

Minimum credit score: 640

Maximum Ratios: 41%

Minimum Loan Amount \$75,000

AUS: DU Approve/Eligible

Maximum LTVs: Purchase: 100%; Rate/term/Cash-Out: 90%; IRRRL: 100%

Maximum Loan Amount*: 1-unit: \$417,000; 2-units: \$533,850;
3-units: \$645,300; 4-units: \$801,950

Program Type	LTV/CLTV*	Units	Occupancy
Purchase	100%	1-4	O/O
Rate/Term Refinance/Cash-Out Refinance ¹	90%	1-4	O/O
IRRRL ²	100%	1-4	O/O

Borrower must provide Certificate of Eligibility (COE) to be eligible for all VA loans. (COE not required on the VA IRRRL)

Footnotes:

1. Refer to page 1 of the Program Notes for VA's definition of rate/term refinance and cash-out refinance
2. Interest Rate Reduction Refinancing Loan (IRRRL) is a VA-guaranteed loan made to refinance an existing VA-guaranteed loan. Refer to the IRRRL Specific section on page 3 of the Program Notes for IRRRL requirements.

Hawaii maximum loan amounts:

- 1-unit: \$625,500
- 2-units: \$800,775
- 3-units: \$967,950
- 4-units: \$1,202,925

***High Balance Loans** - The maximum TOTAL mortgage exceeds maximum loan amounts above.

- Maximum High Balance loan amount cannot exceed the lesser of the VA county loan limits for high-cost counties or \$1,000,000. Refer to VAs website at http://www.homeloans.va.gov/loan_limits.htm for VA high-cost county limits. High Balance loans will require a down payment from the borrower.
- Secondary financing not allowed (except on IRRRL's with an existing second).

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Maximum LTV: 100% Purchase & IRRRL		Maximum LTV: 90% Rate/term/Cash-out Refinance	

Available Markets	Eligible in all 50 states, except as follows: <ul style="list-style-type: none"> Alaska, American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the Virgin Islands are ineligible. Refer to Section 600 of Lending Guide for specific state restrictions
Eligible Transactions	<ul style="list-style-type: none"> Purchase, rate/term/cash-out refinance, and IRRRLs. Owner-occupied properties only.
Ineligible Transactions	<ul style="list-style-type: none"> Non-owner/investment Non-arms length transactions may be ineligible. Non-traditional credit VA cash-out refinances with LTV greater than 90% VA Indian Leasehold properties Cash-out refinance loans in the state of Texas. VA loans with any Texas Section 50(a)(6) financing Life estates for Specially Adapted Housing Energy Efficient Mortgages (EEM) ARM transactions
Maximum Loan Amount	<ul style="list-style-type: none"> The maximum loan amount cannot exceed \$1,000,000 including the VA funding fee. Loan amounts ≤ \$417,000 (including the VA funding fee) do not require a down payment from the borrower Loan amounts > \$417,000 will require a down payment from the borrower
Maximum LTV/CLTV	<p>Purchase - 100%</p> <ul style="list-style-type: none"> The maximum LTV cannot exceed 100% of the VA reasonable value or the purchase price, whichever is less, excluding the VA funding fee. The maximum LTV, including the VA funding fee, cannot exceed 103% LTV. Borrower is not required to have a down payment unless the sales price exceeds the reasonable value established by the VA <p>Rate/term Refinance/Cash Out Refinance* - 90%</p> <ul style="list-style-type: none"> The maximum LTV/CLTV cannot exceed 90% of the VA reasonable value, including closing costs, plus the VA funding fee. Allowable fees and charges and discount points may be paid from cash proceeds of the loan as long as total loan proceeds do not exceed 90% of the reasonable value. <p>* VA defines refinance transactions as follows:</p> <ul style="list-style-type: none"> Rate/term refinance: Defined as "Other Refinancing Loans", detailed in Chapter 6, Section 5-a of the VA Lenders Handbook. VA considers the refinance of a construction loan, an installment land sale contract and a loan assumed by veterans at interest rates higher than that for the proposed refinance as "Other Refinancing Loans". VA considers all refinance transactions that do not fall into VA's "Other Refinancing Loans" category to be a cash-out refinance whether or not the borrower receives cash-to-pocket. This does not include VA IRRRL transactions. Cash-out refinance: Defined in Chapter 6 Section 3-a of the VA Lenders Handbook as a loan that refinances any type of lien or liens against the secured property. The liens to be paid off may be current or delinquent and from any source, such as tax or judgment liens or a VA, FHA or conventional mortgage. Loan proceeds beyond the amount needed to pay off the lien(s) may be taken as cash by the borrower of any purpose acceptable to the lender. The loan must be secured by a first lien on the property
Eligible Properties	<ul style="list-style-type: none"> Single family residences, 1-4-family dwellings, PUDs, attached/ detached condos located in a VA approved project, and rural property are eligible. Attached condos, including 2-4 unit projects, require 100% of the insurable replacement cost coverage for the complete condominium (interior & exterior). If the HOA Master Policy does not provide coverage for the interiors of the project units, an HO-6 (walls-in) or equivalent policy for the individual unit is required. The HO-6 policy must provide coverage in an amount that is no less than 20% of the condominium unit's appraised value. Rural property is limited to 10 acres. The property must be zoned residential or agricultural. Commercial use is not permitted and the property cannot be income producing. The land to value ratio should not exceed 30% for rural property.
Ineligible Properties	Non-VA approved condo projects, condo projects with spot approval, condotels & co-ops, manufactured housing, modular homes, working ranches, board and care homes, earth-berm homes, commercial properties, vacant land not purchased in conjunction with a construction loan, leaseholds, unique properties, properties in an airport noise Zone 3, or properties with a resale date ≤ 90 days following the acquisition by the seller.
Eligible Borrowers	<ul style="list-style-type: none"> Veterans, active duty military, reserve/guard, unmarried surviving spouse. Any loan where title to the property will be held by the veteran and any person other than the veteran's spouse requires VA prior approval. Requires a Certificate of Eligibility (COE) issued by VA. Acceptable forms: VA Form 26-8320 or VA form 26-8320a. Not required on IRRRL transactions.
Ineligible Borrowers	Any borrower not meeting the criteria required for a Certificate of Eligibility (COE).
Automated Underwriting	Loans require an "Approve/Eligible" Finding. A "Refer" Finding due to bankruptcy and/or foreclosure only is allowed; loan subject to manual underwriting.
Documentation Types	Full (with the exception of the VA IRRRL)
Rental/Mortgage Payment History	<p>The mortgage and rental history must be verified and rated.</p> <ul style="list-style-type: none"> Maximum 1x30 in the past 12 months and requires a written explanation from the borrower. Private party rental ratings requires 12 months cancelled checks. <p>High Balance Transactions: 0x30 mortgage lates in previous 12 months (includes all mortgages and rent payments)</p>

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Credit Scores/ Credit Report	<p>Minimum 640 credit score regardless of DU findings. A credit report is required to verify borrower meets minimum credit score requirement. If a credit report is not provided by one of Icon's approved credit reporting vendors, Icon will re-pull credit. Refer to Icon's Lending Guide Section 650.03 - Credit Reports for a list of Icon approved credit vendors. Individual credit scores are determined as follows:</p> <ul style="list-style-type: none"> • If three valid scores are obtained, the middle score is used. • If two valid scores are obtained, the lower score is used. • If one valid score is obtained, that score is used. • If there is more than one borrower on the loan, the lowest selected credit score for all borrowers is used as the Loan Score.
Credit History	<ul style="list-style-type: none"> • Collections and charge-off accounts are generally not required to be paid at close but may be required at underwriter discretion. • Judgments and tax liens are to be paid off prior to closing unless the lien will subordinate to the first TD or the borrower has a repayment plan and is making timely payments for a minimum of 6 months. • Borrower to provide a letter of explanation for derogatory credit. • Borrower to provide a letter of explanation for inquires within the past 90 days. • Borrower must explain all collections and judgments in writing.
Bankruptcy or Foreclosure	<ul style="list-style-type: none"> • Chapter 7 bankruptcy discharged at least 2 years and the borrower has re-established credit. • Chapter 7 bankruptcies less than 2 years but greater than 12 months are allowed provided the borrower can prove the bankruptcy was caused by extenuating circumstances beyond the borrower's control and that the event leading to the bankruptcy is not likely to reoccur and the applicant or spouse has obtained consumer items on credit subsequent to the bankruptcy and has satisfactorily made payments over a continued period. • Chapter 13 bankruptcy is permitted if one year of the payout has occurred and all payments have been made on time. Permission from the court is required in order for borrower to obtain a new mortgage. Borrowers who have finished making all payments satisfactorily are considered to have reestablished satisfactory credit. • Consumer Credit Counseling is permitted as long as the borrower has been making the payments timely for a minimum of 12 months. Written permission from the counseling agency is required in order to obtain a new mortgage. • Foreclosure does not disqualify the borrower. If the foreclosure was due to extenuating circumstances beyond the borrower's control (i.e.: loss of primary wage earner, serious illness, etc), and the borrower has good re-established credit, the file may be eligible. The guidelines for Chapter 7 bankruptcy are applied. <p>Note: If the foreclosure was on a VA loan, the borrower may not have full entitlement available for the new loan.</p> <p>High Balance</p> <ul style="list-style-type: none"> • No foreclosure or bankruptcy in last 7 years.
Ratios / Residual Income	<p>≤ 41%. >41% requires additional review and is considered on a case-by-case basis with compensating factors. VA has specific residual income requirements based on family size, loan amount and region. Refer to VA Lender's Guide for details.</p>
Income	<p>Wage Earners</p> <ul style="list-style-type: none"> • Only verified income is acceptable • A verbal verification of employment (VVOE) is required. <p>Self-Employed Borrowers</p> <ul style="list-style-type: none"> • Generally a 2-year self employment history is required. • Current financial statements including year-to-date profit and loss statement and current balance sheet. • Individual signed tax returns plus all applicable schedules for the previous 2-years • Corporation or partnership requires copies of signed Federal business tax returns for previous 2-years and a list of all stockholders or partners showing the interest each holds in the business.
4506-T	<ul style="list-style-type: none"> • A complete signed and executed 4506-T required on all transactions for each borrower. (not required on the IRRRL)
Assets	<ul style="list-style-type: none"> • Required to be verified only when the closing costs or points that are the borrower's responsibility are not financed in the loan or a down payment is required due to the sales price exceeding the value established by the VA. • When asset documentation is required, borrower to provide the most recent 60 days bank statements. • Acceptable sources of liquid assets include checking, savings, money market accounts, CD's, stocks, mutual funds, trust funds, gift funds, cash on hand.
Gift Funds	<p>Gift funds are allowed but must be from a family member.</p>
Interested Party Contributions	<p>Interested party contributions are allowed to pay fees, charges and/or discount points. Contributions cannot exceed 4% of the established reasonable value or sales price, whichever is less.</p>
Cash Reserves	<ul style="list-style-type: none"> • Cash reserves are generally not required, however, the borrower's ability to accumulate cash reserves will be considered by the underwriter. • When borrower is retaining current principal residence as second home or investment property: 3 months PITI required. • 3-4 units: 6 months PITI • Reserves, when required must be from the borrower's own funds.

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Appraisals	<p>A full appraisal from a VA approved appraiser is required, if applicable. The property must be eligible for appraisal under VA guidelines. Refer to the VA Appraisal Request Checklist for eligibility determination.</p> <ul style="list-style-type: none"> The property must have been appraised/inspected within 6 months of the date of the note. If the appraisal is > 6 months, a new appraisal is required. <p>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, on purchases and non-IRRRL refinances.</p>
Subordinate Financing	<p>Conforming Loan Amounts:</p> <ul style="list-style-type: none"> Secondary financing is allowed. The source, amount and repayment terms must be disclosed and the loan must be in a subordinate position to the VA loan. The funds from a junior lien may not be used to cover any portion of the down payment that is used by the borrower to cover the difference between the purchase price and VA's reasonable value. The combined loan amount of the first and second lien cannot exceed 100% of the lesser of the appraised value or sales price including normal closing costs, prepaid expenses, and discount points on purchase transactions or 90% on refinance transactions. No new subordinate financing allowed on refinance transactions. <p>High Balance Secondary financing not allowed.</p>
IRRRL Specific	<ul style="list-style-type: none"> Occupancy: Owner-occupied The maximum loan amount, including the VA funding fee, can never exceed 100% of the value of the 2055. The maximum LTV cannot exceed 100% of the existing VA loan balance including allowable fees/charges and discount points (maximum 2 points) and the VA funding fee. Maximum loan term is the original term of the loan plus 10 years. Loan term cannot exceed 30 years and 32 days. Loan must be current. A minimum of a six month payment history on the current mortgage is required. If less than six (6) months, loan must be documented and underwritten as a credit qualifying VA IRRRL transaction. Loans seasoned ≥12 mos, 0x30 or greater first mortgage lates in the most recent 12 months. Loans seasoned < 12 mos. 0x30 or greater lates since the loan inception and 0x30 or greater lates for any other first mortgage loan associated with the property and borrower(s) in the most recent 12 mos. High Priced (high cost) mortgages are ineligible. Subordinate financing allowed only with an existing subordinate lien that will be re-subordinated to the new first mortgage. A verbal verification of employment (VVOE) is required. If the new monthly PITI payment increases by 20% or more over the previous payment, the lender must verify that the borrower qualifies for the new monthly payment and provide a certification of the borrower's qualification 4506-T is not required. A 2055 Exterior Appraisal Report (1075 Exterior Only Report for condos) is required. The appraisal will be utilized for the LTV calculation, not to exceed 100% LTV/CLTV. <ul style="list-style-type: none"> The 2055/1075 must be ordered through one of Icon's approved AMCs which can be located on Icon's website at www.iconwholesale.com under the "Approved Partners" link. The appraised value must be supported and be equal to or greater than the total loan amount. The property condition must be rated "average" or better. <p>NOTE: If a property is located in a FEMA Disaster Declaration area, a re-inspection of the property will be required. Photographs of the subject property must be attached to the Disaster Inspection Certification. Additionally a signed Lender Certification and a signed Veteran Certification will be required.</p>
Re-negotiated Purchase Contracts	Refer to Section 642.01 - Purchase Transactions of Icon's Lending Guide for specific requirements regarding re-negotiated purchase contracts.
Eligible Programs	<ul style="list-style-type: none"> Conforming loan amount: Fixed-rate available with a 15, 20, 25 or 30 year term. High Balance loan amount: Fixed rate with a 30 year term only.
Power of Attorney	<ul style="list-style-type: none"> Allowed VA transactions utilizing a POA, secured by a property in the state of Texas, require a Statutory Durable Power of Attorney.
Escrows	Required
Interest Only	Not allowed.
VA Guaranty	VA guaranty is subject to the veteran's eligible entitlement as indicated on the Certificate of Eligibility (COE). Icon requires a 25% guaranty.

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