

VA Jumbo Guideline

General Description:

Loans with a principal balance that exceed the general loan limits, but meet the VA county loan limits for high cost counties are eligible under the VA Jumbo Fixed Rate Addendum with the following restrictions. All VA Standard Fixed Rate guidelines must be met if not addressed below.

APPRAISAL	<ul style="list-style-type: none"> Fannie Mae Form 1004/Freddie Mac Form 70 performed by a VA-approved appraiser. 												
CASH RESERVES	<ul style="list-style-type: none"> As determined by DU/LP and the most current VA Lenders Handbook. 												
CASH TO BORROWER	<ul style="list-style-type: none"> As determined by DU/LP and the most current VA Lenders Handbook. 												
CONDOS	<ul style="list-style-type: none"> Condos must be listed on VA's Approved Condo List. The nationwide list of VA approved condominiums is located at http://condopudbuilder.vba.va.gov/2.2/frames.html Condominiums previously accepted by the VA, based upon FHA acceptance, will continue to be acceptable to the VA PUD's do not require VA approval 												
CREDIT HISTORY	<ul style="list-style-type: none"> As determined by DU/LP and the most current VA Lenders Handbook. 												
CREDIT SCORES	<ul style="list-style-type: none"> 580 credit score, regardless of AUS findings. 												
DOCUMENTATION	As determined by DU/LP and the most current VA Lenders Handbook.												
ENTITLEMENT	<p>Maximum Loan Amount & Loan Types Based on VA Entitlement</p> <ul style="list-style-type: none"> The table below shows the maximum loan amount and the available loan types with the available VA Entitlement. For veterans with only partial entitlement, refer to <i>VA Entitlement Worksheet</i> for calculating the loan amount <table border="1"> <thead> <tr> <th>Total Loan Amount</th> <th>Loan Type</th> <th>Available Entitlement if no Prior usage</th> </tr> </thead> <tbody> <tr> <td>\$144,000 or less</td> <td>Purchases, Cash-out/Regular Refinances or Rate/Term Refinances.</td> <td>\$36,000</td> </tr> <tr> <td>\$144,001 to \$417,000</td> <td>Purchases, Cash-out/Regular Refinances or Rate/Term Refinances. Note: the original loan amount at time of purchase for a Rate/Term Refinance must have been greater than \$144,000.</td> <td>25% of the VA County Loan Limit.</td> </tr> <tr> <td>\$417,0001 to \$1,033,000</td> <td>Purchases or Cash-out/Regular refinances.</td> <td>25% of the VA County Loan Limit.</td> </tr> </tbody> </table> <p>Entitlement Greater than \$104,250</p> <ul style="list-style-type: none"> When entitlement greater than \$104,250 is being used, the following applies: <ul style="list-style-type: none"> Entitlement may not exceed 25% of the VA County Loan Limit Evidence showing the VA County Loan Limit must be in the loan file <ul style="list-style-type: none"> "VA Entitlement Worksheet" MUST be included in the loan file submission <p>Minimum Guaranty Requirement</p> <ul style="list-style-type: none"> The amount of the veteran's available entitlement plus the veteran's equity or down payment in the property must equal at least 25% of the lesser of the sales price or appraised value 	Total Loan Amount	Loan Type	Available Entitlement if no Prior usage	\$144,000 or less	Purchases, Cash-out/Regular Refinances or Rate/Term Refinances.	\$36,000	\$144,001 to \$417,000	Purchases, Cash-out/Regular Refinances or Rate/Term Refinances. Note: the original loan amount at time of purchase for a Rate/Term Refinance must have been greater than \$144,000.	25% of the VA County Loan Limit.	\$417,0001 to \$1,033,000	Purchases or Cash-out/Regular refinances.	25% of the VA County Loan Limit.
Total Loan Amount	Loan Type	Available Entitlement if no Prior usage											
\$144,000 or less	Purchases, Cash-out/Regular Refinances or Rate/Term Refinances.	\$36,000											
\$144,001 to \$417,000	Purchases, Cash-out/Regular Refinances or Rate/Term Refinances. Note: the original loan amount at time of purchase for a Rate/Term Refinance must have been greater than \$144,000.	25% of the VA County Loan Limit.											
\$417,0001 to \$1,033,000	Purchases or Cash-out/Regular refinances.	25% of the VA County Loan Limit.											

- The cash down payment to meet the 25% requirement may not be derived from a second mortgage on the property

Reinstatement of Entitlement

- When a veteran has used his/her entitlement for a previous VA mortgage loan, the VA will reinstate the amount of entitlement if:
 - the real property insuring the previous mortgage loan has been destroyed by fire or other natural hazard and the loan has been paid-in-full
 - the veteran sells the real property and pays the loan in full or transfers the property to a new veteran who is using his/her own entitlement (refinancing does not restore entitlement except when refinancing a VA loan on the same owner-occupied property), or
 - the prior loan will be paid off at closing from a VA refinance loan on the same property
- A veteran’s entitlement may be restored **ONE TIME** if the prior VA loan has been paid in full, but the veteran has not disposed of the property securing the loan. The veteran’s entitlement may then be used to purchase a different property. The veteran’s *Certificate of Eligibility (COE)* will indicate the one time restoration. After such restoration, any future restorations would require disposal of all property obtained with a VA loan
- VA does not automatically restore a veteran’s eligibility. The veteran must make a special request for the restoration of his entitlement. The burden of proof is on the veteran to obtain the necessary documentation and to furnish it to the VA
- Request for restoration of entitlement must be submitted to the VA Eligibility Center prior to closing if either one of the following situations apply:
 - the transaction is not a back-to back closing, or
 - the guarantee package will not be received in the VA Regional office within 10 days of closing
- The documentation required to apply for restoration includes, but is not limited to, those shown on the table below under the different scenarios

Purpose of Restoration	Documentation Required
Prior home sold & VA loan paid in full.	<ul style="list-style-type: none"> • Completed <i>Request for Certificate of Eligibility</i> (VA Form 1880), • <i>HUD-1</i> showing payment in full of any prior loans, and • Any previously issued <i>Certificates of Eligibility (COEs)</i>.
To obtain another VA loan on the same property.	<ul style="list-style-type: none"> • Completed Request for Certificate of Eligibility (VA Form 1880), • Copy of loan application submitted to the lender, and • Any previously issued COEs.
Prior home retained, VA loan paid in full, one time restoration.	<ul style="list-style-type: none"> • Completed Request for <i>Certificate of Eligibility</i> (VA Form 1880), • Evidence of payment in full of the prior VA loan, • Any previously issued <i>COEs</i>, and • Copy of contract on new home and/or copy of loan application, along with a letter explaining intention.

	<p>Unmarried surviving spouse applying for restoration.</p> <ul style="list-style-type: none"> Completed <i>Request for Certificate of Eligibility</i> (VA Form 1880), The deceased veteran's military service data and VA claims file number, and, Any previously issued <i>COEs</i>.
	<p>Substitution of Entitlement If a veteran-seller has allowed his/her loan to be assumed by another veteran with available entitlement, the veteran-seller may be able to obtain restoration of entitlement if the following requirements are met:</p> <ul style="list-style-type: none"> the veteran-purchaser must be able to qualify for the loan based on income and credit the veteran-purchaser must have sufficient available entitlement to replace the amount of entitlement used by the seller in originally obtaining the loan, and the veteran-purchaser must certify that he intends to occupy or currently occupies the home
ESCROW HOLDBACKS	<ul style="list-style-type: none"> Not allowed.
GUARANTY	<ul style="list-style-type: none"> Subject to veteran's available entitlement, VA will guarantee 25 percent of the original principal loan amount, up to the maximum guaranty amount. The maximum guaranty amount varies depending upon the location of the property. The maximum guaranty amount is the lesser of 25 percent of <ul style="list-style-type: none"> a) sales price or NOV or b) http://www.homeloans.va.gov/docs/2010_county_loan_limits.pdf VA guaranty calculation examples can be found at the following link: http://www.homeloans.va.gov/docs/guaranty_calculation_examples.pdf
GIFTS	<ul style="list-style-type: none"> As determined by DU/LP and the most current VA Lenders Handbook
INVESTMENT PROPERTIES	<ul style="list-style-type: none"> Not allowed.
LOAN TERM	<ul style="list-style-type: none"> 30-year Fixed Rate only.
MAXIMUM/MINIMUM LOAN AMOUNT	<ul style="list-style-type: none"> Loan amounts referred to herein all refer to the amount including VA Funding Fee. The Funding Fee may be paid in cash or financed, or a combination of the two, provided the total loan amount including any financed Funding Fee does not exceed the county limit or the maximum loan amount for this product <p>Minimum Loan Amount:</p> <ul style="list-style-type: none"> \$417,001 <p>Maximum Loan Amount:</p> <ul style="list-style-type: none"> The lesser of the VA county loan limit , or \$1,000,000 (including any financed Funding Fee) To confirm maximum county loan limits go to: http://www.homeloans.va.gov/docs/2014_county_loan_limits.pdf
MAXIMUM LTV	<ul style="list-style-type: none"> 100% LTV/CLTV on purchase transactions 100% LTV/CLTV on Regular Refinance (Rate/Term or Cash-Out) transactions "Other" Refinancing loan types are not eligible due to the \$36,000 limitation on veteran's entitlement

MORTGAGE INSURANCE / VA FUNDING FEE	<ul style="list-style-type: none"> The Funding Fee may be paid in cash or financed, provided the total loan amount including any financed Funding Fee does not exceed the county limit or the maximum loan amount for this product.
OCCUPANCY	<ul style="list-style-type: none"> Owner occupied primary residence only.
PROGRAMS & SPECIAL FEATURES	<ul style="list-style-type: none"> All EEM improvements must be completed prior to closing.
PROPERTY ELIGIBILITY	<p><u>Eligible:</u></p> <ul style="list-style-type: none"> 1 – 4 units <p><u>Ineligible:</u></p> <ul style="list-style-type: none"> All non-owner occupied properties Properties that are not primarily residential in nature and use Manufactured or mobile housing Leasehold condos Co-ops
RATIOS	The qualifying debt-to-income ratio is 41%, but may be exceeded with AUS approval.
REFINANCE TRANSACTIONS	<ul style="list-style-type: none"> As determined by DU/LP and the most current VA Lenders Handbook.
SUBORDINATE FINANCING	<ul style="list-style-type: none"> New secondary or existing financing second is not eligible, regardless of the source.
TEMPORARY BUYDOWNS	<ul style="list-style-type: none"> Not allowed.
UNDERWRITING	<ul style="list-style-type: none"> Minimum credit indicator score of 580 is required, regardless of AUS findings. See Credit Scores. <p><u>Automated Underwriting System (AUS)</u></p> <ul style="list-style-type: none"> AUS approval is required. AUS refers are not eligible. <p><u>Manual Underwriting</u></p> <ul style="list-style-type: none"> Not Allowed.