Maximum LTV/CLTV
- Unlimited
- 150%

Value Determination
- Maximum LTV
- 600-619

IRRRLs: Fixed Rate & ARM

Credit Score / History

Refinance
- Purchase & Regular Refinance

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. https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch

Underwriting Method
- All loans must be run through an AUS, with the exception of VA IRRRL's which must be manually underwritten.

Debt to Income Ratio
- Generally 41%. Total Debt Ratio for manually underwritten loans, however not exceed 43%. Loans with a backdoor ratio greater than 41% must require a statement justifying the reason 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:
  - 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
  - 4.  Investment Properties not permitted for credit scores less than 620 regardless of loan amount.
  - 3.  Original loan amount may be used for appraised value in lieu of valuation product. When eligible without a valuation product. “Value” for LTV purposes is based on the original loan amount. If a valuation product is obtained its value is used as
  - 2.  IRRRL Loan amounts > one unit FHFA standard limit eligible with credit score less than 640 subject to the following additional requirements:
    - 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
    - b) the date on which 6 full monthly payments have been made on the mortgage being refinanced.
  - 1.  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.

Loans Amounts  ≤ $510,400

Loans Amounts > $510,400 to $1,200,000

Loans Amounts > $1,200,000 to $2,000,000 (D)

Loans Amounts > $2,000,000 to $3,000,000 (D)

Loans Amounts > $3,000,000 to $5,000,000 (D)

Purchase and Regular (Cash out) Refinance

Refinance LTV/CLTV Grid

Transaction Type
- Purchase & Regular Refi - AUS Approved
- Purchase & Regular Refi - Manual U/W
- Purchase & Regular Refi - AUS approved only

FICO
- 620 (1)
- 640
- 680
- 720
- 760

Maximum LTV
- 100%

Maximum CLTV
- 90%

Refinance (5)
- 5

LTV/CLTV Grid

- 100% Purchase
- 90% Regular (cashout)

IRRRL LTV/CLTV Grid

Owner Occupied & NOO
- 2 640
- 620 - 639 (D)
- 600-619 (F)

Mortgage History
- Unltd
- 150%
- 150%

Maximum Loan Amount
- $1,200,000 (2)

Value Determination
- Original Loan Amount (3)

IRRRLs: Fixed Rate & ARM

- All IRRRLs require a VVOE, refer to Verbal Verification of Employment section.
- IRRRL Loan amounts > 1 unit FHA standard limit eligible with credit score less than 640 subject to the following additional requirements:
  - LGC must be provided prior to purchase
  - Properties in New York are not eligible
  - All other VA IRRRL requirements must be met
  - Original loan amount may be used for appraised value in lieu of valuation product. When eligible without a valuation product the “value” for LTV purposes is based on the original loan amount. If a valuation product is obtained its value is used as a current market value. Requirements of Circular 26-19-22 must be adhered to when there are discount points. See below section on Compliance/VA IRRRLs/OM.
- Investment Properties not permitted for credit scores less than 620 regardless of loan amount.

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

Updated 4/27/2020
## Net Tangible Benefit IRRRL Transactions

The lender must provide the Veteran or borrower a net tangible benefit test (NTB) as follows:

- 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
- For Fixed to ARM - The lower interest rate is not produced solely from discount points unless:
  - Such points are paid at closing; and
  - For discount point amounts that are greater 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
  - 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.

Note: Refer to Circular 26-19-22 for additional requirements and guidance regarding discount points and acceptable appraisal costs and reports.

### VA Refinance

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.

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

## Loan Amount

### VA Funding Fee

For VA loans requiring a 25% guaranty-equity:
- VA does not impose maximum statutory loan limits however, VA does publish county loans limits (http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp) to determine how much the VA will insure on a specific loan. The 25% guaranty 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.

- VA loans must meet the following requirements:
  - The loan amount calculation worksheet must be in the file documenting that the 25% Guaranty/Equity requirement is met.
  - For loans closed on and after January 1, 2020, the VA guaranty will be as follows:
    - The maximum loan amount allowed is $5,000,000 purchase and cashout refinance & $1,200,000 IRRRL. Max includes any Financed Funding Fee. All loans exceeding conventional conforming standard limits must utilize a high balance product.

### Subordinate Financing

Subordinate financing is permitted as long as all VA requirements are met.

## Other Requirements

### CMG Financial Correspondent Lending

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.

- 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 FDRMs and VA requirements. To verify our state license, please log onto the following website: www.nmlsconsumeraccess.org

Note to Seller:

- 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.
- 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 FDRMs and VA requirements. To verify our state license, please log onto the following website: www.nmlsconsumeraccess.org

## Correspondent Seller Employee Loan

Correspondent Seller employee loans require second signature from CMG Management.