VA Alterations and Repair Program

PRIMARY RESIDENCE FULL DOCUMENTATION

Transaction Type	Units	LTV	CLTV	Loan Amount [1,3]	Credit Score [2]
Purchase	1-4	100%	100%	VA Loan Limit	O **580**
Cash-Out	1	90%	90%		O **580**
Cash-Out [3]	1-4	100%	100%		O **600**

Footnotes:

1. VA Loan Limits = FHFA Conforming Limits
   - Minimum loan amount: O **$40,000,** Maximum loan amount: O **$1,500,000,** ° **Total loan amounts exceeding $1,000,000 require an AUS Approve/Eligible**
2. O **Manufactured homes require: minimum 640 FICO, AUS Approve/Eligible, Fixed rate only**
3. O **Cash-out > 90% LTV require: 25-year or 30-year fixed rate and conforming loan amounts only**

This matrix is only a guide and does not represent full underwriting guidelines. Additional Requirements may apply. Refer to the VA Alterations and Repair chapter of the Seller Guide for any item not addressed by this matrix. All Planet overlays are notated in **green, bold text and footnote "O".**	
Appraisals	Specifications for materials and exhibits to be used in projects must be provided to the appraiser at the time of appraisal order. Appraisers will "hold" appraisal assignments until the appropriate exhibits are received. Refer to the VA Alteration and/or Repairs Program Guidelines for additional details.
AUS Findings	DU: "Approval/Eligible" Refer/Eligible (manual underwrite required) LPA "Accept/ineligible" or "Refer/ineligible" which requires manual underwriting. Refer to the Program Guidelines for complete details.
Borrowers - Eligible	Veteran or Veteran and spouse. Loans where borrowers are same-sex married couples subject to VA Regional Loan Center review.
Cash-Out	The lesser of either the lesser of Acquisition cost or the As Completed Value is permitted when the property is owned and occupied by the veteran. The entire project cost may be financed. Additionally, closing cost, prepaid or cash-out up to 100% of the LTV is permitted.
DTI	DTI > 41% requires documented compensating factors unless exceeded solely due to tax-free income or residual income exceeds guideline by min 20%. Community property states - debt of non-purchasing spouse must be included in DTI.
Contingency Reserve	Contingency reserve of 10% of the alteration is required, not to exceed 15%.
Contingency Release	**Purchase loans**: Any unused contingency reserve funds must be applied to the principal balance, unless it was paid in cash at closing by the borrower. Those funds must be released back to borrower. **Refinance loans:** Any unused contingency reserve funds must be returned to the borrower or applied to the principal balance at the borrower's discretion.
Eligible Alterations and/or Repairs	Alterations and/or Repairs are limited to $75,000 (plus fees); Must meet VA MPR requirements and must be non-structural. Eligible alterations and repairs included: Changes to improve function/modernization (bath/kitchen remodel), repair/replace/installing roofs, sidings, gutter, down sprouts, flooring, appliances, windows and doors, elimination of health/safety hazards (lead-based paint, mold, etc.) that violate VA's MPR requirements. Structural work which required building/construction or requires engineer report or architectural specs are not eligible for this program. Refer to Planet's VA Alterations and/or Repair for a complete list.
Fees and Charges	Funding fee due and payable within 15 days of loan closing. Purchase transactions: For the purpose of reducing the funding fee, a down payment will only apply to the extent that the loan amount is based off the lessor of the NOV or the acquisition cost. Refinance transactions: For the purpose of reducing the funding fee, equity will count only to the extent that the loan amount is less than the NOV. Discount fees are excluded. Refer to the Program guidelines for complete list of funding fees.
Inspections	Inspections: Improvements must be completed according to local building codes. The options allowable to satisfy the inspection requirement for cases ordered as of the NOV or VA will accept the Certificate of Occupancy (CO) for the property as evidence of local authority inspections and satisfactory completion of construction.
Draw Disbursement	Draw Disbursements: Four (4) Draw disbursements allowed no including the Final Inspection. Loan in Progress (LIP) account funds must be accounted for and disbursed according to the progress completed. Refer to the Program Guidelines for complete Inspections and Draw disbursement requirements.
LGC	Loan is not insured until satisfactory 1004D received. Planet will contact Seller to request 1004D and process the LGC.
Minimum Loan Amount	O **$40,000**
Maximum Loan Amount	O **$1,500,000** Loan amounts that exceed the county limit established by VA will require a down payment from the borrower. Refer to the VA program guide for additional details.
Product	Fixed rate: 15,20,25, & 30 year: ARM 3/1 & 5/1: 1-Year CMT; 1/1/5 caps; 2.00 margin; Qualify at Note rate.
Temporary Buydown	Not Permitted
Transaction Type	**Purchase** – the lesser of the as-completed value, or the acquisition cost be used. Acquisition cost is the contract sales price, total cost of alterations, contingency reserve, inspection fees, title update fees and permits. **Cash-out** – the lessor of the as-completed value or the acquisition cost. To determine the acquisition costs, add the following: Existing loan payoff, total cost of alterations and repairs, contingency reserve, inspection fees, title update fees and permits. .