

Category	FICO/LTV Matrix & Program Details																						
Eligible Transactions	Purchase and Refinance. Note, with the exception of VA-to-VA IRRRLs, the VA considers all refinances to be cash-out.																						
Ineligible Transactions	<ul style="list-style-type: none"> <li>• Energy Efficient Mortgages (EEMs) are not eligible.</li> <li>• Texas 50(a)(6) loans</li> <li>• NY CEMA transactions</li> <li>• Mortgage Credit Certificates are not eligible to be used as income for purposes of qualifying the borrower unless all VA requirements are adhered to in addition to the below:               <ul style="list-style-type: none"> <li>• Minimum fico to use MCC to qualify</li> <li>• 2 months reserves post-closing from borrower's own funds unless downpayment is coming from borrower's own funds</li> <li>• In addition, originating lender to be fully responsible for the annual IRS reporting associated with the MCC issuance; CMG will not complete any required IRS reporting.</li> </ul> </li> </ul>																						
Eligible Borrowers	An eligible veteran is a person who served on active duty in the Army, Navy, Air Force, Marines, or Coast Guard, and who, (except for a service member on active duty) was discharged or released from active duty under conditions other than dishonorable; or Members of the Reserves and National Guard are eligible upon completion of 6 years of service; or surviving spouses of certain Veterans who were continuously rated for a service connected disability, but whose disability may not have been the cause of death are also eligible. VA Circular 26-21-8 outlines Expanded Home Loan Eligibility Based on National Guard Service. The Certificate of Eligibility will indicate the amount of available entitlement.																						
Eligible Terms	Fixed: 10, 15, 20, 25 and 30 year ARM: 3/1 & 5/1 Arm																						
Occupancy	Owner Occupied Primary Residence only with the exception that Non-owner occupied IRRRL transactions are permitted.																						
Property Types	1-4 Family Dwellings, Townhomes, Row homes, Modular, VA Approved Condominiums, Leasehold Estates. Manufactured Homes eligible as per the CMG Manufactured Home Guideline Addendum.																						
Condos	With the exception of VA IRRRLs, Condominiums must be VA approved: <a href="https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch">https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch</a>																						
Underwriting Method	All loans must be run through an AUS, with the exception of VA IRRRL's which must be manually underwritten. With the exception of VA IRRRL transactions, all "total" loan amounts exceeding FHFA one unit limit (based on closing date) require an AUS approval; AUS "Refers" and Manual underwriting not permitted. For "total" loan amounts less than the one unit FHFA standard limit (based on loan closing date): AUS Refers may be manually underwritten, but must meet all CMG overlays.																						
Debt to Income Ratio	Generally 41% Total Debt Ratio for manually underwritten loans, however not exceed 43%. Loans with a backend ratio greater than 41% require a statement justifying the reasons for approval, signed by the underwriter's supervisor, unless residual income exceeds the guideline by at least 20 percent. Higher ratios permitted if approved by AUS up to a max of 58%; however, any loan with a DTI greater than 52% but less than or equal to 58% must meet the following additional requirements: <ul style="list-style-type: none"> <li>• LGC must be provided prior to purchase</li> <li>• Properties in New York are not eligible</li> <li>• All other VA loan level requirements must be met</li> </ul>																						
LTV/CLTV Purchase & Regular (Cash out) Refinance	<p style="text-align: center;"><b>Purchase and Regular (Cash out) Refinance<sup>(5, 6)</sup> LTV/CLTV Grid</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Transaction Type</th> <th style="width: 15%;">FICO</th> <th style="width: 20%;">Maximum LTV<sup>(1)</sup></th> <th style="width: 30%;">Maximum CLTV</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Loan Amounts ≤ \$510,400</td> <td>Purchase &amp; Regular Refi - AUS Approved</td> <td>600<sup>(4)</sup></td> <td rowspan="5" style="text-align: center; vertical-align: middle;">100% Purchase 90% Regular (cashout) Refinance<sup>6</sup>  See below &amp; VA Handbook Chapter 9, section 5 &amp; 13<sup>(2)</sup></td> </tr> <tr> <td>Purchase &amp; Regular Refi - Manual U/W</td> <td>620</td> </tr> <tr> <td rowspan="2">Loan Amounts &gt; \$510,400 to \$1,200,000</td> <td>Purchase &amp; Regular Refi (AUS approved only)</td> <td>640</td> </tr> <tr> <td rowspan="3">Purchase &amp; Regular Refi (AUS approved only)</td> <td>680</td> </tr> <tr> <td>Loan Amounts &gt; \$1,200,000 to \$2,000,000<sup>(3)</sup></td> <td>720</td> </tr> <tr> <td>Loan Amounts &gt; \$2,000,000 to \$3,000,000<sup>(3)</sup></td> <td>760</td> </tr> <tr> <td>Loan Amounts &gt; \$3,000,000 to \$5,000,000<sup>(3)</sup></td> <td></td> <td></td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>Effective with all applications on and after 2/15/2019, LTV may exceed maximum by the amount of the funding fee on purchase transactions only.</li> <li>Simultaneous 2nd: the second mortgage loan (in conjunction with the first mortgage) may not exceed the NOV. In all cases, must have 25% guaranty/equity of the lower of Certificate of Reasonable Value/Purchase price.</li> <li>Loan amounts greater than \$1,200,000 require the following in addition to meeting all VA requirements:           <ul style="list-style-type: none"> <li>• Minimum six months reserves PITIA</li> <li>• First time homebuyers not permitted</li> <li>• Each applicant must have a minimum of 3 trade lines with at least 2 active trade lines (active is defined as last activity date less than or equal to 12 months from the current date) with 12 months satisfactory history on each trade line and a minimum 24 month credit file history.</li> </ul> </li> <li>For Ficos 600-619, "Refer" not permitted regardless of reason. In addition, the following loans must be sent to CMG Correspondent Management for Second Signature if any of the following apply: Borrower has late payments in the last 12 months (installment/mortgage), Borrower is using all or a majority (75%) Gift Funds for closing, Borrower has less than 2 years on current job prior to application date, Very little or no recent tradelines rated in the last 12 months, Borrower has new collections in the last 12 months that are non-medical, DTI is over 29/41.</li> <li>SEASONING - GNMA VA refinance seasoning requirement requires that the note date of the refinance loan must be on or after the later of:           <ol style="list-style-type: none"> <li>a) the date that is 210 days after the later of the date on which the first monthly payment was made (VA) or the date on which the first payment was due (GNMA) on the mortgage being refinanced, and</li> <li>b) the date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ol> </li> <li>Effective with loan applications taken on and after February 15th, 2019, all VA cash out refinances must meet VA Cashout Refinance disclosure requirements for NTB, Loan Comparison, and Home Equity. The disclosures must be provided to the Veteran within 3 business days from the initial application date and at closing.</li> </ol>	Transaction Type	FICO	Maximum LTV <sup>(1)</sup>	Maximum CLTV	Loan Amounts ≤ \$510,400	Purchase & Regular Refi - AUS Approved	600 <sup>(4)</sup>	100% Purchase 90% Regular (cashout) Refinance <sup>6</sup>  See below & VA Handbook Chapter 9, section 5 & 13 <sup>(2)</sup>	Purchase & Regular Refi - Manual U/W	620	Loan Amounts > \$510,400 to \$1,200,000	Purchase & Regular Refi (AUS approved only)	640	Purchase & Regular Refi (AUS approved only)	680	Loan Amounts > \$1,200,000 to \$2,000,000 <sup>(3)</sup>	720	Loan Amounts > \$2,000,000 to \$3,000,000 <sup>(3)</sup>	760	Loan Amounts > \$3,000,000 to \$5,000,000 <sup>(3)</sup>		
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Credit Score / History	Minimum score requirements are described in the FICO/LTV Matrix above. All borrowers must meet minimum credit score. Unless AUS approved, a minimum of two credit scores for each borrower is required. For AUS approved transactions a minimum of one credit score for each borrower is required. Non-traditional credit is not permitted.																						

Category	FICO/LTV Matrix & Program Details
Compliance / VA IRRRLS / QM	<p>CMG Financial Correspondent Lending will only purchase VA IRRRLs that meet the Safe Harbor Qualified Mortgage requirements. All VA refinances must meet all requirements of new circular 26-19-22 and must continue to meet GNMA seasoning requirements.</p> <p><b>Recoupment</b> - the lender of an Interest Rate Reduction Refinance Loan (IRRRL), must:</p> <ul style="list-style-type: none"> <li>• Provide recoupment statements to VA in accordance with VA requirements, and;</li> <li>• Certify that all fees and incurred costs, referenced in VA Circular 26-19-22, shall be recouped on or before the date that is 36 months after the date of the loan, as determined by the date of the loan note.</li> </ul> <p><b>Net Tangible Benefit IRRRL Transactions</b> - the lender must provide the Veteran or borrower a net tangible benefit test (NTB) as follows:</p> <ul style="list-style-type: none"> <li>• A case in which the previous VA loan had a fixed interest rate and the new refinanced loan will have a fixed interest rate; the new refinanced loan must have an interest rate that is not less than 50 basis points (.50 less in interest rate) less than the previous loan.</li> <li>• A case in which the previous VA loan had a fixed interest rate and the new refinanced loan will have an adjustable interest rate, the new refinanced loan must have an interest rate that is not less than 200 basis points (2.00 less in interest rate) less than the previous loan, and</li> <li>• For Fixed to ARM - The lower interest rate is not produced solely from discount points unless: <ul style="list-style-type: none"> <li>o Such points are paid at closing; and</li> <li>o For discount point amounts that are less than or equal to one discount point, the resulting loan balance after any fees and expenses allows the property with respect to which the loan was issued to maintain a loan-to-value ratio of 100 percent or less; and</li> <li>o For discount point amounts that are greater than one discount point, the resulting loan balance after any fees and expenses allows the property with respect to which the loan was issued to maintain a loan-to-value ratio of 90 percent or less.</li> </ul> </li> </ul> <p>Note: Refer to Circular 26-19-22 for additional requirements and guidance regarding discount points and acceptable appraisal costs and reports.</p> <p><b>Seasoning - IRRRL refinance seasoning requirement requires that the note date of the refinance loan must be on or after the later of:</b></p> <ol style="list-style-type: none"> <li>a) the date that is 210 days after the date on which the first monthly payment was due on the mortgage being refinanced, and</li> <li>b) the date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ol>
Texas Refinances	<ul style="list-style-type: none"> <li>• Texas Section 50(a)(6) Transactions not permitted.</li> <li>• Documentation must be in the file confirming the transaction is not a Texas Section 50(a)(6) transaction. Either a copy of the note or the trust deed for the loan being refinanced may be used to satisfy this requirement.</li> </ul>
Loan Amount	<p>Minimum Loan Amount: \$40,000 Maximum Loan Amount: \$5,000,000 purchase and cashout refinance &amp; \$1,200,000 IRRRL. Max includes any Financed Funding Fee. All loans exceeding conventional conforming standard limits must utilize a high balance product.</p> <p>All VA loans require a 25% guaranty/equity: VA does not impose maximum statutory loan limits however, VA does publish county loans limits (<a href="http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp">http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp</a>) to determine how much the VA will insure on a specific loan. The 25% guaranty may come from the VA or Down payment or both. If VA's Insuring participation is less than 25% of the purchase price / appraisal then the borrower must bring a down payment for the difference. When LGC will not cover 25% Guaranty, a loan amount calculation worksheet must be in the file documenting that the 25% Guaranty/Equity requirement is met.</p> <p><b>For loans closed on and after January 1, 2020, the VA guaranty will be as follows:</b></p> <ol style="list-style-type: none"> <li>a. Full entitlement. For loans above \$144,000, the maximum amount of guaranty may not exceed 25 percent of the loan amount.</li> <li>b. Partial entitlement. For loans above \$144,000, the maximum amount of guaranty may not exceed the lesser of 25 percent of the loan amount OR 25 percent of the Freddie Mac CLL.</li> <li>c. Married Veterans. When a Veteran and the Veteran's spouse, who is also a Veteran, use dual entitlement to guaranty a loan above \$144,000, the maximum amount of guaranty shall be 25 percent of the loan amount so long as one of the Veterans has full entitlement. VA will charge entitlement for married Veterans according to their preference. If both Veterans have partial entitlement, the maximum amount of guaranty may not exceed the lesser of 25 percent of the loan amount OR 25 percent of the Freddie Mac CLL.</li> <li>d. Joint Loans. When more than one Veteran (Vet-Vet) seeks to use their entitlement on a loan above \$144,000, if at least one Veteran3 has partial entitlement, the maximum amount of guaranty may not exceed the lesser of 25 percent of the loan amount OR 25 percent of the Freddie Mac CLL. VA will charge entitlement to each Veteran equally. However, unequal charge of entitlement may be made with a signed written agreement from the Veterans if provided to VA prior to the issuance of the VA guaranty. If all Veterans seeking to use their entitlement on a loan above \$144,000 have full entitlement, then the maximum amount of guaranty shall be 25 percent of the loan amount. All other existing VA policies regarding joint loans, such as Veteran/NonVeteran joint loans, remain the same. See VA Pamphlet M26-7, Lenders Handbook, Chapter 7, Section 1, Joint Loans.</li> </ol>
VA Funding Fee	<p>All VA loans require a VA funding fee. All or part of the fee may be paid in cash at loan closing or may be included in the loan. Refer to Circular 26-19-30 for 2020 Funding Fees.</p> <p>The following Veterans are exempt from paying the funding fee:</p> <ul style="list-style-type: none"> <li>• Veterans receiving VA compensation for service connected disabilities</li> <li>• Veterans who would be entitle to receive compensation for service connected disabilities if they did not receive retirement pay</li> <li>• Veterans who are rated by VA as eligible to receive compensation as a result of pre-discharge disability exam and rating</li> <li>• Veterans entitled to receive compensation, but who are not presently in receipt of the compensation because they are on active duty</li> <li>• Surviving spouses of veterans who died in service or from service-connected disabilities, whether or not such surviving spouses are veterans with their own entitlement and whether or not they are using their own entitlement on the loan.</li> <li>• Eligible Purple Heart Recipients - effective for loans closed on and after Jan 1, 2020 - see Circular 26-19-30 for details.</li> </ul>
Subordinate Financing	Subordinate financing is permitted as long as all VA requirements are met.
Adverse Credit	Follow VA Requirements for Adverse Credit, including Bankruptcy and Foreclosure.
Collateral	Required appraisals must be ordered by the Correspondent Seller via VA webLGY. All repairs affecting safety, livability, or habitability must be completed prior to delivery. Completion holdbacks must meet VA requirements.
Ineligible Properties	In addition to ineligible properties noted in the VA Lender's Handbook, the following are ineligible: Deed Restricted Properties, Properties with Individual Water Purification Systems. Note: 3-4 Unit properties in New York (NY) & New Jersey (NJ) permitted subject to CMG 100% pre-purchase QC audit.
Escrows	<p><b>Escrows:</b> Tax and insurance escrows are required on all VA loans. Effective on loans closed on or after January 1, 2016 that require flood insurance: the premiums related to the flood insurance must be escrowed - escrows for these premiums may not be waived, regardless of LTV. If flood insurance premiums are paid by a condominium association, homeowner's association or other group, no escrow is required. Note: CMG does not permit escrow for earthquake insurance.</p> <p><b>Escrow Holdbacks:</b> <a href="#">Refer to Escrow Holdback Guideline Addendum</a></p>
Multiple Mortgages to the Same Borrower	Maximum of 2 financed units for one borrower in a single condo project or PUD
Verbal Verification of Employment (VVOE)	For all transactions, including IRRRLs, a Verbal Verification of Employment (VVOE) must be completed by the Seller within ten (10) days of Seller's funding date.
4506T & Tax Transcripts	A fully completed and signed 4506T for each borrower is required. Tax return transcripts cannot be used in place of the actual tax return documentation for qualification. <a href="#">Refer to CMGs Income Validation policy for full requirements.</a>
Correspondent Seller Employee Loan	Correspondent Seller employee loans require second signature from CMG Management.
Recent Updates / 90 Day Lookback	4/29/2021 Added reference VA Circular 26-21-8 outlines Expanded Home Loan Eligibility Based on National Guard Service.

Information in this matrix is a summary only and is not a complete representation of CMG Financial (NMLS #1820) lending Policies. Information is accurate as of the date of publishing and is subject to change without notice. The overlays outlined in this matrix apply to VA loans submitted to DU/LP. In addition to applying these CMG-specific overlays, all loans submitted to DU/LP must comply with the DU/LP Findings and VA requirements. To verify our state license, please log onto the following website: [www.nmlsconsumeraces.org](http://www.nmlsconsumeraces.org)