

# VA

## 1 X Close Construction Loans



<b>Credit Score:</b>	Minimum 530 FICO & Including No Score; full tri-merged credit report with scores is required.
<b>AUS Requirement</b>	Approve/Accept and Manual Underwriting permitted.
<b>Min. / Max. Loan Size:</b>	Minimum Loan Size: Follow VA Guides. Maximum Loan Size: No Imposed Maximum. Follow VA Guides for loans that exceed VA county loan limits.
<b>Loan Terms:</b>	FRM: 10 - 30 year term
<b>Maximum LTV:</b>	100% LTV plus VA funding fee.
<b>Occupancy:</b>	Owner Occupied Only.
<b>Property Eligibility:</b>	<p><b>New Construction:</b> Residential Property (may include up to 1-4 Residential Units and 1 Business Unit), Condominiums, Manufactured (Double-wide or larger), and Modular Homes.</p> <p><b>Condominium:</b> Project must be acceptable/approved by VA.</p> <p><b>Manufactured Homes:</b> Must meet all MPR-related requirements for proposed or under construction per VA Guides. Manufactured Homes can be new or used, however used Manufactured Homes to be moved to the purchaser's lot to be affixed to permanent foundation require additional inspections (see VA Guides).</p> <p><b>Note:</b> Loan may include simultaneous purchase of the land/lot or loan can be guaranteed for the construction of home on land/lot already owned by the veteran (a portion of the loan may be used to refinance a purchase money mortgage or sales contract for the purchase of the land/lot, subject to reasonable value requirements).</p>
<b>Funding Fee:</b>	See <a href="#">Funding Fee Chart</a> .
<b>Qualifying Ratios:</b>	<p><b>AUS Approved/Accept:</b> No maximum ratios, underwriter discretion based on layered risk, borrower's income sources and stability and sufficient residual based on VA requirements.</p> <p><b>AUS Refer:</b> All manually underwritten loans are capped at 41/41 ratios unless compensating factors can be sufficiently documented (Underwriter Discretion).</p>
<b>Current Employment:</b>	Follow <a href="#">VA Guides</a> for documentation and eligible income sources.
<b>Assets / Reserves:</b>	Documented assets with 2 months most recent, consecutive bank statements (No NSF's or OD's). No minimum reserve requirement. Underwriter to analyze risk and review AUS findings to determine required reserves (if any). Lack of current, verifiable housing payment or layered risk will be factored. Reserves must be borrower's own funds, gifts not acceptable as reserves. Donor ability required for all gifts (donor statements may be requested).
<b>Rent / Mortgage History:</b>	0x30 last 12 months (if applicable)
<b>Appraisal / Value:</b>	Follow VA Guides for ordering appraisal and requirements on valuation.
<b>Credit History:</b>	Borrower must have adequate trade lines to support credit score. VA underwriter to analyze borrower's credit profile per VA Guides.

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### Derogatory Credit:

Letter of Explanation required for ALL derogatory trade lines, regardless of age of derogatory and/or borrower credit score. We follow VA Guides for: Foreclosure, Bankruptcy (7 & 13), Short Sale and Loan Modifications regarding seasoning/time since event and requirements of mortgage history prior to events. Judgments and Liens must be paid prior to closing. Underwriters may require the payoff of certain collection accounts based on layered risk. (Underwriter Discretion)

### Non-Purchasing Spouse:

Credit Report Required in Community Property States.

## VA | Construction / Permanent Home Loans

### Construction Draw Funds:

File must be submitted to underwriting first, then Builder Liaison will forward construction documents to Construction Admin.

### Interest Rate:

The permanent mortgage loan interest rate is established at closing. Two long term lock programs are available, either a "Cap and Floatdown" or Straight Extended Lock.

### What Fees the Builder Must Pay:

On a VA construction/permanent home loan, the builder is responsible for:

- Interest payments during the construction period
- All Fees normally paid by a builder who obtains an interim construction loan including, but not limited to:
  - inspection fees and re-inspection fees
  - title update fees
  - Construction loan fees

### What Fees the Veteran Can Pay:

The veteran may not pay any fees that are the builder's responsibility. Lender 1% flat charge, itemized fees and charges per VA Guide and discount points are allowed.

Fees the veteran can pay are described in [Chapter 8](#) of the VA guidelines.