans involving two (2) unmarried Veterans (VA prior approval required) refer to [CO-BORROWER\(S\)](#) section.
- The un-remarried surviving spouse of an eligible service member who died as a result of service or service-connected injuries may also be eligible.
- Specific questions on Veterans' eligibility matters should be referred to the VA regional office.

BORROWERS INELIGIBLE:

- N/A.

BUYDOWNS:

- Not permitted.

CASH RESERVES:

- Per VA Guidelines – refer to VA Lenders Handbook.

CLOSING DOCUMENTS:

- VA Mortgage Note/Deed Of Trust Note.
- VA Mortgage/Deed Of Trust.
- Assumption Rider (if applicable).
- VA Form 1820 - Report & Certificate of Loan Disbursement.
- Notice to Veteran.
- Please follow State/Federal Requirements and Fannie/Freddie guidelines.
 - Seller disbursement over \$5,000 must be explained excluding Title Commitment lien payoff, Real Estate Commissions and Taxes.
 - All Files sent to Investor Delivery located in Rosemont, IL, must have full Title Commitment. Short form policies cannot be used in lieu of the title commitment.

CO-BORROWERS(S):

- All Borrowers must occupy the subject property.
- Non-Veteran co-Borrower permitted and requires VA approval.
 - Referred to as a Joint loan and the following restrictions apply:
 - Investor to underwrite.
 - The Veteran and one (1) or more non-Veterans (not spouse).
 - The Veteran and one (1) or more Veterans (not spouse) who will not be using their entitlement.
 - The Veteran and one (1) or more Veterans (not spouse) all of who will use their entitlement. *Example: Two (2) unmarried Veterans.*
 - The Veteran and the Veteran's spouse who is also a Veteran and both entitlements to be used.
 - A loan involving a Veteran and his/her spouse will not be treated as a joint loan if the spouse is not a Veteran or is a Veteran who will not be using his/her entitlement on the loan.

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CREDIT:

- Three (3) scores required all Borrowers.
- Must use Representative Score. Representative score is defined as the lowest middle score of all Borrowers.
- **Loan Amounts ≤\$453,100 (including funding fee)** - Minimum 620 FICO regardless of AUS approval.
- **Non-Traditional Credit** – Not permitted.
- VA credit standards apply.
- CAIVR System must be checked.
- Rapid Reporting Credit reports are ineligible.
- **IRRRL:**
 - Non-Credit Qualifying
 - 660 Minimum regardless of loan amount.
 - 0 x 30 last 12 month pay history.
 - 12 month seasoning required.
 - Must not currently be in bankruptcy.
 - Verbal VOE required. (No TRV's needed)
 - Credit Qualifying
 - 660 Minimum regardless of loan amount.
 - 0 x 30 last 6 month pay history.
 - 6 month seasoning required.
 - Must not currently be in bankruptcy.

DISCLOSURES:

- Department of Veterans Affairs Interest Rate and Discount Disclosure Statement.
- Counseling Checklist For Military Homebuyers (as applicable for Veterans currently in the service).
- Department of Veteran Affairs Contract Escape Clause (if not already contained in the Sales Contract).
- Nearest living relative certification.
- Veteran Disaster Certification Exhibit E-348 (Refer to [APPRAISAL REQUIREMENTS](#) section).
- Lender Disaster Certification Exhibit E-349 (Refer to [APPRAISAL REQUIREMENTS](#) section).
- Follow State/Federal Requirements.
- Flood Insurance Coverage Subject to Change Disclosure required on all files.

DOCUMENTATION:

- Full documentation.
- Verbal VOE required on all VA loans
- Reverification of VOE within 10 calendar days prior to closing.
- Follow AUS documentation requirements.
 - Tax Return Transcripts are required for at least one (1) year. If an AUS response requests more than the additional transcripts are required.
 - The Official Tax Return Transcript is required on each Borrower.
 - The Official Tax Return Transcript is required even if tax returns are NOT required for loan qualification.
- W-2 transcripts in lieu of actual W-2 forms for W-2 borrowers only – Not eligible if rental, self employment or other sources of income/expense is known.
- **VA Form 26-6393 Loan Analysis** – Is used to analyze the Veteran's income, debts, and creditworthiness. Only verified income can be considered in total effective income. The income calculation and analysis performed by the Underwriter to determine the Veteran's income must be documented in the file.
 - Include maintenance and utility cost at 14 cents per square foot on line 19 of VA Analysis.
 - Child care cost if any must be added as a debt on line 29 of VA Analysis.
- **Non-Purchasing Spouse in a Community Property State** – A credit for the non-purchasing spouse is required to determine any joint or individual debts. Signed Credit Authorization is required.
- **Self-Employed Borrowers** – Complete tax returns with all schedules or Tax Transcripts from the IRS that the Underwriter is to obtain regardless of AUS findings.

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- **Self-Employment** – Verification within 30 days prior to closing via third party verification i.e. CPA letter or business license lookup via a government website.
- **IRRL** - Must provide note and mortgage of existing lien.
- Refer to [APPLICATION](#) section.
- Refer to [UNDERWRITING SUBMISSION PROCEDURES](#) section.

DOWN PAYMENT REQUIRED:

- No minimum Borrower investment required unless the purchase price exceeds the reasonable value of the property or the Veteran does not have full entitlement
- **2-4 Units** – If the total loan amount is greater than the limit for a one (1) unit dwelling, a down payment may be required.

DU/LP INFORMATION:

- **ALL** loans must be run through Fannie Mae® Desktop Underwriter® (DU™) or Freddie Mac® Loan Prospector® (LP™) and receive an AUS approval.
 - **AUS “Refer” & Manual Underwrites** – Ineligible.
- Refer to [CREDIT](#) section.

ESCROW HOLDBACKS:

- Weather related and approved by the Underwriter.
- **Correspondent must obtain WM approval prior to closing.**

ESCROW WAIVERS:

- Not permitted.

GEOGRAPHICS RESTRICTIONS:

- **California** – San Bernardino and Riverside Counties ineligible
- **Florida** – Broward, Miami-Dade and Monroe county ineligible.
- **Nevada** - Ineligible.
- **New York** – Allowed with approved WM Attorney (Contact correspondent rep for more details).
- **Hawaii** – Properties in Lava zones 1 & 2 ineligible.
- **Texas** – Cash-out refinances not permitted. Borrower cannot receive any cash back.

GIFTS:

- **Down Payment Assistance Programs (DPA’s)** – Ineligible.
- **Loan Amounts >\$453,100** – Ineligible.

HIGH BALANCE OPTION

Loan Amounts – Must meet VA published guidelines, requirements of this guide, and additional high balance requirements when **BASE** loan amount exceeds the dollar amount below:

For properties located in:	Number of units:	Maximum BASE mortgage amount exceeds:
48 continental States	1	\$453,100
	2	\$580,150
	3	\$701,250
	4	\$871,450
Alaska & Hawaii	1	\$679,650
	2	\$870,225
	3	\$1,051,875
	4	\$1,307,175

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- **Amortization** – 30 year only.
- **FICO Score** – 660 min.
- Max loan amount including funding fee: \$1,000,000.
- Standard VA LTV requirements apply. Max LTV = Max CLTV.
- Secondary financing is not allowed.
- Temporary buydowns not allowed.
- Non traditional Credit not allowed.
- Foreclosure or bankruptcy is not allowed within most recent five years.
- No housing payment 30 days or more past due in last 12 months.
- Regardless of loan amount, the VA guaranty plus cash/equity must be equal to at least 25% of the purchase price or Notification of Value (NOV), whichever less, on purchases and non-IRRRL refinances.
- For loan amounts that exceed the current VA county loan limit, the amount of the entitlement plus the down payment must equal 25% of the lesser of the property’s reasonable value or the purchase price.

INTEREST ONLY OPTION:

- N/A.

LIMITATIONS ON REAL ESTATE OWNED:

- Maximum of four (4) financed properties, including the subject property with all Lenders. This limitation includes joint or total ownership, and is cumulative across all Borrowers on the loan whether conventional or government mortgages.

MORTGAGE INSURANCE:

- VA Funding Fee applies unless Veteran is exempt.
- Follow current published VA funding fee limits. (factors etc)
- VA Funding Fee may be financed or paid in cash. On loan amounts exceeding \$453,100, if the combined loan amount plus the funding fee exceeds the county limit, the portion of the total funding fee that exceeds the county limit may not be financed into the loan amount.
- Joint Loans – Apply the appropriate funding fee percentage to any portion of the loan allocable to a Veteran using his/her entitlement that is not exempt from the funding fee.
- **Funding Fee Exemption** - A Veteran must establish any claim for exemption from the fee. The following are the only exceptions allowed:
 - Veterans receiving VA compensation for service-connected disabilities.
 - Veterans who would be entitled to receive compensation for service-connected disabilities if they did not receive retirement pay.
 - Surviving spouses of Veterans who died in service or from service-connected disabilities (regardless of whether such surviving spouses are Veterans with their own entitlements and whether they are using their own entitlements on the loan).
 - Veterans who are rated by the VA as eligible to receive compensation as a result of pre-discharge disability examination and rating.
- **VA Certificate of Eligibility (COE) with Funding Fee Exemption Status & Income Verification:**
 - The Department of Veterans Affairs (VA) has announced in [Circular 26-11-11](#) a change to the Certificate of Eligibility (COE) for Veteran Borrowers. The COE will now reflect the funding fee exemption status and income verification for service connected disability compensation. By having the funding fee exemption status shown on the COE, the Verification of Benefits Form 26-8937 will no longer be required to be faxed to the Department of Veterans Affairs *in most cases*. The funding fee exemption status will begin appearing on COEs effective September 11, 2011.
- **Exempt Status:**
 - **Exempt** – Indicates the Veteran is exempt from paying the funding fee.
 - **Non-Exempt** – Indicates the Veteran is not exempt from paying the funding fee.
 - **Contact RLC** – Indicates a system generated determination is not available and the VA Form 26-8937, Verification of VA Benefits, will need to be faxed to the Department of Veterans Affairs.

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- **Verified Income:**

- You may rely on the **Exempt** status appearing next to the "Funding Fee" field for verification of funding fee exemption. Additionally, on COEs with an **Exempt** status, you may treat any service-connected disability income amount appearing in the "Condition" section of the COE as **verified income**. There is no need to fax in VA Form 26-8937 to confirm the status or amount showing on the COE.

MORTGAGE INSURERS APPROVED:

- N/A.

NEW CONSTRUCTION:

- Limited to 90% LTV/CLTV, otherwise refer to VA Lenders Handbook.

NON-OCCUPYING BORROWER:

- Refer to [CO-BORROWER](#) section.
- IRRRL – Non-occupant co-borrower not eligible.

OCCUPANCY:

- Primary Residence.
- **Pending Sale of Current Primary Residence** – [Follow VA Lender's Handbook](#) as applicable.

POWER OF ATTORNEY:

- Permitted, providing all Borrowers sign the initial 1003 and contract.
- Not permitted, when there is only one Borrower.
- At least one (1) Borrower must be present at closing.
- Veteran's status as alive and not "missing-in-action" (MIA) at closing.

PREPAYMENT PENALTY:

- None.

PROPERTY TYPES ELIGIBLE:

- 1-4* Unit.
- PUDS:
 - Number of units must be listed on the Master Policy.
- Condominium - VA Approved Condominiums can be verified at [VA condo look up tool](#)
 - VA Condominium project approval requests will have to be submitted to the applicable VA Regional Loan Center for review.
- Modular Pre-cut/Panelized housing.

*2-4 Unit Properties – Prospective rental income may only be included in effective income if both of the following are met:

- Evidence indicates the Borrower, has a reasonable likelihood of success as a landlord. Documentation to support the Borrower's prior experience managing rental units or other background involving both property maintenance and rental must be provided.
- It can be verified that Borrower has cash reserves totaling minimum six (6) months PITI.
- The amount of rental to include in effective income is based on 75% of either:
 - Verified prior rent collected on the units of existing properties

OR

- The Appraiser's opinion of the subject property's fair monthly rental for new construction.

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PROPERTY TYPES INELIGIBLE:

- Boarding Houses, Hotels, Motels, & Tourist Homes.
- Unacceptable Title / Deed Restrictions (Marital Rights, Age Restricted Ownership, Reversion to Seller Clauses, Life Estates)
- Commercial Enterprises.
- Condominiums pending litigation.
- Condotels.
- Co-ops.
- Energy Efficient.
- Fraternity & Sorority Houses.
- Indian Leaseholds.
- Investment Properties.
- Leaseholds.
- Manufactured Homes.
- Partnership, limited partnership or corporate.
- Private Clubs.
- Properties that utilize an individual water purification system.
- Properties with government resale deed restrictions (including any FHA/VA/ USDA Guaranteed Rural Housing loans)
- Resale of properties by an individual, LLC, or Investment group obtained through foreclosure, deed-in-lieu, short sale, or at auction within six (6) months from the sale date.
- Sanitariums.
- Second Homes.
- Test Cases.
- VA Vendee.
- Loans secured by properties located in Non-Participating Communities or Coastal Barrier Resource Systems Areas.

RATIOS:

- Ratios evaluated by AUS, maximum 45% regardless of residual income level.
- Table Of Residual Incomes By Region - Loan amounts \$79,999 and below:

Family Size*	Northeast	Midwest	South	West
1	\$390	\$382	\$382	\$425
2	\$654	\$641	\$641	\$713
3	\$788	\$772	\$772	\$859
4	\$888	\$868	\$868	\$967
5	\$921	\$902	\$902	\$1004

* - Over 5 up to a maximum of 7 family members add \$75 for each additional member.

- Table Of Residual Incomes By Region - Loan amounts \$80,000 and above:

Family Size*	Northeast	Midwest	South	West
1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823
3	\$909	\$889	\$889	\$990
4	\$1025	\$1003	\$1003	\$1117
5	\$1062	\$1039	\$1039	\$1158

* - Over 5 up to a maximum of 7 family members add \$80 for each additional member

See next page from Geographic Regions.

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• Geographic Regions for Residual Income Guidelines:

<u>Northeast</u>	<u>Midwest</u>	<u>South</u>	<u>West</u>
Connecticut	Illinois	Alabama	Alaska
Maine	Indiana	Arkansas	Arizona
Massachusetts	Iowa	Delaware	California
New Hampshire	Kansas	District of Columbia	Colorado
New Jersey	Michigan	Florida	Hawaii
New York	Minnesota	Georgia	Idaho
Pennsylvania	Missouri	Kentucky	Montana
Rhode Island	Nebraska	Louisiana	Nevada
Vermont	North Dakota	Maryland	New Mexico
	Ohio	Mississippi	Oregon
	South Dakota	North Carolina	Utah
	Wisconsin	Oklahoma	Washington
		Puerto Rico	Wyoming
		South Carolina	
		Tennessee	
		Texas	
		Virginia	
		West Virginia	

REFINANCES:

- **PROPERTIES LISTED FOR SALE:**
- Follow VA Guidelines (One (1) day off the market).
- **IRRRL:**
 - HPML loans not eligible
 - Must comply with all VA guidelines for an IRRRL transaction.
 - Must comply with standard Wintrust VA guidelines in addition to all IRRRL requirements.
 - Borrower to have made a minimum of six months of mortgage payments on the loan being refinanced.
 - Beginning with the first payment due date, AND
 - The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the mortgage being refinanced.
- **Texas Rate/Term Refinance with RESPA applications:**
 - Unacceptable Practices:
 - Including fees paid outside of closing in the loan amount.
 - Principal Curtailments/reductions.
 - Increasing payoff amounts for the purpose of reducing cash back.
- **CASH-OUT REFINANCES:**
 - A VA-guaranteed cash-out refinance may be used to pay off any type of lien or liens against the secured property. The liens to be paid off may be current or delinquent and may be from any source (for example, VA, FHA, or conventional mortgages and/or tax judgments/liens).
 - **Note:** The Veteran must have ownership rights to the property with the existing lien. Free and clear properties are ineligible.
 - The dwelling must be owned and occupied by the Veteran as a primary residence.
 - Borrower to have made a minimum of six months of mortgage payments on the loan being refinanced.
 - Beginning with the first payment due date, AND
 - The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the mortgage being refinanced.
 - No seasoning of junior liens.

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- **Maximum Loan-to-Value:**
 - Up to 90% of the value of the property indicated on the Notice of Value (NOV) plus the VA funding fee.
 - Cash proceeds from loan may be used to pay fees, charges, and discount points.
 - If paid from loan proceeds, the total of the following items cannot exceed 90% of reasonable value:
 - Payoff of liens;
 - Fees and charges, other than VA funding fee;
 - Reasonable discount points;
 - Cash to the Veteran.
- **Loan Amounts ≤\$453,100** - Refer to Exhibit E-144 VA Maximum Mortgage Calculation Worksheet on how to calculate max mortgage.
- **Loan Amounts >\$453,100 to \$700,000** – Refer to Exhibit E-145 VA Maximum Mortgage Calculation Worksheet on how to calculate max mortgage.
- **Texas** – Cash-out ineligible. Borrower cannot receive any cash back.
- **Refinance – Rate/Term Transaction**
 - Priced in Optimal Blue as Rate/Term but LOS must be listed as Cash-Out.
 - The maximum LTV/CLTV allowed for fully qualifying and documented rate-term refinance transactions is 100%/100%.
 - Rate/Term Refinance Loans:
 - VA rate/term refinance calculation may include:
 - Existing lien on subject property including interest due (no seasoning required)
 - Closing costs, prepaids, and up to 2% discount points (including prepayment penalty, if applicable)
 - Purchase Money Second liens (mortgage or line of credit)
 - Junior liens including lines of credit (seasoned at least 12 months)lines of credit may not have more than \$1,000 advance in the last 12 months unless used for property improvements)
 - Documented improvements to property.
 - Buyout title-holder equity (e.g. divorce)
 - Inheritance (estate documents required)
 - Energy efficient improvements up to \$6,000.
 - Incidental cash back to the borrower not to exceed \$500.
 - Real estate taxes due within 60 days of closing.
 - Note: Escrow shortages and late charges are not included.
 - The maximum LTV/CLTV allowed for fully qualifying and documented rate/term refinance transactions is 100%/100%.
 - For LTVs that exceed 90%, a mortgage payment history covering six months preceding the new Loan’s Closing date with no late payments is required for the subject property.

RELOCATION OR TRAILING CO-BORROWER:

- Per VA Guidelines – refer to VA Lenders Handbook.

RIGHT OF OWNERSHIP:

- Fee simple.

SALES CONCESSIONS:

- Seller can pay 100% of discount points and Borrower’s non-recurring closing costs.
- Seller can provide an additional amount not to exceed 4% of the estimated reasonable value to assist the Borrower payment of prepaid expenses and funding fee.

WM VA GUARANTEED FIXED RATE WITH HIGH BALANCE OPTION

SUBORDINATE FINANCING:

- Permitted within VA guidelines in VA Lender Handbook, for Secondary Borrowing, Chapter 9, Section 4.
- Secondary financing is acceptable as long as the Veteran is not placed in a substantially worse position than if the entire amount borrowed had been guaranteed by VA. In addition, the following requirements must be met:
 - Cannot be used to offset required down payment, pay closing costs or cover any portion of the purchase price that exceeds the reasonable value.
 - **Simultaneous** - Secondary financing must be obtained simultaneously with the VA guaranteed first mortgage, both secured by the same property.
 - **Documentation** - Must submit documentation disclosing the source, amount, and repayment terms of the second mortgage and agreement to such terms by the Veteran and any co-obligors.
 - **Lien Positions** - The second mortgage must be subordinated to the VA guaranteed loan.
 - **Cash Back** - There can be no cash back to the Veteran from the VA first or second mortgage obtained simultaneously.
 - **Underwriting** - The Veteran must qualify for the second mortgage which is underwritten as an additional recurring monthly obligation.
 - **Interest Rate** - The interest rate on the second mortgage cannot exceed the rate on the VA-guaranteed first.
 - **Assumability** - The second mortgage must be assumable by creditworthy purchasers.
 - **Grace Period** - There should be a reasonable grace period before:
 - A late charge comes due, or
 - Commencement of foreclosure proceedings in the event of default.
 - **Unusual Terms** - Second mortgages bearing unusual terms, interest rates, etc. are sometimes offered. Consult the VA if it is unclear whether the terms of the second mortgage meet VA standards.
- The total CLTV should never exceed 100% of the lesser of the sales price or appraised value.
- **High Balance** – Ineligible.
- **IRRRL** – Must comply with all VA requirements for existing subordinate financing on an IRRRL transaction.

TITLE REQUIREMENTS:

- Short form policies are accepted and encouraged. (Title Commitment still required.)

TITLE VESTING:

- Individual.
- Tenants in Common.
- Joint Tenancy.

UNDERWRITING SUBMISSION PROCEDURE:

- **ALL** loans must be run through Fannie Mae® Desktop Underwriter® (DU™) or Freddie Mac® Loan Prospector® (LP™) and receive an AUS approval.
 - **AUS “Refer” & Manual Underwrites** – Ineligible.
- Refer to **ADDITIONAL CONSIDERATIONS** section.
- **CORRESPONDENT Non-Delegated:**
 - Refer to [Additional Consideration Section](#) for additional overlays.
 - **ALL credit packages must be submitted to correspondent@wintrustmortgage.com. Please be sure to include the appropriate Underwriting Checklist Submission Document from our Correspondent website.**
 - Loans that are VA Automatic underwritten through the Underwriting Department require the VA Submission Checklist located on the website at www.wintrustmortgage.net under Procedures/Forms/Disclosures, and VA Loan Quality Certification executed by Branch/Lender.
 - Loans requiring Prior Approval require file order as prescribed in the VA Lender's Handbook, 26-7 - Change 3, July 14, 2003.
- **CORRESPONDENT LOANS:**
 - Lenders must be VA Approved with Automatic Authority to sell VA loans via the Correspondent channel.