

STANDARD & HIGH BALANCE SFR, PUD, Condo, 2-4 Units						
Occupancy	Min Credit Score	Min Loan Amount	Max Loan Amount	Max LTV	Max CLTV	Mortgage Rating
Primary Residence	580	\$75,000	\$1,000,000**	115%	115%	0x30 for most recent 12 months***
Primary Residence	620	\$75,000	\$1,000,000**	N/A	N/A	0x30 for most recent 12 months***
Investment*	660	\$75,000	\$1,000,000**	N/A	N/A	0x30 for most recent 12 months***
For credit scores greater than or equal to 620, there is no maximum LTV/CLTV. For scores less than 620 please refer to the Appraisal section of this matrix.						
*Investment properties must contain a certification by the veteran that he or she previously occupied the property as his or her primary residence.						
**Maximum Loan Amount: 1. The outstanding balance of the existing VA mortgage, including any late charges, plus 2. Any allowable closing costs (including up to two discount points), plus 3. The VA funding fee						
***Mortgages must remain current through the month prior to disbursement. If less than 12 months of history on the mortgage, all mortgage payments must be made within the month due.						
General Eligibility						
Subject Mortgage Seasoning	At least 6 payment must have been made on the existing VA mortgage beginning with the first payment due date, and the first payment due date of the new loan must be at least 210 days after the first payment due date of the existing loan.					
Net Tangible Benefit	There must be a reduction in the interest rate, unless converting from an ARM to a fixed rate, and a reduction in P&I unless there is a reduction in term.					
QM/Safe Harbor	In order to meet Safe Harbor requirements a borrower must recoup all closing costs (excluding prepaid expenses) within 36 months, unless the loan is going from an ARM to Fixed, or there is a reduction in term.					
Recoupment	If the loan does not meet Safe Harbor requirements (36 months), recoupment may not exceed 60 months , and may be subject to a pricing adjustment. Contact the lock desk for details.					
ARM	Only available for primary residence transactions, and must qualify at the note rate. Investment properties only eligible for a fixed rate product.					
Loan Term	Maximum 30 years, or the remaining term on the existing mortgage plus 10 years. Odd loan terms available down to 240 months for fixed rate transactions only.					
Loan Limits	IRRRL's are not subject to county loan limits.					
Eligible Borrowers	Eligible veterans with an existing VA mortgage.					
Ineligible Properties	Manufactured or mobile homes, Co-Ops, commercial or industrial properties, or properties located on Indian Reservations or Tribal Lands.					
Subordinate Financing	New subordinate financing not permitted, existing subordinate financing may remain in place subject to applicable loan limits, and CLTV requirements. A copy of the subordination agreement, note, and deed for the secondary financing must be provided.					
Living Trusts	A copy of the trust agreement, or certificate of trust (if applicable) is required.					

Power of Attorney	Cannot be used on the initial 1003 or disclosures, and must have a signed LOE from the borrower regarding the use of a POA with exception for borrowers in active Military Service overseas.
Vesting	The new loan should close in the same manner as existing loan. Borrowers name on 1003, credit, and FHAC connection should match the existing note, and vesting unless there was a documented legal name change.
Temporary Buydowns	Not permitted.
Adding or Deleting a Borrower	Generally the party(ies) obligated on the original loan must be the same on the new loan, and the veteran must still own the property. There are a few exceptions, and a table is located on the last page of this matrix for details. Any transaction not meeting one of these allowable scenarios must be reviewed with the VA in advance.
Employment	Employment is verified for all borrowers within 10 days of the note, regardless of credit or non-credit qualifying.
4506T	A signed 4506T authorization form required on all transactions. Transcripts only required/processed for credit qualifying transactions.
HMPL	Not permitted.
Appraisal/AVM	Credit scores 580-619 require an AVM with maximum LTV/CLTV of 115%. Acceptable AVM Vendors include: Corelogic, First American, RELS, & Kroll Factual Data. AVM types are limited to: Vero Value, Value Point4, HVE, Casa, Geo, RES, ValueSure, Site X Value, CMV, IValue, and Powerbase 6. Should the AVM not provide sufficient value to support LTV requirement, a 2055 Exterior Only conventional appraisal with 1004MC may be used to support value. An appraisal should never be ordered through the VA portal for an IRRRL.
Funding Fee	0.50% Unless exempt.
PACE	Properties encumbered by a Property Assessed Clean Energy (PACE) obligation are eligible provided that all requirements on the JMAC Lending PACE Requirements Checklist are met.
Credit	
Non Credit Qualifying	
Social Security #	Required for all borrowers; SSA-89 must be fully executed by borrower. JMAC to process.
Credit Report	Trimerge mortgage only credit report with credit scores is required for subject property mortgages only.
Judgments	Must be paid in full prior to or at closing, and funds used must be documented.
Liens	Federal Tax Liens may remain unpaid if the borrower documents an existing repayment plan. All other liens must be paid in full or subordinated.
Modifications	Eligible with 0x30 in the last 12 months
Foreclosure/Short sale/Deed in Lieu	No seasoning requirement for prior foreclosure.
Bankruptcy	No seasoning requirement for discharged or dismissed BK. Borrowers with an active Chapter 13 require court permission to enter into a new mortgage transaction, and have a satisfactory repayment history under the plan. Borrowers with an active Chapter 7 are not eligible.
Income	1003 must NOT include income in section V or in the REO schedule of section VI. Income documentation cannot be provided in the loan file. Any income stated or document will result in counter offer to a credit qualifying IRRRL, and subject to all applicable requirements.
Assets	Funds to close are not required to be documented.
Reserves	Not required.
Credit Qualifying - Required When P&I Payment Increases by more than 20%	
Social Security #	SSN must be fully validated on income documents. Discrepancies require processing of SSA-89.

Credit Report	Full trimerge credit report is required. Non-borrowing spouse credit report is also required in community property states.
Credit History	0X30 on all liabilities for the most recent 12 months.
Collections	No collections opened in the last 12 months. Any collections with an active balance require an explanation from the veteran, or spouse with documentation to support an extenuating circumstance.
Charge Offs	All charge offs must be seasoned at least 12 months.
Disputed Accounts	Disputed derogatory accounts require an LOE from the borrower, and documentation to support the basis of the dispute may be required if the validity of the credit score is questioned by the underwriter.
Judgements	Must be paid in full prior to or at closing, and funds used must be documented. Borrower must provide an explanation for the judgment, with documentation to support the explanation.
Liens	Federal Tax Liens may remain unpaid if the borrower documents an existing repayment plan with a satisfactory repayment history. All other liens must be paid in full or subordinated.
Modifications	<u>Subject property:</u> Eligible with 0x30 in the last 24 months, and no previous reduction in principal. <u>Other REO:</u> Eligible, provided that the mortgage history meets requirements listed in "Credit History" section above.
Foreclosure/Short Sale/Deed in Lieu	2 years from the date of title transfer due to foreclosure, short sale, or deed in lieu.
Bankruptcy	Chapter 7 or Chapter 13: 2 years from the date of discharge.
Credit Counseling	For borrowers with previous adverse credit; at least 1 year of the pay out period has elapsed under the plan; all payments must have been made on time, and must obtain written permission from the counseling agency to enter into a mortgage transaction.
Non-Traditional	Non-traditional credit is not permitted. Borrowers must have at least 1 valid credit score.
Income	Full income documentation is required. Salaried borrowers require 30 days worth of paystubs showing YTD earnings, and W2s for the most recent 2 years. Verbal re-verification also required within 10 days of the note. Self Employed, commissioned, borrower's with rental income require 2 most recent years federal tax returns.
DTI	Maximum DTI is 41% unless significant compensating factors exist. Refer to the VA Lenders Handbook, Chapter 4.10.d for list of acceptable compensating factors. DTI in excess of 41% also requires 120% of the residual income requirement.
Compensating Factors	Excellent credit history, conservative use of consumer credit, minimal consumer debt, long-term employment, significant liquid assets, the existence of equity in refinancing loans, little or no increase in shelter expense, military benefits, satisfactory homeownership experience, high residual income, tax credits for child care, and tax benefits of home ownership.
Assets	Funds to close must be documented. Two months bank statements are required, and all funds must be sourced/seasoned.
Gift Funds	Permitted; must be fully documented.
Reserves	Required in certain cases when rental income is being used to qualify. Refer to the VA Lender's Handbook Chapter 10.2.o for details.
STATE SPECIFIC	
Texas	If prelim indicates any prior Texas 50(a)(6) refinances, property is ineligible for refinance. Cash out not permitted in Texas, borrower may not receive ANY funds back at closing (not even \$0.01). Any existing secondary financing must be subordinated with a recorded subordination agreement (automatic subordination not permitted).

ADDING OR DELETING A BORROWER		
Parties Obligated on Old VA Loan	Parties to be Obligated on new IRRRL	IRRRL Possible?
Unmarried Veteran	Veteran and new spouse	Yes
Veteran and Spouse	Divorced veteran alone	Yes
Veteran and Spouse	Veteran and different spouse	Yes
Veteran alone	Different veteran who has substituted entitlement	Yes
Veteran and Spouse	Spouse alone	Yes
Veteran and non-veteran joint loan	Veteran alone	Yes
Veteran and Spouse	Divorced spouse alone	No
Unmarried Veteran	Spouse alone	No
Veteran and Spouse	Different spouse alone (veteran died)	No
Veteran and non-veteran joint loan	Non-veteran alone	No