



## VA Purchase Product Profile: Wholesale

NewRez overlays are identified with yellow highlighting

VA ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Transaction Type	Loan Amount	Credit Score	LTV	CLTV	DTI
1-4	Purchase	\$1,500,000	700	100%	100%	Per AUS <sup>1</sup>
		\$1,000,000	600	100%	100%	Per AUS
		\$548,250	580	100%	100%	50%
LTV will be based on the appraised value						
LTV and CLTV excludes VA funding fee						
<sup>1</sup> For loan amounts greater than \$1,000,000 with a DTI >45% and ≤ 55%, the borrower must have 250% residual income						

VA MANUFACTURED HOME ELIGIBILITY MATRIX						
Units	Transaction Type	Loan Amount	Credit Score	LTV	CLTV	DTI
1	Purchase	\$1,000,000	640	100%	100%	50%
LTV will be based on the appraised value						
LTV and CLTV excludes VA funding fee						

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1. Loan Terms
2. Loan Products
3. ARM Adjustments
4. Temporary Buydown
5. QM Rebuttable Presumption
6. Power of Attorney
7. Eligible AUS Decision
8. Ineligible AUS Decisions
9. Manual Underwrite
10. Qualifying Rate
11. Residual Income
12. Types of Financing
13. Subordinate Financing
14. Down Payment Assistance
15. Guaranty/ Entitlement
16. Funding Fee
17. Occupancy
18. Eligible Property Types
19. Ineligible Property Types
20. Ineligible States
21. Eligible Borrowers
22. Non-Occupant Co-Borrower
23. Non-Traditional Credit
24. Housing Payment History
25. Borrower Contribution
26. Down Payment Assistance
27. Seller Contributions
28. Reserves
29. IRS Form 4506-C
30. Tax Transcripts
31. Maximum Financed Properties
32. Appraisals
33. Principal Curtailment
34. Escrow Waivers
35. VA REO
36. Ineligible Programs
37. Version History

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<b>1. Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>ARMs: 30-year term</li> </ul>				
<b>2. Loan Products</b>	<b>Product</b>	<b>Product Description</b>			
	4200VA10FRM	4200 VA 10 Yr Fixed			
	4200VA15FRM	4200 VA 15 Yr Fixed			
	4200VA20FRM	4200 VA 20 Yr Fixed			
	4200VA25FRM	4200 VA 25 Yr Fixed			
	4200VA30FRM	4200 VA 30 Yr Fixed			
	4200VA5/1ARM	4200 VA 5/1 ARM			
	4200VA10FRMHB	4200 VA 10 Yr Fixed High-Balance			
	4200VA15FRMHB	4200 VA 15 Yr Fixed High-Balance			
	4200VA20FRMHB	4200 VA 20 Yr Fixed High-Balance			
	4200VA25FRMHB	4200 VA 25 Yr Fixed High-Balance			
	4200VA30FRMHB	4200 VA 30 Yr Fixed High-Balance			
	4200VA5/1ARMHB	4200 VA 5/1 ARM High-Balance			
<b>3. ARM Adjustments</b>	Index	One Year Treasury Bill per the Wall Street Journal			
	Margin	2.00%			
	Life Floor	5%			
	Interest Rate Caps	<b>Product</b>	<b>First</b>	<b>Subsequent</b>	<b>Lifetime</b>
		5/1	1%	1%	5%
	Change Date	5/1	The first Change Date is the 6 <sup>1st</sup> payment due date. Subsequent Change Dates are every twelve months thereafter		
Conversion Option	Not available				
<b>4. Temporary Buydown</b>	Not permitted				
<b>5. QM Rebuttable Presumption</b>	All transactions are considered QM Safe Harbor				
<b>6. Power of Attorney</b>	Permitted				
<b>7. Eligible AUS Decision</b>	<ul style="list-style-type: none"> <li>Accept/Eligible</li> <li>Approve/Eligible</li> </ul>				
<b>8. Ineligible AUS Decisions</b>	Refer				
<b>9. Manual Underwrite</b>	Not permitted				

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<b>10. Qualifying Rate</b>	Note rate				
<b>11. Residual Income</b>	<b>Loan Amounts \$79,999 and Below</b>				
	<b>Family Size</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
	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
	Above 5	Add \$75 for each additional member up to a family of seven			
	<b>Loan Amounts \$80,000 and Above</b>				
	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	
Above 5	Add \$80 for each additional member up to a family of seven				
<b>12. Types of Financing</b>	Purchase Mortgage				
<b>13. Subordinate Financing</b>	New subordinate financing permitted				
<b>14. Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>Federal, state, local government agencies and VA approved non-profit agencies considered by VA to be an instrumentality of the government may provide grants for closing costs and prepaid expenses</li> </ul>				
<b>15. Guaranty/Entitlement</b>	<ul style="list-style-type: none"> <li>Veteran must have enough entitlement to provide 25% VA Guaranty of total loan amount or contribute to a combination of VA Guaranty plus down payment and/or equity that covers 25% of the Sales Price or Appraised Value, whichever is less.</li> <li>Veteran must provide evidence of available entitlement. Certificate of Eligibility must be dated within 6 months of the application</li> <li>VA Mortgages must have at least 25% VA Loan Guaranty and/or down payment or equity, based on the Sales Price or Appraised Value, whichever is less to meet Ginnie Mae requirements</li> </ul>				
<b>16. Funding Fee</b>	<b>Veteran/Military Status</b>	<b>Down Payment<sup>1</sup></b>	<b>First Time Use Expires 12-31-2021</b>	<b>Subsequent Use<sup>2</sup> Expires 12-31-21</b>	
	Veteran/Active Duty	Less than 5%	2.30%	3.60%	
	Veteran/Active Duty	5% and up to 10%	1.65%	1.65%	
	Veteran/Active Duty	10% or more	1.40%	1.40%	
	Reserves/National Guard	Less than 5%	2.30%	3.60%	
	Reserves/National Guard	5% and up to 10%	1.65%	1.65%	

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	Reserves/National Guard	10% or more	1.40%	1.40%
	Disabled Veteran (Service-connected disability or Active-Duty Purple Heart)	n/a	0.00%	0.00%
	<sup>1</sup> Does not include down payment from gift of equity or equity earned from lease-to-purchase transaction <sup>2</sup> The higher subsequent use fee does not apply if the veteran's only prior use of entitlement was for a manufactured home not classified as real estate			
<b>17. Occupancy</b>	Primary residence			
<b>18. Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• Condos               <ul style="list-style-type: none"> <li>◦ Must be VA approved</li> <li>◦ Michigan Site condos do not require project approval</li> </ul> </li> <li>• Leasehold estates</li> <li>• Manufactured housing               <ul style="list-style-type: none"> <li>◦ Multi-wide</li> </ul> </li> <li>• Modular homes</li> <li>• PUDs</li> </ul>			
<b>19. Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Condo hotels</li> <li>• Co-ops</li> <li>• Leasehold estate condo projects</li> <li>• Non-warrantable condos</li> <li>• The following manufactured housing               <ul style="list-style-type: none"> <li>◦ Leasehold estate</li> <li>◦ Newly constructed units</li> <li>◦ Singlewide units</li> <li>◦ Units in a condo project</li> <li>◦ Units in a mobile home park</li> <li>◦ Unit less than 600 square feet</li> <li>◦ Units located in HI</li> <li>◦ Units on a property with a hobby farm</li> <li>◦ Units with mixed-use</li> </ul> </li> </ul>			
<b>20. Ineligible States</b>	<ul style="list-style-type: none"> <li>• Alaska</li> </ul>			
<b>21. Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• Must be a qualified Veteran or spouse</li> <li>• Certificate of Eligibility must have sufficient entitlement to meet minimum 25% guaranty of total loan amount or Ginnie Mae requirement of VA Guaranty plus down payment and/or equity that covers 25% of the Sales Price or Appraised Value, whichever is less.</li> <li>• Inter vivos revocable trusts (living trust)</li> </ul>			

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	<ul style="list-style-type: none"> <li>NewRez will not purchase loans from Principal/Owners of NewRez Third Party Originators</li> </ul>
<b>22. Non-Occupant Co-Borrower</b>	The Veteran-borrower must occupy the subject property. Non-occupant borrowers may be eligible per VA Joint Loan policy
<b>23. Non-Traditional Credit</b>	Not permitted. All borrowers must have a credit score
<b>24. Housing Payment History</b>	<ul style="list-style-type: none"> <li>Inclusive of all liens regardless of lien position</li> <li>Applies to all mortgages on all financed properties</li> <li>All loans must be current at application</li> <li>Follow Approve/Accept <ul style="list-style-type: none"> <li>Manufactured Home: 0x30x12</li> </ul> </li> </ul>
<b>25. Borrower Contribution</b>	<ul style="list-style-type: none"> <li>No minimum borrower investment is required for loan amounts; however, all VA Purchase loans require at a minimum, a VA Guaranty, or a combination of a VA Guaranty plus down payment and/or equity that covers 25% of the Sales Price or Appraised Value, whichever is less. If Veteran does not have sufficient entitlement to provide 25% guarantee of the total loan, a down payment will be required.</li> <li>For 2-4-unit properties, if the total loan amount is greater than the limit for a 1-unit dwelling, a down payment may be required</li> </ul>
<b>26. Down Payment Assistance</b>	<ul style="list-style-type: none"> <li>Federal, state, local government agencies, charitable organizations and FHA Approved non-profit agencies considered by FHA to be an instrumentality of the government may provide funds for down payment, closing costs and prepaid expenses</li> <li>Must be approved by NewRez</li> </ul>
<b>27. Seller Contributions</b>	<ul style="list-style-type: none"> <li>Seller may pay 100% of the discount points and borrower's non-recurring closing costs</li> <li>Seller may provide an additional amount not to exceed 4% of the estimated reasonable value to assist the borrower's payment of prepaid expenses and funding fee</li> </ul>
<b>28. Reserves</b>	<ul style="list-style-type: none"> <li>1-unit: none</li> <li>2-4 units <ul style="list-style-type: none"> <li>Rental income not used to qualify: none</li> <li>Rental income used to qualify: 6 months</li> </ul> </li> <li>Three months reserves if borrower owns other real estate and is using rental income to qualify. Reserves are based on PITI of REO property</li> </ul>
<b>29. IRS Form 4506-C</b>	<ul style="list-style-type: none"> <li>Prior to Underwriting <ul style="list-style-type: none"> <li>Signed 4506-C for each borrower whose income is documented with handwritten paystubs or for non-arm's length transactions or at underwriter's discretion</li> </ul> </li> <li>Prior to Closing <ul style="list-style-type: none"> <li>4506-C for the business tax return transcript(s) must be signed prior to closing when the business returns are used for qualification</li> </ul> </li> <li>At Closing (all loans) <ul style="list-style-type: none"> <li>4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing</li> </ul> </li> </ul>
<b>30. Tax Transcripts</b>	W-2 or tax transcripts, as applicable, must be obtained when:

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	<ul style="list-style-type: none"> <li>Handwritten paystubs are used as verification of income</li> <li>There is a non-arm's length transaction</li> </ul>
<b>31. Maximum Financed Properties</b>	No restrictions
<b>32. Appraisals</b>	<ul style="list-style-type: none"> <li>A new appraisal completed by a VA approved or VA fee panel appraiser required</li> <li>VA LAPP Underwriter will issue the NOV</li> </ul>
<b>33. Principal Curtailment</b>	The amount of the curtailment cannot exceed \$500 unless due to an excess Premium Pricing Credit.
<b>34. Escrow Waivers</b>	Not permitted
<b>35. VA REO</b>	Lenders who are selling their own REO properties while underwriting the VA Home Loan for the purchase of these properties may not process as LAPP, but order and process VA appraisals as "IND" (reviewed by VA)
<b>36. Ineligible Programs</b>	<ul style="list-style-type: none"> <li>Energy Efficient Mortgages (EEM)</li> <li>Farm Residence Loans</li> <li>HFA Programs</li> <li>HPML Loans</li> <li>High Cost Loans</li> <li>Rehabilitations loans</li> <li>Specially Adapted Housing</li> <li>Supplemental Loans</li> </ul>

<b>37. Version History</b>		
<b>Section</b>	<b>Update</b>	<b>Date</b>
Eligibility Matrix	Manufactured Housing not permitted in Hawaii	February 1, 2021
Subordinate Financing	Added Subordinate Financing not Permitted	February 1, 2021
Ineligible States	Hawaii removed from ineligible state list. Lending permitted in Hawaii	February 1, 2021
Eligibility Matrices	Revised minimum credit scores and DTI requirements	March 1, 2021
Loan Terms	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>Removed Custom Loan Term information</li> </ul>	April 15, 2021
Rental Income	Removed Overlays	May 17, 2021
Eligibility Matrix	<ul style="list-style-type: none"> <li>Updated Primary Residence \$1,000,000 to 600 Credit Score</li> <li>Added Overlay: For loan amounts greater than \$1,000,000 and a DTI &gt;45% and &lt;= 55%, the borrower must have 250% residual income</li> </ul>	August 13, 2021
Ineligible Property Types	Add Non-warrantable condos as ineligible Removed MH unit on site being used as storage as ineligible	August 13, 2021

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Tax Transcripts	Removed transcripts for self-employment income, rental income, dividend/ interest etc. and at the underwriters discretion	November 15, 2021
Subordinate Financing	Permit new subordinate financing	November 15, 2021
Non-Occupant Co-Borrower	The Veteran-borrower must occupy the subject property. Non-occupant borrowers may be eligible per VA Joint Loan policy	November 15, 2021
Reserves	Three months reserves if borrower owns other real estate and is using rental income to qualify. Reserves are based on PITI of REO property	November 15, 2021

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