

VA Fixed Rate with High Balance Addendum

General Description:

A fixed rate, fully amortizing mortgage guaranteed by the Department of Veterans Affairs (VA). Follow published VA guidelines if item not addressed below.
Effective for all loans locked on or after: January 1, 2024

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APPRAISAL	<p>Appraisal Forms</p> <ul style="list-style-type: none"> • 1-unit properties require Fannie Mae Form 1004/Freddie Mac Form 70. • 2-4-unit properties require Fannie Mae Form 1025/Freddie Mac Form 72. • Condominiums require Fannie Mae Form 1073/Freddie Mac Form 465. <p>General Guidelines</p> <ul style="list-style-type: none"> • UAD (Uniform Appraisal Data) compliant appraisals are required for VA loans. Refer to Appraisal Standards & Guidelines. • Except where indicated otherwise, all appraisals for VA loans must be ordered through the VA Appraisal System and performed by VA-approved appraisers. • If the subject property is located in a FEMA Disaster Area, see “Disaster Requirements” chapter for a current listing of counties and additional requirements. • Appraisal transfers/reassignments are permitted and must be UAD compliant. <p>Alternative Valuation Methods</p> <ul style="list-style-type: none"> • Lenders must follow all requirements per VA Circular 26-22-13 <p>Repair/Completion Inspections</p> <ul style="list-style-type: none"> • Appraisers may use FHLMC Form 442 or FNMA Form 1004D, Part B, Certification of Completion, or their appraiser letterhead to certify satisfactory completion of the required repairs. • Photos of completed repairs are expected to be included with the appraiser’s inspection or certification. • All requirements as per the VA Lender’s Handbook must be met.
ASSUMABILITY	<ul style="list-style-type: none"> • Assumable with the approval of the Department of Veterans Affairs or its Authorized Agent.
BORROWERS (ELIGIBLE/INELIGIBLE)	<p>General Information</p> <ul style="list-style-type: none"> • Only eligible borrowers who sign the Note may take title to the property at closing. The only exception is the veteran’s legal spouse. • More than four (4) borrowers to a transaction not permitted. • Inter Vivos trusts: <ul style="list-style-type: none"> ◦ Per the VA Lenders Handbook and CFR 36.4354 • Refer to the Non-U.S. Citizen Borrower Guidance document for the veteran’s spouse, if applicable. <p>Ineligible borrowers include, but are not limited to:</p> <ul style="list-style-type: none"> • Co-signors or guarantors

BORROWERS (ELIGIBLE/INELIGIBLE) (CONTINUED)	<ul style="list-style-type: none"> • Non-occupant co-borrowers • Loans where a custodian, agent, conservator, or guardian is signing on behalf of the borrower, non-borrower spouse, or a vested owner • Loans with title or interest held in various forms/legal entities such as Life Estates, Non-Revocable Trusts, Guardianships, LLCs, Corporations, or Partnerships <p><u>Eligible/Ineligible Veteran/Borrower Combinations</u></p> <ul style="list-style-type: none"> • Follow current VA policy
CASH RESERVES	<p>Cash reserves are as determined by AUS or by the Underwriter on a manual underwrite, except on the following transactions:</p> <ul style="list-style-type: none"> • 6 months PITI if the property securing the loan is a 2-4-unit property and rental income from units not occupied by the Veteran is being used to qualify, regardless of AUS findings. • 3 months PITI if using rental income from a property other than the property securing the VA loan, regardless of AUS findings.
CASH TO BORROWER	<p><u>Purchase Transactions</u> Limited to “out-of-pocket” reimbursement:</p> <ul style="list-style-type: none"> • Appraisal or credit report: The veteran may receive cash-back at closing up to their out-of-pocket cost, provided the amounts paid are listed as POC-borrower on the Closing Disclosure. Further verification of payment by the veteran is not required. • Earnest money: The veteran may receive cash-back at closing up to the amount of their earnest money deposited with the settlement agent and credited on the Closing Disclosure. Further verification of payment by the veteran is not required. • Real estate tax credit: The veteran may receive cash back at closing for a legitimate pro-rated real estate tax credit when taxes are paid in arrears and the borrower is paying their tax escrow out-of-pocket. • Construction-to-Permanent transactions <ul style="list-style-type: none"> ◦ The borrower may not receive cash back from: <ul style="list-style-type: none"> ▪ Funds provided by another party, or ▪ Cash paid for the lot if the funding fee is being reduced for eligible lot equity. ◦ Refer to VA Circular 26-18-7 for additional cash to borrower requirements <p><u>Refinance Transactions</u></p> <ul style="list-style-type: none"> • Refer to Refinance Transactions
CLOSING COSTS	<p>The veteran can pay a maximum of:</p> <ul style="list-style-type: none"> • A 1% flat charge (typically called an “Origination Fee”), plus, • Reasonable discount points used to buy down the interest rate, plus, • Reasonable and customary amounts for any or all of these “Itemized Fees and Charges” • Appraisals, including second appraisals requested by the veterans for reconsideration of value • Compliance inspections on new construction • Credit Report • Home inspection if desired by veteran • Recording fees and recording taxes • MERS registration fee • Hazard insurance premium including flood insurance, if required • Flood zone determination • Survey fee • Title exam and insurance • VA funding fee • Prepaid items for taxes, assessments, and similar items for the current year chargeable to the veteran and the initial deposit for the impound account • Overnight courier fees on a refinance if interest savings will exceed the cost of special handling • Third-party charges are limited to the invoice charge, regardless of the amount charged for the loan origination fee. • Appraisal fees may not exceed VA’s published rate for the jurisdiction, per the VA Appraisal Fee Schedule • If a 1% flat charge is not paid, or is paid but is less than 1%, then the veteran may pay fees and charges that would otherwise be non-allowable, provided the total does not exceed 1%.

CLOSING COSTS (CONTINUED)	<ul style="list-style-type: none"> • VA no longer prohibits the veteran from paying the pest inspection fee on a purchase transaction, provided the fee is included in the 1% aggregate calculation. • Lender and seller credits for costs paid on behalf of the veteran must be itemized on the Closing Disclosure or broken out on an attachment or addendum to the Closing Disclosure. An unidentified, lump-sum credit is not acceptable. • Fees and charges must comply with all Federal, State and local regulations and predatory lending rules. • Citizens will not allow or accept a loan where the buyer is paying seller common and customary costs. This includes typical seller closing costs, prepaids, judgments, tax liens, delinquent taxes, short sale payoffs, etc.
CLOSING REQUIREMENTS	<ul style="list-style-type: none"> • Standard fixed rate documentation. • Interest credit allowed. Loan must close by the 10th calendar day of the month preceding the first payment date. • Power of Attorney permitted. Must meet the requirements of the VA Lenders Handbook Ch 9, Sec 7 and be accompanied by an “Alive and Well Statement” obtained at the time of closing (see par b. and c. of the referenced section). • A minimum of twelve (12) months chain of title as evidenced by the title commitment satisfactory to Citizen’s review. • Balance as reflected by the title commitment or credit report must be consistent with the payoff shown on the Closing Disclosure.
CONDOS/PUDS	<p><u>Eligible</u></p> <ul style="list-style-type: none"> • Condos must be listed on VA’s Approved Condo List. • VA will accept FHA condo approvals issues prior to December 7, 2009. • An Active VA condo number is required. No Exceptions. • Site Condominiums follow the same guidelines as regular condominiums (with the exception of Site Condominiums located in the State of Michigan - Refer to VA Circular 26-20-36 • PUD’s do not require VA approval. <p><u>Ineligible</u></p> <ul style="list-style-type: none"> • Multiple units not eligible
CONSTRUCTION-TO-PERMANENT	<ul style="list-style-type: none"> • Refer Appraisal Standards and Guidelines Chapter • Refer to Chapter 7 in the VA Lenders Handbook <ul style="list-style-type: none"> ○ The “Construction-Permanent” loan program described in Chapter 7 of the Lender’s Handbook, which pays draws to a builder during construction, is not permitted for loans that are underwritten by Citizens.
CREDIT HISTORY	<p><u>Acceptable Credit History</u></p> <ul style="list-style-type: none"> • AUS Approve/Accept: Per AUS • Manual Downgrades/Manual Underwrite: Per VA Lender Handbook • Loans must meet Citizens minimum credit score requirements. Refer to Credit Scores. • Clear CAIVRS on all borrowers must be provided. <p><u>Bankruptcies (Chapter 7 or 13)</u></p> <ul style="list-style-type: none"> • Refer to VA Lender’s Handbook, Chapter 4 <p><u>Collections and Judgments</u></p> <ul style="list-style-type: none"> • Refer to VA Lender’s Handbook, Chapter 4 <p><u>Disputed Accounts</u></p> <ul style="list-style-type: none"> • Refer to VA Lender’s Handbook, Chapter 4 <p><u>Foreclosure and Deed-in-Lieu of Foreclosure</u></p> <ul style="list-style-type: none"> • Refer to VA Lender’s Handbook, Chapter 4 <p><u>Short Payoffs</u></p> <ul style="list-style-type: none"> • Citizens will not permit a refinance transaction where the payoff statement from the existing lender reflects any curtailments of principal and/or interest (short payoffs) or any charges associated with default/forbearance. <p><u>Short Sales</u></p> <ul style="list-style-type: none"> • Refer to VA Lender’s Handbook, Chapter 4

CREDIT HISTORY (CONTINUED)	<p><u>Forbearance</u></p> <ul style="list-style-type: none"> Borrowers must provide reasons for any loan deficiency and information to establish that the cause of the delinquency has been corrected. All applicable credit qualifying information must be reviewed and evaluated. <p><u>Mortgage Payment History Requirements</u></p> <p>Purchases</p> <ul style="list-style-type: none"> Per AUS. Refer to Underwriting - Manual Downgrades. <ul style="list-style-type: none"> VA requires a written explanation for more than 1 x 30 on all mortgages in the past 12 months. <p>Refinances</p> <ul style="list-style-type: none"> Non-IRRRLs <ul style="list-style-type: none"> Refer to Underwriting - Manual Downgrades. A written explanation for more than 1 x 30 on all mortgages in the past 12 months is required Refer to VA Refinance - Seasoning Requirements for additional requirements IRRRL's <ul style="list-style-type: none"> 0 x 30 within the past 6 months Refer to Interest Rate Reduction Refinance Loan (IRRRL) - Seasoning Requirements for additional requirements. <p><u>Non-Borrowing Spouse or Domestic Partner</u></p> <ul style="list-style-type: none"> Community Property States: <ul style="list-style-type: none"> All debts/liabilities of a non-borrowing spouse or domestic partner must be counted in the borrower's qualifying ratios. VA does not require the credit history of a non-borrowing spouse or domestic partner to be considered. Community Property States include Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin Joint Income Tax Return/Business Loss: <ul style="list-style-type: none"> If a joint tax return reflects a business loss reported for a non-borrowing spouse, VA requires that the loss must be considered in qualifying regardless of the state in which the subject property is located.
CREDIT SCORES / NON-TRADITIONAL CREDIT	<p><u>Minimum Credit Score Requirements</u></p> <ul style="list-style-type: none"> 620: Up to \$1,000,000 700: Greater than \$1,000,000, except IRRRL transactions If three scores are provided (one from each repository), the middle score will be used. <ul style="list-style-type: none"> If two scores are provided, the lower of the two scores are used. If one score is provided, that score is used. For multiple borrowers, determine a decision score for each individual borrower, then use the lowest of the individual scores as the Decision Score for the loan. All borrowers must have at least one valid score. <p><u>Non-Traditional Credit</u></p> <ul style="list-style-type: none"> Non-traditional credit is not permitted.
DOCUMENTATION	<ul style="list-style-type: none"> As determined by AUS and the most current VA Lenders Handbook. IRS Form 4506-C must be signed at closing and included in the file for personal and business tax returns if business tax returns are applicable. (excluding VA IRRRL's) When signed income tax returns are required, IRS validated transcripts are acceptable in lieu of the live signature requirement. Refer to Underwriting for Income Validation/4506-C requirements.
DOWN PAYMENT	<ul style="list-style-type: none"> No down payment is required except in the following circumstances: <ul style="list-style-type: none"> If the purchase price exceeds the reasonable value of the property, the borrower must pay the difference from his/her own resources. If a veteran has less than full entitlement available, borrower's down payment plus available entitlement plus equity must equal at least 25% of the purchase price or Notification of Value (NOV), whichever is less, on purchases, new construction, and non-IRRRL refinances. The down payment may not be derived from a second mortgage on the property. Refer to the VA Lenders Handbook Ch 3 Sec 3-b.

ESCROW HOLDBACKS	<ul style="list-style-type: none"> • Refer to the Appraisal Standards & Guidelines chapter for complete guidelines. • Escrow holdbacks on EEMs are permitted (See Programs and Special Features section). • Non-bank Correspondent Lenders may manage repair escrow funds up to a total of \$1,000. <ul style="list-style-type: none"> ◦ Any amount greater than \$1,000 must be managed by an escrow agent or title company. • Correspondent Bank lenders may manage the funds regardless of the repair escrow amount.
ESCROWS	<ul style="list-style-type: none"> • Escrow waivers not permitted under any circumstances. No exceptions.
FORMS AND DISCLOSURES	<ul style="list-style-type: none"> • VA Form 26-0592 - Counseling Checklist for Military Homebuyers <ul style="list-style-type: none"> ◦ Active duty military only. • VA Benefit Questionnaire (FORM 1) and Statement of Active Duty Status (FORM 2) <ul style="list-style-type: none"> ◦ Veteran and spouse complete and sign Part 1 (always). All applicants with qualifying income complete and sign Part 2. Any form(s) containing the same information may be used.) • VA Form 26-1820 Report and Certification of Loan Disbursement • VA Form 26-0286 - VA Loan Summary Sheet (2 page form) • VA Form 26-6393 - VA Loan Analysis • Veteran's Statement/Lender's Certification - IRRRL
GEOGRAPHIC RESTRICTIONS	<ul style="list-style-type: none"> • Properties may be located in all U.S. states, including the District of Columbia. • U.S. Territories not permitted (e.g. Puerto Rico, American Samoa, Guam, etc.) • See website for state specific Geographic Restrictions: Geographic Restrictions • Hawaii: <ul style="list-style-type: none"> ◦ Properties located in lava zones 1 and 2 are not permitted. ◦ The maximum allowable LTV for cash-out refinance is 85%. ◦ IRRRL transactions on investment properties are not permitted.
GIFTS	<ul style="list-style-type: none"> • Permitted
GUARANTY	<ul style="list-style-type: none"> • The VA guaranty plus cash down payment/equity must be equal to at least 25% of the purchase price or Notification of Value (NOV), whichever less, on purchases, new construction, and non-IRRRL refinances. • File must contain evidence of loan guaranty of 25%, as applicable.
INVESTMENT PROPERTIES	<ul style="list-style-type: none"> • Eligible for IRRRL transactions only
LEGAL DOCUMENTATION	<ul style="list-style-type: none"> • VA Multi-state Fixed Rate Note or the appropriate VA Fixed Rate Note for the state in which the property is located. • Standard Security Instrument • VA Assumption Rider
LOAN TERM	<ul style="list-style-type: none"> • 15, 20, 25, and 30 years

MAXIMUM/MINIMUM LOAN AMOUNT	<ul style="list-style-type: none"> All loans must be submitted in whole dollar amounts All loans must meet 25% guaranty requirement, with exception of IRRRLs Evidence the loan has been insured by VA prior to purchase of the loan by Citizens is required. Maximum Base Loan Amount: <table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #008000; color: white;"> <th>Units</th> <th>Contiguous States</th> <th>Alaska</th> <th>Hawaii</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$766,500</td> <td>\$1,149,825</td> <td rowspan="2">Refer to the 2024 FHFA Loan Limits</td> </tr> <tr> <td>2</td> <td>\$981,500</td> <td>\$1,472,250</td> </tr> <tr> <td>3</td> <td>\$1,186,350</td> <td>\$1,779,525</td> <td rowspan="2">Not permitted</td> </tr> <tr> <td>4</td> <td>\$1,474,400</td> <td>\$2,000,000</td> </tr> </tbody> </table> 	Units	Contiguous States	Alaska	Hawaii	1	\$766,500	\$1,149,825	Refer to the 2024 FHFA Loan Limits	2	\$981,500	\$1,472,250	3	\$1,186,350	\$1,779,525	Not permitted	4	\$1,474,400	\$2,000,000								
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VA FUNDING FEE	<ul style="list-style-type: none"> The VA Funding Fee is a one-time, up-front charge applied as a percentage to the Base Loan amount. May be financed, paid in cash by the borrower or seller. <ul style="list-style-type: none"> May not be paid with proceeds derived from a second lien. <p><u>Purchase/Construction-to-Permanent Transactions</u></p> <ul style="list-style-type: none"> Down payment to reduce Funding Fee: <ul style="list-style-type: none"> The down payment is computed based on the property sales price. <ul style="list-style-type: none"> Negative Equity: When the sales price exceeds the reasonable value as determined by VA, any amount paid by the Veteran exceeding the appraised value may be treated as down payment for the purpose of calculating the funding fee. Lot ownership to reduce Funding Fee: <ul style="list-style-type: none"> Ownership of the land by the borrower prior to construction is eligible to count as down payment for purposes of reducing the funding fee The appraiser must assign a value to the unimproved land, and the value will count only to the extent that the loan amount is less than the NOV value Lots held as contract for deed are not considered as owned by the borrower <p>Note: Construction-to-permanent transactions in which one year has passed since the issuance of the CO must be treated as a VA Refinance, refer to the VA Refinance table in the applicable section below.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #008000; color: white;"> <th colspan="4">Loans Closed on or after January 1, 2020 and prior to April 7, 2023 (Applies to all Veteran Types)</th> </tr> <tr style="background-color: #e0f2f1;"> <th>Transaction</th> <th>Down Payment</th> <th>First Time Use</th> <th>Subsequent Use</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Purchase</td> <td>0% - 4.99%</td> <td>2.30%</td> <td>3.60%</td> </tr> <tr> <td>5% - 9.99%</td> <td>1.65%</td> <td>1.65%</td> </tr> <tr> <td>10% or greater</td> <td>1.40%</td> <td>1.40%</td> </tr> <tr> <td>Refinance (non-IRRRL)</td> <td>N/A</td> <td>2.30%</td> <td>3.60%</td> </tr> <tr> <td>Refinance - IRRRL</td> <td>N/A</td> <td>.50%</td> <td>.50%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The higher subsequent use fee does not apply if the veteran's only prior use of entitlement was for a manufactured home loan not titled as real estate. When the sales price exceeds the appraised value (Negative Equity): <ul style="list-style-type: none"> The down payment difference between the sales price and the appraised value must be made from the borrower's own resources. 	Loans Closed on or after January 1, 2020 and prior to April 7, 2023 (Applies to all Veteran Types)				Transaction	Down Payment	First Time Use	Subsequent Use	Purchase	0% - 4.99%	2.30%	3.60%	5% - 9.99%	1.65%	1.65%	10% or greater	1.40%	1.40%	Refinance (non-IRRRL)	N/A	2.30%	3.60%	Refinance - IRRRL	N/A	.50%	.50%
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	Transaction	Down Payment	First Time Use	Subsequent Use
	Purchase	0% - 4.99%	2.15%	3.30%
		5% - 9.99%	1.5%	1.5%
		10% or greater	1.25%	1.25%
	Refinance (non-IRRRL)	N/A	2.15%	3.30%
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NON-OCCUPANT CO-BORROWER	<ul style="list-style-type: none"> Not permitted 			
NUMBER OF PROPERTIES	<ul style="list-style-type: none"> There is no limit to the number of properties the borrower(s) may own, whether or not they are financed. 			
OCCUPANCY	<ul style="list-style-type: none"> Owner occupied primary residence only. Second homes and investment properties are permitted on IRRRL transactions only. Refer to Interest Rate Reduction Loan (IRRRL). 			
PROGRAMS AND SPECIAL FEATURES	<p><u>Energy Efficient Mortgage (EEM) Program</u></p> <ul style="list-style-type: none"> The base loan amount may be increased up to \$6000 to cover the cost of energy efficiency improvements made in conjunction with a VA purchase or refinance loan on an owner-occupied "existing" property. Refer to Maximum Loan-to-Value Refer to VA Lenders Handbook, Ch 7, Sec 3 <p><u>EEM Improvements not completed before closing</u></p> <ul style="list-style-type: none"> Permitted - See Escrow Holdback section 			
PROPERTY ELIGIBILITY	<p><u>Eligible</u></p> <ul style="list-style-type: none"> 1-4 unit attached or detached primary residence including condos and PUDs. Condos must be VA approved as per the nationwide list of VA approved condominiums. Real Estate Owned (REO) properties. These include properties owned by: <ul style="list-style-type: none"> HUD Fannie Mae Freddie Mac VA USDA Banking Institutions Modular homes Log Homes Leaseholds must meet all VA requirements <p><u>Ineligible</u></p> <ul style="list-style-type: none"> Any property that does not meet VA's Minimum Property Requirements Properties that are subject to regular flooding are not eligible whether or not the area has been designated an SFHA Any property where the seller is not the owner of record. Properties which are not primarily residential in nature and use. Properties with water purifications systems needed to make water safe. All non-owner occupied properties (except IRRRLs meeting the previous occupancy requirement) Any property type not listed as eligible, including but not necessarily limited to: <ul style="list-style-type: none"> Manufactured or mobile housing Multiple unit condominiums Condominium Hotel or "Condotels" Air Condominiums Geodesic Domes, Earth Berms Container Homes Ranches, orchards, working or hobby farms Co-ops 			

	<ul style="list-style-type: none"> • Community Land Trusts • Non-traditional or niche property types that have limited marketability, comparable property valuation capabilities, or construction • Builder Trade Equity • Hawaii Lava Zones 1 and 2 • 3-4-unit properties in Hawaii • Properties with sinkholes • VA Indian Leaseholds • Properties with new or existing PACE (Property Assessed Clean Energy) liens • Properties without any direct vehicular access (considered as unique) • Properties located in an area where a valid security interest in the property cannot be obtained, such as Indian Tribal Lands. 						
PROPERTY INSPECTIONS	<p><u>Termite Inspections</u></p> <ul style="list-style-type: none"> • Required on all VA Loan Types, except IRRRLs, if the property is located in an area that requires termite inspections or if the appraisal report indicates evidence of wood-destroying insect damage or an active insect infestation. • Some areas are exempted from termite inspections by VA Local Requirements. (Note: If the area is exempt, it will be specifically stated as such. “No local conditions” does not mean inspections are not required; it simply means there are no additional local requirements.) <p><u>Well Inspections</u></p> <ul style="list-style-type: none"> • Required for all VA Loan Types, except IRRRLs. • Properties with water purification systems are NOT eligible if the system is required to make the water safe. • Systems installed to improve the taste or softness of the water are acceptable. <p><u>Septic Inspections</u></p> <ul style="list-style-type: none"> • Required for new construction properties. • Required for existing construction cases in which there is an indication of a problem or the property is in an area known to have soil percolation problems. 						
QUALIFIED MORTGAGE (QM)	<ul style="list-style-type: none"> • All loans, regardless of loan product type sold to Citizens, must conform to Qualified Mortgage (QM) guidelines per Dodd Frank regulations. 						
RATIOS	<ul style="list-style-type: none"> • > 41% DTI must meet all VA Handbook requirements, and • Transactions with a credit score < 640 are limited to 50%, regardless of AUS 						
REFINANCE TRANSACTIONS	<p>Lenders are expected to exercise sound judgment and due diligence in the underwriting of loans to be insured by VA. In order to comply with VA’s directive, refinance transactions should “make sense” and be in the best interest of the Veteran.</p> <ul style="list-style-type: none"> • Property must be encumbered by a lien. • Refer to Property Listed for Sale • No limit on the dollar amount of cash-out. <ul style="list-style-type: none"> ◦ In the state of Texas, incidental cash back to the borrower at closing is not permitted, including incidental cash back as a result of POC fees being refunded to the borrower. <p><u>VA Refinance</u></p> <ul style="list-style-type: none"> • VA classifies non-IRRRL transactions as either Type I or Type II Refinances. The following requirements apply to both Type I or Type II transactions. • Refer to Type I or Type II below for additional requirements <table border="1" data-bbox="451 1627 1588 1980"> <tr> <td data-bbox="451 1627 695 1738"> Maximum LTV/CLTV </td> <td data-bbox="695 1627 1588 1738"> 90% <ul style="list-style-type: none"> • The LTV must be calculated by dividing the total loan amount (including funding fee) by the appraised value. </td> </tr> <tr> <td data-bbox="451 1738 695 1892"> Mortgage Payment History Requirements </td> <td data-bbox="695 1738 1588 1892"> Refer to Mortgage Payment History Requirements - Refinance <ul style="list-style-type: none"> • Loans that are being refinanced within one year of the closing date require a payment history/ledger from the servicing lender that documents all payments, unless a credit report supplement clearly identifies all payments made in that timeframe. </td> </tr> <tr> <td data-bbox="451 1892 695 1980"> Mortgage Seasoning Requirements </td> <td data-bbox="695 1892 1588 1980"> The Note date of the refinance loan must be on or after the <i>later</i> of: <ul style="list-style-type: none"> • The date on which the borrower has made at least six consecutive monthly payments on the mortgage being refinanced, and </td> </tr> </table>	Maximum LTV/CLTV	90% <ul style="list-style-type: none"> • The LTV must be calculated by dividing the total loan amount (including funding fee) by the appraised value. 	Mortgage Payment History Requirements	Refer to Mortgage Payment History Requirements - Refinance <ul style="list-style-type: none"> • Loans that are being refinanced within one year of the closing date require a payment history/ledger from the servicing lender that documents all payments, unless a credit report supplement clearly identifies all payments made in that timeframe. 	Mortgage Seasoning Requirements	The Note date of the refinance loan must be on or after the <i>later</i> of: <ul style="list-style-type: none"> • The date on which the borrower has made at least six consecutive monthly payments on the mortgage being refinanced, and
Maximum LTV/CLTV	90% <ul style="list-style-type: none"> • The LTV must be calculated by dividing the total loan amount (including funding fee) by the appraised value. 						
Mortgage Payment History Requirements	Refer to Mortgage Payment History Requirements - Refinance <ul style="list-style-type: none"> • Loans that are being refinanced within one year of the closing date require a payment history/ledger from the servicing lender that documents all payments, unless a credit report supplement clearly identifies all payments made in that timeframe. 						
Mortgage Seasoning Requirements	The Note date of the refinance loan must be on or after the <i>later</i> of: <ul style="list-style-type: none"> • The date on which the borrower has made at least six consecutive monthly payments on the mortgage being refinanced, and 						

**REFINANCE
TRANSACTIONS
(CONTINUED)**

	<ul style="list-style-type: none"> The date that is 210 days after the first payment due date of the loan being refinanced. A copy of the Note from the prior loan is required and must be included in the loan file. <p>Notes:</p> <ul style="list-style-type: none"> Deferred monthly payments during a forbearance period must not be considered when calculating the new Note date, unless 6 consecutive monthly payments were made prior to the forbearance period. If the loan was modified, the date is measured from the first payment due date of the modified loan, even if the seasoning was met prior to the modification date.
Net Tangible Benefit Disclosure	<p>The new loan must meet at least one of the following:</p> <ul style="list-style-type: none"> The new loan eliminates mortgage insurance The term of the new loan is less than the remaining term of the current loan The interest rate is being reduced The P & I payment is being lowered The new loan results in an increase in the Veteran's monthly residual income <ul style="list-style-type: none"> If the tax and/or insurance amounts have changed between the application and closing dates of the new loan, the new tax and/or insurance amount must be used when calculating the current and new residual income amounts. The new loan refinances an interim loan to construct, alter or repair the home The LTV (including funding fee) is 90% or less The new loan refinances an ARM into a Fixed Rate
Comparison Disclosure	<p>An initial and final disclosure must be provided to the Veteran within the required timeframes including all of the following information:</p> <ul style="list-style-type: none"> New loan amount versus the payoff amount for the existing loan The new loan type compared to the existing loan type (Fixed or ARM) The interest rate of the new loan versus the interest rate on the existing loan The new loan term versus the remaining term of the existing loan The total of all payments (P& I) the Veteran will make on the new versus the total of all payments (P & I and MI) that would be made on the existing loan The LTV (including funding fee) of the new loan versus the LTV of the existing loan
Equity Disclosure	<p>The Veteran must be provided with a statement that reflects:</p> <ul style="list-style-type: none"> The estimate of the equity being removed from the home as a result of the refinance, and An explanation of how the removal of the equity in the home may affect the Veteran

Type I Refinance

- A Type I refinance is a transaction in which the new loan amount (including the funding fee) does not exceed the payoff amount of the current loan.
- All VA Refinance Requirements in the above table must be met
- Interest Rate Reduction: The new interest rate must be at least .50% lower than the current interest rate
- Fee Recoupment (MUST be met if the current loan is a VA loan)
- The recoupment period of all fees, closing costs (excluding prepaids) must not exceed 36 months from the date of the loan closing.
- To calculate the recoupment period: divide all fees, closings costs (excluding prepaids) by the reduction amount of the P & I payment as a result of the refinance.

Type II Refinance

**REFINANCE
TRANSACTIONS
(CONTINUED)**

- A Type II refinance is a transaction in which the new loan amount (including the funding fee) exceeds the payoff amount of the current loan.
- All VA Refinance Requirements in the above table must be met
- Maximum cash-out:
 - In the state of Texas, incidental cash back to the borrower at closing is not permitted, including incidental cash back as a result of POC fees being refunded to the borrower.

Interest Rate Reduction Refinance Loan (IRRRL)

- Refer to [Property Listed for Sale](#)
- A tri-merged mortgage only credit report is required. Refer to Credit History for Mortgage Payment History requirements
- Current VA loan must be VA guaranteed.
- Maximum term is lesser of 30 years or not more than original term plus 10 years rounded down to 15, 20, 25 or 30 years.
- Second home or investment properties are eligible provided the veteran signs a letter verifying the property had previously been their primary residence.
- No credit qualifying, unless PITI payment increasing by more than 20%
- A Certificate of Eligibility is not required.
 - The IRRRL assignment screen from WebLGY indicating the funding fee status for the Veteran must be included in the file.
 - The spouse of a deceased Veteran who was exempt from the funding fee is not automatically exempt from the funding fee unless in receipt of dependency and indemnity compensation.
- An appraisal is not required
- Fully executed VA IRRRL Worksheet (VA 26-8923) is required
- Incidental cash-back at closing may not exceed \$500.
- For primary residences in the state of Texas, incidental cash back to the borrower at closing is not permitted, including incidental cash back as a result of POC fees being refunded to the borrower.

IRRRL Eligibility Requirements	
Veteran's Statement / Lender's Certification	<ul style="list-style-type: none"> • An initial and final Veteran/Lender Certification Statement with all applicable information completed is required for all transactions. These statements must reflect that all fees, closing costs, funding fee and prepaids are included in the recoupment calculation. • The Veteran must certify the date the initial and final Veteran's Statement/Lender's Certification - Interest Rate Reduction Refinance Loan documents were received.
Reduction in P&I Payment	Requires a 36-month recoupment period from the date of closing. Note: When refinancing an ARM, the current monthly P &I payment must be used in the comparison.
Same or Higher P&I Payment	A recoupment period does not apply when the Veteran has not incurred any fees, closing costs, or expenses (other than taxes, amounts held in escrow, and VA Funding Fee) <ul style="list-style-type: none"> • Evidence must be provided that the Veteran did not incur these costs. Note: When refinancing an ARM, the current monthly P &I payment must be used in the comparison.
Seasoning	The Note date of the refinance loan must be on or after the later of: <ul style="list-style-type: none"> • The date on which the borrower has made at least six consecutive monthly payments on the loan being refinanced, and • The date that is 210 days after the first payment due date of the loan being refinanced. • A copy of the Note from the prior loan is required and must be included in the loan file. Notes: <ul style="list-style-type: none"> • Deferred monthly payments during a forbearance period must not be considered when calculating the new Note date, unless

**REFINANCE
TRANSACTIONS
(CONTINUED)**

	<p>6 consecutive monthly payments were made prior to the forbearance period.</p> <ul style="list-style-type: none"> If the loan was modified, the date is measured from the first payment due date of the modified loan, even if the seasoning was met prior to the modification date. 		
Recoupment	<ul style="list-style-type: none"> The disclosure that is provided to the Veteran must reflect the full amount of all costs associated with the transaction. 		
Statutory Recoupment Calculation	<ul style="list-style-type: none"> A statutory calculation is required if the comparison statements provided to the Veteran reflects a recoupment period exceeding 36 months for loans with a reduction in P&I payment. <ul style="list-style-type: none"> Divide all fees, expenses and closing costs, whether included in the loan or POC, by the reduction in the monthly P & I payment. The funding fee and all prepaid expenses are excluded from the statutory fee recoupment calculation. <ul style="list-style-type: none"> Lender credits may be used to offset fees and charges. The statutory recoupment calculation may not exceed 36 months. 		
IRRRL Eligibility Requirements (continued)			
EEM (Energy Efficient Mortgage)	<p>The EEM amount may be subtracted from the total loan amount when determining monthly P & I for determining the recoupment. The EEM amount must still be included when the loan comparison statement is provided to the Veteran.</p>		
Net Tangible Benefit Interest Rate Requirements	OLD LOAN	NEW LOAN	Interest Rate Must Be:
	Fixed Rate	Fixed Rate	At least .50% lower than the current interest rate
	ARM	Fixed Rate	No interest rate reduction requirement. Loan must meet recoupment or have no closing costs, fee or expenses other than prepaids if payment is the same or increasing
<ul style="list-style-type: none"> Any loan with the PITI monthly payment increasing by 20% or more requires: <ul style="list-style-type: none"> The Underwriter to determine that the Borrower qualifies for the new monthly payment, and The Lender Certification that the Borrower qualifies for the new PITI payment be completed 			
<u>Construction-to-Permanent</u>			
<ul style="list-style-type: none"> A construction-to-permanent transaction must be treated as a refinance if: Construction is completed and at least one year has passes since the Certificate of Occupancy was issued (or other evidence by the taxing authority) All applicable requirements in the VA Refinance section must be met 			
<u>“Other” Refinance</u>			
<ul style="list-style-type: none"> “Other” refinance transactions are loans to pay off installment land contracts. A Land Contract, also known as a Contract for Deed, is a real estate contract between a seller and buyer in which the seller or third-party lender provides financing to buy the property for an agreed-upon purchase price and the buyer repays the loan in installments. To be eligible for a refinance, the Land Contract must be recorded and title commitment provided supporting borrower(s) in title and the lien that is to be paid off. A Land Contract that is to be recorded at closing must be considered as a Purchase transaction. All applicable requirements in the VA Refinance section must be met 			

	<p><u>Privately Held Mortgage</u></p> <ul style="list-style-type: none"> • If a borrower is refinancing a privately held mortgage, the following guidelines apply: • Verification of the mortgage payment history is required. <ul style="list-style-type: none"> ◦ A written verification of mortgage may need to be supported by canceled checks or bank statements documenting a satisfactory payment history. • Evidence must be included in the loan file that the lien being paid off is a current recorded lien against the subject property. <p><u>Property Listed for Sale</u></p> <ul style="list-style-type: none"> • All Refinance Transactions: • A property listed for sale must provide evidence the listing agreement was cancelled at least one (1) day prior to application. The loan file must also document a letter of intent signed by the borrower acknowledging they do not intend to relist the property for 12 months after the Note date.
<p>SECONDARY / SUBORDINATE FINANCING</p>	<p><u>General Guidelines:</u></p> <ul style="list-style-type: none"> • No new subordinate financing is permitted on any refinance transaction. • A copy of the Subordination Agreement, subordinate lien Mortgage/Deed of Trust and Note is required. <p>Note: A Renewal and Extension Exhibit/Rider is acceptable in lieu of a subordination agreement on 1-unit primary residences for Texas Rate/Term (no cash-out) refinance transactions when re-subordinating existing subordinate financing that is not a HELOC or a Texas 50(a)(6) loan. See Loan Documentation Guidelines for additional requirements.</p> <ul style="list-style-type: none"> • Secondary financing is acceptable as long as the veteran is not placed in a substantially worse position than if the entire amount borrowed had been guaranteed by VA. In addition, the following requirements must be met: <ul style="list-style-type: none"> ◦ Simultaneous - Secondary financing must be obtained simultaneously with the VA guaranteed first mortgage, both secured by the same property. ◦ Documentation - The Seller must submit documentation disclosing the source, amount, and repayment terms of the second and agreement to such terms by the veteran and any co-obligors. ◦ Lien Position - The second must be subordinated to the VA-guaranteed first loan. • Allowable Purposes - The proceeds of the second may be for items such as, but not limited to: <ul style="list-style-type: none"> ◦ Closing costs ◦ A down payment to meet secondary market requirements of the Seller. • Secondary financing includes any financing that creates a lien against the subject property, even if it is a “soft”, “silent”, or “forgivable” second. • Housing assistance programs (HAPs) are not permitted. • New Neighborhood Stabilization Program (NSP) liens are not permitted on any transaction type. • Must not contain a prepayment penalty or any unusual repayment or foreclosure terms. • May not be used to cover any portion of a down payment required by VA to cover the excess of the purchase price over the VA’s reasonable value. • The veteran must qualify for the second which is underwritten as an additional recurring monthly obligation. • The interest rate on the second may exceed the rate on the VA-guaranteed first; however, it may not exceed industry standards for second mortgages. • Grace Period - There should be a reasonable grace period before: <ul style="list-style-type: none"> ◦ A late charge comes due, or ◦ Commencement of foreclosure in the event of default. • No cash back to Veteran is permitted from the first or second obtained simultaneously <p><u>Existing Subordinate Financing</u></p> <ul style="list-style-type: none"> • The CLTV cannot exceed what is permitted for the transaction type. • An existing Neighborhood Stabilization Program (NSP) lien may be resubordinated within the allowable program parameters.

SELLER/IPC CONTRIBUTIONS	<ul style="list-style-type: none"> Maximum seller/interested party contribution is 4% of value as indicated on the Notice of Value as per the VA Lender's Handbook, Chapter 8.
TEMPORARY BUYDOWNS	<ul style="list-style-type: none"> Not permitted
UNDERWRITING	<p><u>General Underwriting Information</u></p> <ul style="list-style-type: none"> The more restrictive of Citizens or VA Lender's Handbook requirements apply. Refer to VA Lender's Handbook, Chapter 4 Lenders are responsible for complying with all applicable VA requirements as further modified by the guidelines within this product description. All VA Loans must be submitted through AUS except for IRRRL transactions or manual downgrades that comply with Manual Underwriting requirements. We will purchase loans that receive an Approve/Accept or Refer. The Refer must be approved by a VA Underwriter and comply with VA and Citizens guidelines and regulations. Income validation must be submitted with all loans (excluding IRRRLs). Limited Denial of Participation (LDP) list and the System for Award Management (SAM) Excluded Party List must be checked. Any entity noted on either of the LDP or SAM lists will cause the loan to be ineligible for purchase. Refer to the Prohibited Customers and Accounts information in the Anti-Money Laundering chapter. <p><u>Manual Downgrades</u></p> <ul style="list-style-type: none"> In the event that credit terms and/or loan information were not considered in the AUS decision, an Approve/Eligible or Accept decision must be downgraded to Refer and be manually underwritten. Circumstances requiring a downgrade, if not considered in the AUS decision, include but are not limited to: <ul style="list-style-type: none"> Delinquent federal debt, CAIVRS, and/or suspended and debarred individuals. All disputed accounts must be addressed by the borrower, however, may not require a manual downgrade. The Lender must consider any disputed account that would impact the validity of the AUS approval. The Lender must document their justification for proceeding with the AUS approval. Any mortgage payment more than 1 x 30 in the past 12 months Significant non-mortgage debt more than 1 x 30 in the past 12 months. Inaccurate or undisclosed debt. Previous mortgage foreclosure and bankruptcy (within 2 years of the new Note date). If additional derogatory credit information is received that was not included on the credit report evaluated by the AUS. Collection accounts, tax lien, charge-off, judgment not considered in the AUS approval. Failure to meet the specific conditions of an AUS approval. <p><u>Manual Underwriting</u></p> <ul style="list-style-type: none"> Permitted on all VA transactions not receiving an AUS approval. Subject to all other manual underwriting requirements. If DTI > 41% and the residual income exceeds the guideline by at least 20%. VA considers unpaid collection accounts as current derogatory items while they remain unpaid. Must be in compliance with all Citizens and VA guidelines without exception. All AUS Refer recommendations, refer to Topic 8 in Chapter 4 of the VA Lender's Handbook for complete documentation requirements. Payment Shock - Any loan that receives an AUS "Refer" recommendation or has been manually downgraded to "Refer" requires an explanation from the borrower(s) as follows: <ul style="list-style-type: none"> A letter is required if there is an increase in housing expenses of 20% or more, The borrower's explanation letter should acknowledge the amount of the increase and explain their ability to afford the increase.

**UNDERWRITING
(CONTINUED)**

Verbal VOE Requirements

- Lenders must complete a Verbal VOE within 10 days of the Note Date that includes the following information:
 - Name of lender
 - Lender's employee to list their name, title and date the verification was completed.
 - Name of borrower's employer
 - Date of call
 - Name and title of person at the employer's office providing the information
 - Source of the phone number
- In all cases, the lender is responsible for the accuracy of the VVOE. It is acceptable for Correspondent Lenders to utilize automated systems such as Talx or the Work Number. Lenders may also utilize the services of third parties, and when doing so, continue to accept full responsibility for the accuracy of the results.

Verbal VOE Requirements - Self-Employed Borrowers

- Lenders must complete a Verbal VOE within 30 calendar days of the Note Date that includes the following information:
 - Verify the existence of the borrower's business from a third party that may include a CPA, regulatory agency, or appropriate licensing bureau; or
 - Verify a phone listing and address for the borrower's business through resources such as the telephone book, directory assistance, internet, or contact the appropriate licensing bureau.

Employment and Income

- Unless otherwise noted, document employment and income in accordance with VA standard policies in VA Lender's Handbook, Chapter 4.

Mortgage Credit Certificates

- A copy of the MCC with the following information must be provided in the loan file:
 - The percentage to be used to calculate the tax credit, and
 - The amount of the certified indebtedness.
 - The certified indebtedness is comprised of the loan incurred by the Veteran to acquire a principal residence.
- Calculation Requirements:
 - MCC's with more than 20%: There is an annual limit on the tax credit equal to the lesser of \$2,000 or the borrower's maximum tax liability.
 - Calculate the tax credit by applying the specified percentage to the interest paid on the certified annual indebtedness, then
 - Apply the annual limit
 - Example: An MCC shows a 30% rate and \$100,000 certified indebtedness. The borrower will pay approximately \$8,000 in annual mortgage interest. The borrower's estimated total monthly federal income tax liability is \$750. Calculate the tax credit as follows:
 - 30% of \$8,000 = \$2,000
 - Tax credit will be \$2,000
 - Use \$167 (1/12th of \$2,000) in the monthly analysis
 - Reduce the current monthly federal tax liability by \$567: \$583 (\$750-\$167)
 - The amount of \$583 is entered on the Loan Analysis worksheet on Line 32 (Federal Income Tax)
 - Worksheet remarks must reflect an explanation for the tax credit.
 - The amount of the tax credit for underwriting purposes is limited to the amount of the Veteran's maximum tax liability. If, in the example above, the Veteran's tax liability for the year were only \$1,500, the monthly tax credit would be limited to \$125 (1/12th of \$1,500)
 - If the mortgage on which the borrower pays interest is greater than the amount of the certified indebtedness on the MCC provided, the interest used in the tax calculation must be limited to the amount of the certified indebtedness as shown the MCC.
- Additional Citizens requirements:

**UNDERWRITING
(CONTINUED)**

- Citizens will permit MCC's issued by a government entity where the subsidy is paid directly to the borrower each month, or as a tax credit on the borrower's tax return.
- MCC's that are paid directly to the servicing lender from the issuer as a supplement to the borrower's monthly payment are not permitted.
- Originating lender must be documented as an approved participant in good standing with the MCC issuing authority.
- Lenders delivering a loan with an MCC represent and warrant their responsibility for all requirements prescribed by the issuing authority.
- Neither Citizens nor the servicing lender will fulfill any special requirements of the issuer or the IRS, including servicing and/or reporting responsibilities.

Projected Income

- Projected income is defined as income from a new or current job, started within 60 days of closing where the borrower is in the same or similar position. The following are the requirements:
 - The borrower's employment may not be through a family member or an interested party to the transaction.
 - A copy of a non-revocable contract or an offer letter, AND
 - VOs to document the most recent two years of employment, AND
 - Paystub from the former employer is required.
 - If the borrower will not receive a paystub reflecting the new income prior to the first payment due date, the following additional requirement applies:
 - Document sufficient post-closing assets.
 - A Verbal Verification of Employment confirming the start date of the new employment is required.

Borrower employed in a residential real estate related profession:

- Loans on builder or developer owned properties are ineligible.

Medical Marijuana Dispensaries/Marijuana -Related Business (MRB)/Hemp-Related

- Marijuana-Related(MRB)/Hemp-Related Business/Employment
 - If a borrower identifies themselves as an owner (regardless of ownership percentage) of a marijuana/hemp-based business, the loan is ineligible even if the income derived from the business is not being to qualify,
 - If the borrower is an employee of an MRB or Hemp-Related business, income from the employment cannot be used to qualify.
- Assets: Refer to Assets - Ineligible Assets below
- Properties where Marijuana/Hemp is being cultivated or stored for sale, regardless of its permissibility under state law, (or federal for Hemp) are not eligible.

4506-C Requirements

- **4506-C:**
 - IRS Form 4506-C must be signed at closing and included in the file for personal and business tax returns if business tax returns are applicable. (excluding VA IRRRL's)

Assets

- Ineligible Assets include, but are not limited to:
 - Any funds derived from assets that do not meet agency or Citizens policies
 - Funds derived from the employment or ownership in a Marijuana-/Hemp-Related business cannot be used towards down payment, closing costs, prepaids, and/or reserves.
 - Co-owners of the subject property (regardless of borrower status) cannot provide funds for down payment, closing costs, prepaids, and/or reserves if they have an ownership in a Marijuana/Hemp-Related business.
 - Cryptocurrency (Digital/Virtual Currency; i.e., Bitcoin)

Rent Backs

- Maximum of 60 days per the security instrument.

Purchasing a Short Sale:

**UNDERWRITING
(CONTINUED)**

- A borrower purchasing a property from a seller who is selling their home for less than the amount owed to the lender is considered a short sale. Borrowers purchasing a home that is being sold under a short sale are generally eligible provided:
 - The transaction is arm's length involving a realtor and formal sales contract.
 - There is no relationship or identity of interest between buyer and seller.
 - Short sale approval letter from all existing mortgage lien holders accepting the discounted sales price on the subject property must be provided and retained in the loan file.
 - All liens are extinguished with the sales proceeds.
 - Any earnest money deposits must be verified with a bank statement or a print out from the bank at the time the earnest money check cleared the borrower's account, regardless of amount.
 - The borrower is not involved in negotiations with the lien holder(s) to facilitate the short sale.
- An in-depth review of the following must be completed for any inconsistencies detected in the transaction. Documentation of the resolution of any questionable items must be included in the loan file:
 - Purchase contract (including all addendums and short sale addendum)
 - Appraisal
 - Title
 - Closing Disclosure
- There are cases where the borrower may elect to pay additional fees or payments related to acquiring the property that is typically the responsibility of the seller. In these instances, the following requirements apply:
 - The borrower must be provided with written details of the additional fees or payments. The additional funds required to complete the transaction must be documented on the purchase contract and/or addendum.
 - The servicer or servicers agreeing to the short sale must be provided with written details of the fees or payments and has the option of renegotiating the payoff amount to release the lien(s) against the subject property.
 - All parties (buyer, seller, and servicer) must provide their written agreement of the final details of the transaction which must include the additional fees or payments.
 - The Closing Disclosure must include all fees and payments associated with the transaction.

Note: If the borrower pays short sale processing fees or short sale negotiation fees, the fee must be treated as a sales concession if any portion of the fee is reimbursed by an interested party to the transaction

HIGH BALANCE ADDENDUM

General Description:

Loans with a principal balance that exceed the general loan limits are eligible under the VA Jumbo Fixed Rate Addendum with the following restrictions.

All VA Standard Fixed Rate guidelines must be met if not addressed below.

- [Appraisal](#)
- [Assumability](#)
- [Borrowers \(Eligible/Ineligible\)](#)
- [Cash Reserves](#)
- [Cash to Borrower](#)
- [Closing Costs](#)
- [Closing Requirements](#)
- [Condos/PUDs](#)
- [Construction-to-Permanent](#)
- [Credit History](#)
- [Credit Scores/Non-Traditional Credit](#)
- [Documentation](#)
- [Down Payment](#)
- [Escrow Holdbacks](#)
- [Escrows](#)
- [Forms and Disclosures](#)
- [Geographic Restrictions](#)
- [Gifts](#)
- [Guaranty](#)
- [Investment Properties](#)
- [Legal Documentation](#)
- [Loan Term](#)
- [Maximum/Minimum Loan Amount](#)
- [Maximum Loan-to-Value](#)
- [Non-Occupant Co-Borrower](#)
- [Number of Properties](#)
- [Occupancy](#)
- [Programs and Special Features](#)
- [Property Eligibility](#)
- [Property Inspections](#)
- [Qualified Mortgage \(QM\)](#)
- [Ratios](#)
- [Refinance Transactions](#)
- [Secondary/Subordinate Financing](#)
- [Seller/IPC Contributions](#)
- [Temporary Buydowns](#)
- [Underwriting](#)
- [VA Funding Fee](#)
- [VA Standard Fixed Rate](#)

APPRAISAL	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Appraisal
ASSUMABILITY	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Assumability
BORROWERS (ELIGIBLE/INELIGIBLE)	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Borrowers (Eligible/Ineligible)
CASH RESERVES	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Cash Reserves
CASH TO BORROWER	<ul style="list-style-type: none"> • Refer to Refinance Transactions for maximum cash to borrower on a cash-out transaction • Refer to VA Standard Fixed Rate - Cash to Borrower for all other transactions
CLOSING COSTS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Closing Costs
CLOSING REQUIREMENTS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Closing Requirements
CONDOS/PUDS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Condos/PUDs
CONSTRUCTION-TO-PERMANENT	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Construction-to-Permanent
CREDIT HISTORY	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Credit History
CREDIT SCORES / NON-TRADITIONAL CREDIT	<ul style="list-style-type: none"> • 640 minimum FICO for all transaction types • Refer to Standard Fixed Credit Scores/Non-Traditional Credit • Refer to Maximum/Minimum Loan Amount for additional credit score requirements
DOCUMENTATION	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Documentation
DOWN PAYMENT	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Down Payment
ESCROW HOLDBACKS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Escrow Holdbacks
ESCROWS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Escrows
FORMS AND DISCLOSURES	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Forms and Disclosures

GEOGRAPHIC RESTRICTIONS	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - Geographic Restrictions 						
GIFTS	<ul style="list-style-type: none"> Permitted 						
GUARANTY	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - Guaranty 						
INVESTMENT PROPERTIES	<ul style="list-style-type: none"> Not permitted 						
LEGAL DOCUMENTATION	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - Legal Documentation 						
LOAN TERM	<ul style="list-style-type: none"> 30-year Fixed Rate only 						
MAXIMUM/MINIMUM LOAN AMOUNT	<p>Maximum Loan Amount (including any financed Funding Fee):</p> <ul style="list-style-type: none"> \$2,000,000 - all transaction types Loan amounts > \$1,000,000 require 700 minimum FICO, except IRRRLs <p>Minimum Base Loan Amount:</p> <ul style="list-style-type: none"> \$766,551 						
MAXIMUM LOAN-TO-VALUE	<table border="1" data-bbox="483 800 1565 1037"> <tr> <td>Purchase</td> <td>100% LTV/CLTV calculated on the base loan amount</td> </tr> <tr> <td>VA Refinance</td> <td>90% LTV/CLTV calculated on the total loan amount including the funding fee</td> </tr> <tr> <td>IRRRL</td> <td>Follows standard VA requirements</td> </tr> </table> <p>Note: Borrower's down payment and/or equity plus available entitlement must always equal or exceed 25% the purchase price or Notification of Value (NOV), whichever is less.</p>	Purchase	100% LTV/CLTV calculated on the base loan amount	VA Refinance	90% LTV/CLTV calculated on the total loan amount including the funding fee	IRRRL	Follows standard VA requirements
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VA Refinance	90% LTV/CLTV calculated on the total loan amount including the funding fee						
IRRRL	Follows standard VA requirements						
VA FUNDING FEE	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - VA Funding Fee 						
NON-OCCUPANT CO-BORROWER	<ul style="list-style-type: none"> Not permitted 						
NUMBER OF PROPERTIES	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - Number of Properties 						
OCCUPANCY	<ul style="list-style-type: none"> Owner-Occupied primary residence only 						
PROGRAMS AND SPECIAL FEATURES	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - Programs and Special Features 						
PROPERTY ELIGIBILITY	<p>Eligible:</p> <ul style="list-style-type: none"> 1-unit properties <p>Ineligible:</p> <ul style="list-style-type: none"> 2-4-unit properties <p>Refer to VA Standard Fixed Rate - Property Eligibility for complete list</p>						
PROPERTY INSPECTIONS	<ul style="list-style-type: none"> Refer to VA Standard Fixed Rate - Property Inspections 						
QUALIFIED MORTGAGE	<ul style="list-style-type: none"> All loans, regardless of loan product type sold to Citizens, must conform to Qualified Mortgage (QM) guidelines per Dodd Frank regulations. 						

RATIOS	<ul style="list-style-type: none"> • Per AUS
REFINANCE TRANSACTIONS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Refinance Transactions • Maximum cash-out: no limit (\$0.00 in Texas) • IRRRLs: Owner-occupied only
SECONDARY / SUBORDINATE FINANCING	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Secondary/Subordinate Financing
SELLER/IPC CONTRIBUTIONS	<ul style="list-style-type: none"> • Refer to VA Standard Fixed Rate - Seller/IPC Contributions
TEMPORARY BUYDOWNS	<ul style="list-style-type: none"> • Not permitted
UNDERWRITING	<ul style="list-style-type: none"> • Down payment assistance programs are not permitted • Refer to VA Standard Fixed Rate - Underwriting

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