

VA MATRIX							
VA MAXIMUMS							
Property Type	MAX Loan Amount	Purchase		Cash-Out Refinance		IRRRL	
		LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO	LTV/CLTV	MIN FICO
1-4 Units	\$2.5MM <sup>1,2</sup>	100%	580	100%	580	No MAX	600
Manufactured <sup>3</sup>	≤\$726,200	100%	620	90%	620	100%	620
2023 FUNDING FEES <sup>4</sup>							
PURCHASE - First Time Use		PURCHASE - Subsequent Use		CASH-OUT REFINANCE			
Down Payment	Funding Fee	Down Payment	Funding Fee	First Use	Subsequent Use		
Less than 5%	2.15%	Less than 5%	3.30%	2.15	3.30%		
5% or more	1.50%	5% or more	1.50%				
10% or more	1.25%	10% or more	1.25%				

PROGRAM OVERVIEW		
Complete Guidelines	Where not specified within, refer to the respective agency guidelines	
	VA	<a href="#">VA Lenders Handbook</a>
Amended Tax Returns	Accepted for the following amendment reasons: <ul style="list-style-type: none"> <li>Amended for clerical items only (i.e., modifying a prior ITIN number to a newly issued SSN)</li> <li>Amended for income-related items, under the following conditions:               <ul style="list-style-type: none"> <li>Amended at least thirty (30) days before mortgage application taken.</li> <li>Amendment shows on transcripts (stamped returns not acceptable)</li> <li>Documentation supplied to support the increase, including but not limited to:                   <ul style="list-style-type: none"> <li>1099 or W2 showing missed/updated income.</li> <li>Canceled Checks or Bank Statements showing missed/updated rental income</li> </ul> </li> </ul> </li> </ul>	
Assets	<ul style="list-style-type: none"> <li>Bank Statements must show account activity for a full two (2) month period.</li> <li>Internet Statements, obtained from financial institution's website, must contain same information found on a standard bank statement.</li> <li>VOD as stand-alone document not permitted unless obtained from a Third-Party Vendor.</li> </ul>	
Contingent Liabilities	Must be included in the borrower's debt to income unless the creditor cannot hold the borrower liable for the debt <b>and</b> evidence of 12 months on-time payments made by a non-borrower.	
Electronic Signatures/eSigning	<ul style="list-style-type: none"> <li>eSigning is allowed for most documents.</li> <li>eSigning is not allowed for:               <ul style="list-style-type: none"> <li>Note</li> <li>Note Rider(s)</li> <li>Notice of Right to Cancel</li> <li>Security Instrument</li> <li>Security Instrument Rider(s)</li> </ul> </li> </ul>	

<sup>1</sup> MAX Loan amounts subject to Veterans Entitlement

<sup>2</sup> MAX Loan amount \$1.5MM for IRRRLs

<sup>3</sup> Limited to doublewide manufactured homes only

<sup>4</sup> Actual amounts subject to Veterans Entitlement



Escrow Account	Escrow Account required; no escrow waiver allowed.
Escrow Repair/Holdbacks	Not permitted
Hazard Insurance	Replacement Cost is required on all files to ensure sufficient coverage is documented.
Social Security Number	All borrowers must have a valid SSN.
VA IRRRL	In addition to other VA overlays listed in this matrix, the following apply to VA IRRRLs: <ul style="list-style-type: none"> <li>• The new loan amount excluding the VA Funding Fee, cannot exceed the original principal balance on the prior Note being refinanced.</li> <li>• A 2055/1075 drive by appraisal report or full appraisal is required with Clear Capital AVM</li> <li>• Fee Recoupment – less than or equal to 36 Months</li> </ul>
Verifications – VOE	<b>VOE</b> <ul style="list-style-type: none"> <li>• Verbal Verification of Employment is required for all borrowers using salaried income to qualify and must be completed within 10 business days prior to the note date.</li> <li>• Verbal Verification of Employment is required for all borrowers using self-employed income to qualify and must be completed within 120 calendar days prior to the note date.</li> </ul>



**VA PROGRAM OVERLAYS**

<p>AUS Findings &amp; Manual Underwriting</p>	<p>Approve/Eligible            Note: Second review required if loan has one of the following:</p> <ul style="list-style-type: none"> <li>• Mortgage history indicates 1x30 in 12 months.</li> <li>• The borrower is in an IRS tax repayment plan.</li> <li>• Active disputed tradelines</li> <li>• The subject loan was previously a restructured/modified mortgage.</li> <li>• A minimum of 12 months of 0x30 payments have been made on the modified loan.</li> </ul> <p>Refer/Eligible            May be considered for manual underwriting when the following requirements are met:            Purchase transaction only; MIN 640 FICO; USDA approval required and has a MIN 2 compensating factors:</p> <ul style="list-style-type: none"> <li>• 3 Months PITIA reserves – over the required cash to close. Gift funds or cash back due to a refinance excluded.</li> <li>• DTI below 33/41</li> <li>• Savings history</li> <li>• No payment shock – housing payment not increasing.</li> <li>• Acceptable previous mortgage/housing history 0x30 lates for 12 months</li> </ul> <p>Compensating factors:</p> <ul style="list-style-type: none"> <li>• 3 Months PITIA reserves – over the required cash to close. Gift funds or cash back due to a refinance excluded.</li> <li>• New PITIA does not exceed current PITIA by more than \$100 or 5%, whichever is less and 0x30x12.</li> <li>• No Discretionary Debt – Housing payment is the only open account with an outstanding balance, and the credit report shows established credit in the borrower’s name that has been open in the past 6 months. Accounts must be documented.</li> <li>• Borrower has additional income not included in the qualifying income, e.g., overtime, bonus, part-time work, seasonal income. Income must be documented for a MIN of 12 months and if included DTI would not be more than 37/47. (non-borrowing spouses’ income cannot be used)</li> <li>• Downpayment exceeds MIN required – Borrower funds only</li> </ul>
<p>Assets</p>	<ul style="list-style-type: none"> <li>• Any cash-in-hand proceeds, to the Borrower, from any cash-out refinance transaction must be wired to a U.S. bank account.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Proceeds from 1031 Tax Deferred Exchanges</li> <li>• Sweat Equity</li> </ul>
<p>Bankruptcy – Chapter 13</p>	<p>Borrowers in an active bankruptcy chapter 13 will be required to meet the following:</p> <ul style="list-style-type: none"> <li>• Purchase transaction</li> <li>• AUS approval required</li> <li>• 0x30 bankruptcy repayment plan</li> <li>• Trustee approval required</li> <li>• 12 months of timely repayments</li> <li>• 0x30 for housing/mortgage payments for the last 12 months</li> </ul>
<p>Borrower Eligibility</p>	<ul style="list-style-type: none"> <li>• Max 6 loans to one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.</li> </ul>
<p>Condominiums</p>	<ul style="list-style-type: none"> <li>• Ineligible: Manufactured Home Condo Projects; condo listed on HUD Exclusionary List</li> </ul>
<p>Conflict of Interest</p>	<ul style="list-style-type: none"> <li>• The Loan Officer may not act as the Realtor in a single transaction</li> </ul>
<p>Credit</p>	<ul style="list-style-type: none"> <li>• All borrowers must have at least 2 valid credit scores.</li> <li>• Soft pull credit/LQI report is required within 10 days of Note date.</li> <li>• RMCR or traditional tri-merge is required.</li> <li>• All material inquiries within the last 90 days requires a letter of explanation from the borrower unless the AUS identifies a letter is not required.</li> </ul> <p><b>Ineligible</b></p> <ul style="list-style-type: none"> <li>• Frozen credit reports</li> <li>• Non-traditional credit</li> </ul>
<p>Credit Score</p>	<ul style="list-style-type: none"> <li>• MIN 580 required for all borrowers</li> </ul>
<p>Deed Restrictions</p>	<p>Mortgage loans that are subject to resale restrictions are not eligible, except for age-related restrictions that meet the VA Lender Handbook requirements.</p>



Escrow Repair/Holdbacks	Not permitted
Escrow/Impound Accounts	Required
Family-Owned Business	When a borrower is employed (wage-earner) by a family-owned business - Two years tax returns are required regardless of AUS recommendation.
Gift Letters	<p>When using gift funds, a signed and dated gift letter is required to provide all of the following information:</p> <ul style="list-style-type: none"> <li>• Donor's name, address, phone, and relationship to borrower (donor must be a relative); and</li> <li>• Dollar amount of gift; and</li> <li>• Date funds were transferred; and</li> <li>• Donor's statement that no repayment is expected; and</li> <li>• Dated prior to the Note date</li> </ul>
Ineligible Programs	<ul style="list-style-type: none"> <li>• Build to own</li> <li>• Co-ops</li> <li>• Community Land Trust</li> <li>• Energy Efficient Mortgages, Weatherization, Solar and Wind Technologies.</li> <li>• Farm Residence Loans</li> <li>• Graduated Payment Mortgage GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• High-Cost Loans</li> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• Indian Reservations or Native American Direct Loans</li> <li>• Loan Assumptions</li> <li>• Loans for Alterations and Repairs</li> <li>• Loans that require VA prior approval</li> <li>• Loans to Native American Veterans on Trust Lands</li> <li>• Loans with negative amortization or balloon payments on subordinate financing</li> <li>• Loans with resale deed restrictions, except for age restricted properties.</li> <li>• Non-QM loans</li> <li>• Non-resident aliens &amp; foreign nationals</li> <li>• One Year, 7/1 and 10/1 ARM</li> <li>• Prepayment Penalties</li> <li>• Properties encumbered with a private transfer fee.</li> <li>• Rebuttable Presumption</li> <li>• Rural Energy Plus Provisions</li> <li>• Section 184 – Indian Home Loan Guarantee Program</li> <li>• Section 223(e) - Declining Neighborhoods</li> <li>• Section 247 - Hawaiian Homelands</li> <li>• Section 8</li> <li>• Short refi-with negative equity</li> <li>• Solar and wind technologies</li> <li>• Single-Close Construction and VA Reno Loans</li> <li>• Specially Adapted Housing</li> <li>• Supplemental Loans</li> <li>• TX 50 (f) (2)</li> <li>• TX 50 (a)(4)</li> <li>• TX 50 (a)(6)</li> <li>• Transactions with subordinate PACE liens</li> <li>• Weatherization program</li> </ul>
Ineligible Properties	<ul style="list-style-type: none"> <li>• VA Supplemental Loans (ex. VA Reno)</li> <li>• Adult family home, group homes, care facilities</li> </ul>



	<ul style="list-style-type: none"> <li>• Build to own.</li> <li>• Co-Ops</li> <li>• Community Land Trusts</li> <li>• Condo-tels</li> <li>• Energy Efficient Mortgages, Weatherization, Solar and Wind Technologies.</li> <li>• Deed restrictions other than age restrictions</li> <li>• Farm Residence Loans</li> <li>• Graduated Payment Mortgage (GPM)</li> <li>• Growing Equity Mortgages (GEM)</li> <li>• High-Cost Loans</li> <li>• Higher-Priced Mortgage Loans (HPML)</li> <li>• Indian Leased Land</li> <li>• Indian Leaseholds</li> <li>• Indian Reservations or Native American Direct Loans</li> <li>• Leasehold</li> <li>• Loan Assumptions</li> <li>• Loans with resale deed restrictions, except for age restricted properties</li> <li>• Prepayment Penalties</li> <li>• Properties located in lava zone 1 or 2.</li> <li>• Properties in Redemption</li> <li>• Properties with Individual Purification Water Systems</li> <li>• Properties with PACE obligations or PACE-like assessments</li> <li>• Property Flip of Non-Arm's Length Transaction</li> <li>• Property ratings of C5, C6 or Q6 are not allowed unless the issues that caused these ratings are cured prior to loan delivery.</li> <li>• Proposed and under construction properties.</li> <li>• Properties not suitable for year-round occupancy or a not readily accessible by roads that meet local standards.</li> <li>• REO properties</li> <li>• Renovation loan or construction to perm.</li> <li>• Solar and Wind technologies</li> <li>• Solar Panels that affect first lien position</li> <li>• Units in condominium projects identified on the Exclusionary List "Excluded Condo Projects"</li> <li>• <b>Unusual properties such as:</b> 3D printed homes; Barndominiums; Container homes; Shouses; Tiny homes; bed &amp; breakfast; berm homes, log homes, and geodesic dome homes; houseboats, working farms or ranches; timeshares; mixed use properties.</li> <li>• Vacant land</li> <li>• Weatherization</li> </ul>
Layered Risk	<p>If any of the following are present, Underwriting Management review and approval is required.</p> <ul style="list-style-type: none"> <li>• Unstable work history</li> <li>• Payment shock that exceeds 150%</li> <li>• Less than 3 tradelines that have been active within the past 3 years for a minimum of 24-month duration.</li> <li>• Any late payment in the last 12 months</li> </ul>



Manufactured Housing	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• See Grid for MIN FICO</li> <li>• Manual underwriting not permitted</li> <li>• Fixed Rate programs only</li> <li>• Temporary Buydowns not permitted</li> <li>• Primary Residence only</li> <li>• Purchase and Rate &amp; Term only.</li> <li>• MAX DTI 50%</li> <li>• One unit</li> <li>• Minimum 700 square feet</li> <li>• Must meet all other VA guidelines (if not specified in VA guidelines, follow FHA)</li> <li>• Property condition must be average or better.</li> <li>• Must not have been installed or occupied previously at any other site or location.</li> <li>• Must be taxed as real property prior to application date.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Manufactured Homes that are subject to deed restrictions</li> <li>• Leased Land property</li> <li>• Single-wide homes</li> <li>• Leaseholds</li> </ul>																
Maximum DTI with AUS Approve/Eligible	<table border="1" data-bbox="411 683 1087 829"> <thead> <tr> <th>LTV/CLTV</th> <th>FICO</th> <th>AUS Approval</th> <th>MAX DTI</th> </tr> </thead> <tbody> <tr> <td>All</td> <td>&gt;=620</td> <td>Y</td> <td>Follow AUS<sup>1</sup></td> </tr> <tr> <td>100%</td> <td>600-619</td> <td>Y</td> <td>50%</td> </tr> <tr> <td>&lt;100%</td> <td>600-619</td> <td>Y</td> <td>55%</td> </tr> </tbody> </table> <p><sup>1</sup>DTIs&gt;=60% may be considered with compensating factors and manager approval.</p>	LTV/CLTV	FICO	AUS Approval	MAX DTI	All	>=620	Y	Follow AUS <sup>1</sup>	100%	600-619	Y	50%	<100%	600-619	Y	55%
LTV/CLTV	FICO	AUS Approval	MAX DTI														
All	>=620	Y	Follow AUS <sup>1</sup>														
100%	600-619	Y	50%														
<100%	600-619	Y	55%														
Minimum Loan Amount	\$100,000																
Maximum Loan Amount	<p>\$2,500,000 for purchase and cash out refinance transactions with min FICO below:</p> <ul style="list-style-type: none"> <li>• 1.5 million to &lt; 2.5 million minimum FICO 700</li> </ul> <p>Refer to Manufactured Homes Section for specific information.</p> <p>\$1,500,000 for VA IRRRL and meets the below requirements:</p> <ul style="list-style-type: none"> <li>• Credit score 580 - 619 requires full credit qualification.</li> <li>• Credit score ≥ 620 non-credit qualifying eligible.</li> <li>• Mortgage rating required for all borrowers or Mortgage history – 0x30 in 24months for both credit and non-credit qualifying</li> </ul> <p>Subject to less of the above or VA Entitlement</p>																
Mortgage Credit Certificate	Not permitted																
Multiple Loans to One Borrower	STG Mortgage allows up to six (6) loans for one borrower, including the subject property, or a total of \$3.5MM in financing, whichever is less.																
Non-Permanent Resident Aliens	<p>Non-Permanent Resident Aliens are accepted under the following conditions:</p> <ul style="list-style-type: none"> <li>• Evidence of an acceptable Visa required.</li> <li>• Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS.</li> <li>• Borrower has valid Social Security Number (SSN)</li> <li>• Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen.</li> <li>• DACA: Borrowers with Category C33 work status under deferred action allowed may be eligible subject to VA Prior Approval.</li> <li>• Diplomatic Immunity: Borrowers with Diplomatic Immunity ineligible</li> </ul>																



	<ul style="list-style-type: none"> <li>• A12 EAD status ineligible</li> </ul>
Non-Traditional Credit/Credit Reports	Not permitted
Power of Attorney (POA)	<ul style="list-style-type: none"> <li>• POA permitted for closing documents only.</li> <li>• POA not permitted on initial disclosures.</li> <li>• A POA must be specific to the transaction.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Cash-out transactions</li> <li>• Properties held in Trust.</li> <li>• Non-Arm's length transactions</li> <li>• Non-occupant borrowers</li> <li>• Electronically signed POA</li> </ul>
Purchases	Assignment of contract not permitted
Refinances	<ul style="list-style-type: none"> <li>• All VA refinance transactions must include a copy of the original Note and most recent mortgage statement of the loan being refinanced. If the original Note is not available, reasonable alternatives can be considered to validate the loan being paid off was not subject to a recent modification.</li> </ul>
Recently Listed Properties	<p>If the property was listed for sale within the prior 12 months but is not currently listed for sale:</p> <ul style="list-style-type: none"> <li>• VA IRRRL / Rate &amp; Term - the listing must have expired or been withdrawn on or before the application date.</li> <li>• Cash-Out Transaction - the listing must have expired or been withdrawn 180 days prior to the application date. Note for all transactions: If the property was listed in the prior 30 days to the application date, the Early EPO provision will be extended to one year.</li> <li>• The appraised value should be at least 10% below the lowest listing price. If the appraised value is not at least 10% less than the lowest list price, the underwriter must address the variance satisfactorily.</li> </ul> <p>The borrower must provide written confirmation of their intent to occupy property as their primary residence</p>
Renegotiated Purchase Contract	<ul style="list-style-type: none"> <li>• Not allowed; however, minor adjustments due to condition or other relevant factors are permitted.</li> <li>• Increase of sales price after appraisal completed is not permitted.</li> </ul>
Reserves	VA loans - Loan amounts $\geq$ \$1.5MM 3 Mo. PITIA reserves required
Subordinate Financing	<p><b>Requirements:</b></p> <ul style="list-style-type: none"> <li>• A copy of the subordination agreement or equivalent required, if applicable.</li> <li>• Down Payment Assistance programs are permitted as long as the source is a Government Agency or Government Entity (e.g. Non Profits and Trade Unions are not permitted).</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Property Assessed Clean Energy (PACE)</li> <li>• Home Energy Opportunity (HERO) loans</li> <li>• Down Payment Assistance / Community Seconds with CLTVs greater than LTV guidelines</li> </ul>
Tax Transcripts	<p><b>Required when qualifying on:</b></p> <ul style="list-style-type: none"> <li>• Self-employed income</li> <li>• Commission income greater than 25% of the borrower's total earnings</li> <li>• Rental income documented on schedule E.</li> <li>• Employed by a family-owned business.</li> <li>• Fixed income when the 1040s are used in lieu of alternative documentation.</li> <li>• Nontaxable income is grossed up.</li> <li>• Other income types such as auto allowance, capital gains/losses, dividend/interest, or farm income/loss</li> <li>• Handwritten income documentation</li> <li>• Loan files where there is relationship between the Borrower and an interested party of the subject transaction such as Seller, or Loan Officer, or employee of a Mortgage Broker</li> <li>• Seller has relationship to the Loan Officer</li> </ul> <p>Business transcripts required if income is not validated on personal returns.</p>
Temporary Buy-Downs	<b>Allowed for:</b>



	<ul style="list-style-type: none"> <li>• Primary residence</li> <li>• Purchase transactions only</li> <li>• Fixed rate products</li> <li>• 2-1 and 1-0 buydown option only.</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Lender and borrower funded buydowns.</li> <li>• Second Homes</li> <li>• Investment Properties</li> <li>• 2-4 Unit properties</li> <li>• Manufactured Homes</li> <li>• Refinance Transactions - including IRRRLs.</li> <li>• ARMs</li> </ul>
Title Insurance	Title insurance policy required; attorney title opinion letter in lieu of a title insurance policy is not allowed
Unpaid Federal Tax Debt	<p>STG Mortgage considers all unpaid tax debt from prior years as delinquent, even if lien has not been filed. Evidence of one of the following required:</p> <ul style="list-style-type: none"> <li>• Payment plan must be established and at least one payment made in accordance with the agreement. Payment plan arrangements and evidence of payment required.</li> <li>• Delinquent Federal Tax Debt must be paid in full prior to or at closing.</li> </ul>
VA Cash-out Refinance with LTV >90%	Not Allowed
VA Joint Loans	2 or more unmarried Veterans when each are using their own entitlement requires manager approval

