

# Wholesale

First Guaranty Mortgage Corporation® Wholesale Division  
5800 Tennyson Parkway, Suite 450 • Plano, Texas 75024 • www.fgmc.com/wholesale



## VA

Refinance – IRRRL  
Refinance  
Purchase

		Refinance – IRRRL	Refinance	Purchase
<b>Credit:</b>	Minimum 530 FICO	✓	✓	
	Loan amount >\$1,000,000: Minimum 720 FICO required for applications dated on or after 1-1-20	✓	✓	
	Full tri-merged credit report	✓	✓	
	Mortgage only tri-merged credit report w/scores. Minimum 660 FICO			✓
<b>AUS Requirement:</b>	DU Approve/Eligible, DU Refer/Eligible, LP Accept, and LP Refer A DU Approve/Ineligible may be acceptable—the underwriter must analyze the file and determine whether or not the ineligibility is within the allowable parameters	✓	✓	
	Manual Underwriting only			✓
<b>Loan Amount:</b>	The minimum loan amount is \$50,000	✓	✓	✓
<b>Loan Terms:</b>	Fixed Rate Mortgage: 10 – 30 year terms	✓	✓	✓
	ARM: 5/1	✓	✓	✓
	ARM: 3/1			✓
<b>Max LTV:</b>	100% plus VA funding fee and the cost of any energy efficient improvements	✓		
	90% including the VA funding fee and the cost of any energy efficient improvements		✓	
	Reference the VA Handbook and VA Circulars for LTV restrictions			✓
<b>Max CLTV:</b>	Community Seconds and Non-Profit Grants permitted	✓	✓	
	Follow VA Lenders Handbook; additional liens must subordinate to new first mortgage	✓	✓	✓
<b>Occupancy:</b>	Owner Occupied	✓	✓	✓
	Non-owner occupied properties: Borrower must provide a letter of explanation stating that they previously occupied the subject as their primary residence			✓
<b>Property Eligibility:</b>	SFD, 2-4 Units, VA Approved Condo & Manufactured (double-wide or larger) Manufactured Homes: Must be titled as real property	✓	✓	✓
	Modular (Off-Frame Modular only; On-Frame Modular homes are not permitted)	✓	✓	✓
<b>Cash to Borrower:</b>	Allowed		✓	
	Maximum \$500 for incidentals			✓
<b>Mortgage Credit Certificate (MCC):</b>	Ineligible	✓	✓	✓
<b>New York CEMA:</b>	Ineligible	✓	✓	✓
<b>Appraisal/Value:</b>	Follow VA Lenders Handbook. Order from FGMC approved AMC's.	✓	✓	
	No valuation required			✓
<b>Rent/Mortgage History:</b>	Follow the VA Lenders Handbook for housing history requirements (for a manual underwrite, a private VOR is not acceptable)	✓	✓	
	Must be current at time of closing			✓
<b>Repair Escrow:</b>	Weather related repairs or MPR repairs are permitted (escrow 1.5x) as per VA Lenders Handbook.	✓	✓	
	Energy Efficient Improvements allowed per VA Lenders Handbook	✓	✓	✓
	Repairs must be completed within 120 days of the note date			

Unless specified otherwise, refer to the applicable agency guidelines.

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		✓	✓		
<b>Qualifying Ratios:</b>	AUS Approve/Accept loans: AUS maximum	✓	✓		
	AUS Refer: All manually underwritten loans are capped at 41/41 ratios, unless compensating factors can be sufficiently documented	✓	✓		
<b>Qualifying Ratios:</b>	AUS Approve/Accept loans: AUS maximum	✓	✓		
<b>Non-Borrowing Spouse:</b>	Credit Report required in Community Property States. Monthly obligations must be included in DTI. Credit history not considered	✓	✓		
<b>Assets/Reserves:</b>	Reserves required per VA Lenders Handbook	✓	✓		
	Not required to verify assets			✓	
	Reserves: Gift funds, equity in the property and cash back cannot be used toward reserves	✓	✓		
<b>Credit History:</b>	Letter of explanation required addressing all credit related events within the past 2 years on manually approved loans	✓	✓		
	Active Chapter 13 bankruptcies require trustee approval, Chapter 7 bankruptcies may require copy of discharge to evidence completion	✓	✓		
	Credit history not evaluated			✓	
<b>Refinance Requirements:</b>	GNMA Pooling Restrictions must be met for all VA refinance loans		✓	✓	
	Cash-out Refinance: Debt payoff without limits to max 90% LTV (including VAFF) with acceptable benefit to borrower		✓		
	The property must be secured by a lien which is being paid off		✓	✓	
	Net Tangible Benefit must be met, per VA Lenders Handbook and VA Circulars		✓	✓	
	All IRRRLs require a 36 month recoupment regardless of a term reduction or refinance from ARM to fixed rate. IRRRLs must result in lower, regular monthly payments that allow the borrower to recoup closing costs and/or fees within 36 months of the loan closing.				✓
	Income Qualifying: Required if PITI payment is increasing $\geq$ 20%. Refer to VA Lenders Handbook				✓
<b>Certificate of Eligibility</b>	A COE is required for all VA transactions	✓	✓	✓	
	When the COE does not indicate a funding fee exemption, the lender must certify that the Veteran verbally confirmed if he or she has a claim for compensation (or pre-discharge claim for an Active Duty Servicemember) pending with the VA. A LOE from the Veteran or Processor's Cert must be included in the loan package.	✓	✓	✓	
<b>VA Entitlement:</b>	The VA guaranty, or a combination of VA guaranty plus down payment and/or equity, must cover at least 25% of the loan	✓	✓	✓	
<b>Not Eligible:</b>	Reference the <a href="#">FGMC Overlay Matrix</a> for all ineligible programs, properties, states, etc.	✓	✓	✓	

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