

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>• Mortgage Credit Certificates (MCCs) are not eligible.</li> </ul>																			
Eligible Borrowers	<p>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.</p> <p>The Certificate of Eligibility will indicate the amount of available entitlement.</p>																			
Eligible Terms	Fixed: 15 and 30 Year ARM: 3/1 Arm & 5/1 Arm, Margin 2%, Caps 1/1/5, Lifetime Floor is 5% below start, Index based 1 Yr T-Bill (per WSJ).																			
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, VA Approved Condominiums																			
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 \$417,000 require an AUS approval; AUS "Refers" and Manual underwriting not permitted. For "total" loan amounts less than \$417,001, AUS Refers may be manually underwritten, but must meet all SOCC overlays.																			
Debt to Income Ratio	Generally 41% Total Debt Ratio for manually underwritten loans, however not exceed 43%. Refer to Underwriting Method for additional parameters for manually underwritten loans. Higher ratios permitted if approved by AUS, however should not exceed 52% backend. 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.																			
LTV/CLTV Purchase & Regular (Cash out) Refinance	<p style="text-align: center;"><b>Purchase and Regular (Cash out) Refinance LTV/CLTV Grid</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Transaction Type</th> <th>FICO</th> <th>Maximum LTV<sup>(1)</sup></th> <th>Maximum CLTV</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Loan Amounts ≤ \$417,000</td> <td>Purchase &amp; Regular Refi - AUS Approved</td> <td>500</td> <td>100%</td> <td>No Limit <sup>(2)</sup></td> </tr> <tr> <td>Purchase &amp; Regular Refi - Manual U/W</td> <td>500</td> <td>100%</td> <td>No Limit <sup>(2)</sup></td> </tr> <tr> <td>Loan Amounts &gt; \$417,000</td> <td>Purchase &amp; Regular Refi (AUS approved only)</td> <td>500</td> <td>100%</td> <td>No Limit <sup>(2)</sup></td> </tr> </tbody> </table> <p>1. LTV may exceed maximum by the amount of the funding fee. 2. No CLTV limit, however, must have 25% guaranty/equity meeting GNMA eligibility criteria.</p>		Transaction Type	FICO	Maximum LTV <sup>(1)</sup>	Maximum CLTV	Loan Amounts ≤ \$417,000	Purchase & Regular Refi - AUS Approved	500	100%	No Limit <sup>(2)</sup>	Purchase & Regular Refi - Manual U/W	500	100%	No Limit <sup>(2)</sup>	Loan Amounts > \$417,000	Purchase & Regular Refi (AUS approved only)	500	100%	No Limit <sup>(2)</sup>
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IRRRLs: Fixed Rate & ARM	<p style="text-align: center;"><b>IRRRL LTV/CLTV Grid <sup>(1)</sup></b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>FICO</th> <th>Maximum LTV/CLTV</th> <th>Mortgage History</th> <th>Valuation Method</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Owner Occupied &amp; NOO</td> <td>500</td> <td>Unlimited</td> <td>per VA</td> <td>Original Loan Balance</td> </tr> <tr> <td>500</td> <td>150%</td> <td>per VA</td> <td>Industry Standard AVM <sup>(3)</sup></td> </tr> <tr> <td>Owner Occupied Only &amp; ≤ \$417,000 Only</td> <td>500</td> <td>150%</td> <td>per VA</td> <td>Industry Standard AVM <sup>(3)</sup></td> </tr> </tbody> </table> <p>1. All IRRRLs require a VVOE, refer to Verbal Verification of Employment section. 2. Loan amounts &gt; \$417,000 not eligible with credit score less than 640. 3. If no AVM hit, a 2055 or full appraisal must be used to determine value. 4. Investment Properties not permitted for credit scores less than 620.</p>		FICO	Maximum LTV/CLTV	Mortgage History	Valuation Method	Owner Occupied & NOO	500	Unlimited	per VA	Original Loan Balance	500	150%	per VA	Industry Standard AVM <sup>(3)</sup>	Owner Occupied Only & ≤ \$417,000 Only	500	150%	per VA	Industry Standard AVM <sup>(3)</sup>
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Credit Score / History	<ul style="list-style-type: none"> <li>Minimum score requirements are described in the FICO/LTV Matrix above. All borrowers must meet minimum credit score.</li> <li>Non-traditional credit is not permitted.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>HPML loans are not eligible for purchase.</li> <li>SOCC Wholesale will only fund VA IRRRLs that meet the Safe Harbor Qualified Mortgage requirements.</li> </ul>
Texas Refinances	<ul style="list-style-type: none"> <li>Texas Section 50(a)(6) Transactions not permitted.</li> <li>A copy of the original Note is required to verify the original loan balance and the loan is not TX A6</li> </ul>
Loan Amount	<p>Minimum Loan Amount: \$125,000  Maximum Loan Amount: \$1,000,000 (including any Financed Funding Fee). All loans exceeding conventional conforming standard limits must utilize a high balance product.</p> <p><b>All VA loans require a 25% guaranty/equity:</b>  VA does not impose maximum statutory loan limits however, VA does publish county loans limits (<a href="http://www.benefits.va.gov/homeloans/documents/docs/2013_county_loan_limits.pdf">http://www.benefits.va.gov/homeloans/documents/docs/2013_county_loan_limits.pdf</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. The Maximum amount that the VA will insure is 25% of the published county loan limit. (County Loan Limit X 25%) = VA's Insuring Participation; If this amount is greater than or equal to 25% of the purchase price / NOV value then no down payment is required. 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, Correspondent to include a loan amount calculation worksheet in the file documenting the 25% Guaranty/Equity requirement is met.</p> <p>NOTES: If the borrower un-restored entitlement (i.e. veteran used benefits already for another property) then additional down payment money may be required. Joint Loans also require special consideration and must be prior approved by the VA.</p>
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 VA underwriting guidelines for Funding Fee Table. 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> </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	<p>Required appraisals must be ordered by the Correspondent Seller via VA webLGY. For IRRRL transactions if an AVM is permitted and results in no hit, a 2055 or full appraisal must be used to determine value.</p> <p>All repairs affecting safety, livability, or habitability must be completed prior to delivery. Completion holdbacks must meet VA requirements and utilize a holdback product code.</p>
Ineligible Properties	In addition to ineligible properties noted in the VA Lender's Handbook, the following are ineligible: Manufactured Homes, Deed Restricted Properties, Properties with Individual Water Purification Systems.
Escrows	Tax and insurance escrows are required on all VA loans
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 complete and signed 4506T for each borrower is required. With the exception of non credit qualifying VA IRRRL Loans, executed tax transcripts are required for all borrowers. Refer to SOCC's Income Validation Policy for details regarding tax transcripts.

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<b>Correspondent Seller Employee Loan</b>	<p>Owner Occupied only. The following documentation is required:</p> <ul style="list-style-type: none"> <li>• 2 yrs personal 1040 tax returns</li> <li>• 2 yrs business tax returns (if applicable)</li> <li>• 2 yrs W2s &amp; Paystub (current with YTD earnings)</li> <li>• 2 months bank statements</li> <li>• AVM / QC tool including validation of value</li> </ul>
<b>Recent Updates / 90 Day Lookback</b>	<p>12/31/2015 Aligned LTV/CLTV Grid with previously announced eligibility regarding NOO IRRRLs. NOO IRRRLs are subject to a minimum credit score of 620. Additional formatting changes for the LTV/CLTV grid do not represent changes and are for clarity only. Updated Sub Financing section to align with recent update that CLTV is unlimited as long as all VA requirements are met.</p> <p><b>12/31/2015</b></p> <ul style="list-style-type: none"> <li>•The 100% CLTV cap referenced in the new VA Loan Matrix for VA purchase and regular refinance transactions is being removed (there continues to be no CLTV limit). There is no change that the GNMA eligibility criteria of 25% Guaranty/Equity must be met.</li> <li>•The statement indicating a High Balance product code is to be used for all loan amounts exceeding \$417,000 removed. Loan amounts exceeding conventional standard loan amount will continue to utilize "High Balance" product codes. Eligibility criteria based on whether or not a loan exceeds \$417,000 will remain the same regardless of whether the loan is priced as high balance.</li> </ul> <p><b>12/31/2015</b> ~ New Matrix Posted</p>