



Department of Veterans Affairs (VA) Mortgage

Reaching more veterans in high cost housing markets

Freddie Mac purchases mortgages guaranteed by the Department of Veterans Affairs (VA). VA mortgages provide all the existing benefits under the current VA program and allow an original principal balance (OPB) to \$417,000 for the U.S. mainland, and \$625,500 in Alaska, Guam, Hawaii, and the U.S. Virgin Islands.

> Borrower Profile

- VA-eligible borrowers

> Key Features

- VA underwriting guidelines apply
- Loan Prospector® or manually underwritten mortgages
- Mortgage insurance not required

> Borrower Benefits

- Provides VA-eligible borrowers the opportunity to use VA benefits with loans with a higher OPB; this is important in areas with high home prices such as California, New York and New Jersey
- Reduces monthly payments by allowing maximum financing without mortgage insurance

ORIGINATION & UNDERWRITING REQUIREMENTS	
Eligible Property Types	<ul style="list-style-type: none"> • 1- to 4-unit owner-occupied primary residences including single-family dwellings, condominiums and Planned Unit Developments (PUDs) • Manufactured homes according to the Freddie Mac's <i>Single-Family Seller/Service Guide</i> (Guide) • Refer to VA underwriting guidelines and the Guide for a complete list of eligible property types.
Eligible Mortgages	<ul style="list-style-type: none"> • 15-, 20- and 30-year fixed rate mortgages • Purchase and refinance transactions • No maximum LTV. Generally, the LTV is 100%. If the veteran finances the funding fee, discount points or elects to finance energy efficient improvements, the LTV will be greater than 100%.
Secondary Financing	<ul style="list-style-type: none"> • Freddie Mac purchases first lien, VA guaranteed mortgages. Secondary financing is not guaranteed by the VA.
Borrower Eligibility Requirements	<ul style="list-style-type: none"> • Review VA underwriting guidelines and Guide Chapter 35 for all borrower eligibility requirements. <ul style="list-style-type: none"> ▪ Debt-to-income ratio up to 41% ▪ Certificate of Eligibility and Proof of Service is required.
Mortgage Insurance Requirements	<ul style="list-style-type: none"> • Mortgage Insurance is not required.
Down Payment, Closing Costs, Financing Costs & Prepays/Escrows	<ul style="list-style-type: none"> • VA Funding Fee is charged to defray the costs of administering the VA home loan program. The fee can be financed and varies based on veteran eligibility and subsequent use of benefits. <ul style="list-style-type: none"> ▪ VA Funding Fee: 3% maximum • The VA program outlines what is considered to be reasonable and customary amounts for all of the "Itemized Fees and Charges." The veteran is responsible for payment of the specified fees and charges plus a 1% flat charge by the lender, plus reasonable discount points. Refer to VA underwriting guidelines for more details.
Loan Prospector Assessment	<ul style="list-style-type: none"> • VA mortgages may be assessed through Loan Prospector.
Collateral Evaluation	<ul style="list-style-type: none"> • Collateral is evaluated by VA fee appraisers. To review specific appraisal criteria, refer to the VA underwriting manual.
DELIVERY REQUIREMENTS	
Eligible Executions	<p>Sell through Freddie Mac's selling system using:</p> <ul style="list-style-type: none"> • Fixed-rate Cash • Fixed-rate Guarantor • MultiLender Swap
Delivery Requirements	<p>Full recourse is required for all VA mortgages sold to Freddie Mac. A Seller must obtain Freddie Mac's approval before selling VA mortgages to Freddie Mac.</p> <ul style="list-style-type: none"> • Feature Code: V • Cash Offer Product Numbers: <ul style="list-style-type: none"> ▪ 30-year: 594 ▪ 20-year: 595 ▪ 15-year: 596 • Guarantor Offer Product Numbers: <ul style="list-style-type: none"> ▪ 30-year: 421 ▪ 15-year: 423 • MultiLender Offer Product Numbers: <ul style="list-style-type: none"> ▪ 30-year: 833 ▪ 15-year: 834 • Mini-Pool Offer Product Numbers: <ul style="list-style-type: none"> ▪ 30-year: 461 ▪ 15-year: 463
Delivery Fees	<ul style="list-style-type: none"> • See Guide Exhibit 19 for applicable fees. Review Exhibit 19 online at www.FreddieMac.com/singlefamily/pdf/ex19.pdf.

Learn more about VA Mortgages:

- Review Chapter 35 of the *Single Family Seller/Service Guide*
- Call (800) FREDDIE
- Visit www.FreddieMac.com
- Visit www.homeloans.va.gov