Loan Term	30 year fixed rate only.
Maximum Lender Compensation	2.50% including SRP plus common and customary ancillary fees.
Loan-to-Value (LTV)	Maximum 96.5% LTV (+ financed UFMIP - follow FHA LTV requirements) based on the lower of the sales price / appraised value. No minimum LTV, except: • If originated with the DPA Grant or Plus Second Mortgage the Minimum LTV is 90%. Follow FHA requirements for maximum CLTV. Exhibit LL required if there is subordinate financing (except Plus Second Mortgage and FHLB).
Mortgage Insurance	UFMIP / Annual MIP per FHA requirements.
MCC Eligible	Yes in accordance with MCC guidelines.
SPARC Eligible	Yes in accordance with SPARC guidelines.
Plus Second Mortgage Eligible	Yes in accordance with Plus Second Mortgage guidelines.
DPA Grant Eligible	Yes in accordance with DPA Grant guidelines.
CCA Grant Eligible	No.
First-Time Homebuyer	Required unless purchasing in a Targeted Area (applies to all borrowers and non-borrowers taking title). A borrower and non-borrower on title are considered a first-time homebuyer if they have not owned and occupied a primary residence in the last 3 years. Acceptable documentation to evidence first-time homebuyer: • The fully executed Programs Disclosure and Borrower Affidavit (Exhibit E) signed by all borrowers and non-borrowers taking title; • A completed Uniform Residential Loan Application (Form 1003); and • The credit report. Note: If unable to confirm from the Exhibit E, Form 1003, or the credit report the borrowers and/or non-borrowers taking title are a first-time homebuyer, additional documentation may be required, such as: • Three years' federal tax returns / tax transcripts • Rent verification(s) • Other reports such as a Lender Data Integrity Report (Examples: Drive Report, FraudGuard, Loansafe)

<table>
<tr><td>Income Limits</td><td>
<table>
<tr><th>Income Limit Type:</th><th>FHA only,
or with MCC
and/or Plus Second Mortgage</th><th>With DPA Grant</th></tr>
<tr><td></td><td>Standard Limits</td><td>Lower Limits</td></tr>
<tr><td>Who to include:</td><td>Borrowers and non-borrowing occupants on title</td><td>All household members</td></tr>
<tr><td>What Income to include:</td><td>Income of all borrowers and non-borrowing occupants on title*</td><td>Income of all household members*</td></tr>
</table>
Click here to see Virginia Housing’s Income Limits.

*See Origination Guide for more information on how to calculate household income, what income types must be included, and what may be excluded.

*See below for details on where income must be stated on the Programs Disclosure and Borrower Affidavit.
</td></tr>
<tr><td>Sales Price / Acquisition Cost Limits</td><td>Refer to Virginia Housing Sales Price / Loan Limits. The limit is the highest of the gross loan amount, sales price, and acquisition cost. See Origination Guide for more information on how to determine acquisition cost.
• Virginia Housing Sales Price / Loan Limits apply even when the FHA maximum loan amount limits are higher.
• The gross loan amount of the first mortgage (including financed up front mortgage insurance premium, when applicable) and Plus Second Mortgage combined cannot exceed the Virginia Housing Sales Price / Loan Limits if originated with the Plus Second Mortgage.</td></tr>
<tr><td>Maximum Loan Amount</td><td>Follow FHA Maximum Loan Amount requirements except:
Virginia Housing Sales Price / Loan Limits apply even when the FHA maximum loan amount limits are higher.</td></tr>
<tr><td>Eligible Purpose</td><td>Primary Residence Purchase (no refinances).</td></tr>
<tr><td>Residency</td><td>U.S. Citizen, Permanent Resident Alien, or Non-Permanent Resident Alien that meets FHA requirements.</td></tr>
<tr><td>Programs Disclosure and Borrower Affidavit (Exhibit E)</td><td>Required.
• Must be executed by all borrowers and non-borrowers taking title.
• Income from all borrowers and non-borrowers taking title must be included on page 4 of the Exhibit E.
• If originated with DPA Grant then income from all household members must be included on page 4.</td></tr>
<tr><td>Seller Affidavit and Acknowledgment (Exhibit F)</td><td>Required.</td></tr>
<tr><td>Originating Lender’s Submission Cover Letter (Exhibit O)</td><td>Required.</td></tr>
<tr><td>Recapture</td><td>Loan is subject to recapture only if originated with an MCC.</td></tr>
</table>

Homebuyer Education	Required for all first-time homebuyers. Complete Virginia Housing course, HUD Approved Counseling Agency course, Fannie Mae Framework, or Freddie Mac CreditSmart course prior to approval. Homebuyer Education Certificate is valid for 2 years.
Business Use of Home	No more than 15% of the financed dwelling may be used primarily in a trade or business. The borrowers and non-borrowers taking title must fully execute the Business Use of Home Certification if the borrower has disclosed that a part of the current residence is being used primarily for a trade or business or if there is any other evidence in the file, such as: • The employment business address is the same as the borrower's current residence address on the 1003, or • Federal tax returns are provided and show the "business in home" deduction was taken (Typically this shows on Schedule C, line 30). The Business Use of Home Certification certifies that not more than 15% of the total living area of the subject property will be used primarily in a trade or business. If greater than 15% will be used in the subject dwelling then the borrower is not eligible.
Maximum Net Worth	Cannot exceed 50% of sales price (See Origination Guide for more information).
Automated Underwriting System (AUS) / Manual Underwrites	• Desktop Underwriter Approve Eligible or Loan Product Advisor Accept Eligible. • DU or LPA decisions of Ineligible and Expanded Approval are not acceptable. • DU or LPA decision of Refer may be manually underwritten as long as the loan meets the more restrictive of Virginia Housing requirements and FHA manual underwrite requirements. • Manual Underwrite is acceptable, including borrowers with no credit score. • Must meet FHA Non-Traditional credit requirements and all other FHA manual underwrite requirements. • For manually underwritten loans, lender assumes full responsibility for compliance with FHA requirements.
Minimum Credit Score	620 (no exceptions) for all borrowers. If a borrower does not have sufficient credit to obtain a credit score then the loan must be manually underwritten as indicated above. If originated with the Plus Second Mortgage: • 620-679 required for 3.5% LTV on second, • 680 required for greater than 3.5% up to 5% LTV on second for all borrowers. • If at least one borrower does not have a credit score then the maximum LTV for the Plus Second Mortgage is 3.5%.
Maximum DTI	45% with AUS Approval. Manually underwritten loans must meet more restrictive ratio requirements of Virginia housing and FHA.
Non-Occupant Co-Borrowers	Not allowed.
Ineligible Qualifying Income	• Boarder Income • Accessory Unit Income

Foreclosures / Deed in Lieu / Short Sales	Follow FHA waiting period requirements and: • No less than 3 years from date of title transfer to application date (unless originated with DPA Grant or Plus Second Mortgage, see below). • No less than 5 years from date of title transfer to application date if originated with DPA Grant or Plus Second Mortgage. • No significant derogatory credit since the event (bankruptcy/judgments). • No lates/collections last 3 years.
Collections / Judgments	Follow FHA requirements.
Minimum Borrower Contribution	Follow FHA requirements.
Reserves / Acceptable Funds to Close	Follow FHA requirements for reserves and funds to close (including a gift). Exhibit LL required if there is subordinate financing (except Plus Second Mortgage and FHLB).
Interested Party Contributions	Follow FHA requirements.
Property	Single family (1 unit) detached, attached, FHA approved condominium (lender to certify condo approval and provide documentation). Property must be located in Virginia. Manufactured Homes must meet FHA and see Origination Guide for additional requirements. **Acreage:** • The maximum lot size is 2 acres. • Exceptions are considered > 2 up to 5 acres. The Lender's underwriter may review and render a decision on the acreage exception. See the Origination Guide for additional requirements and criteria. • If originated without an MCC: Exceptions are considered > 5 up to 10 acres as long as the loan is not originated with an MCC. The Lender's underwriter may review and render a decision on the acreage exception. See the Origination Guide for additional requirements and criteria.
UCDP / Collateral Underwriter	Not required; however lenders are required to meet all FHA appraisal requirements, including submission to FHA's EAD portal.
Unfinished Area	The cost to complete unfinished areas that are suitable to finish in the property must be included in the acquisition cost on the Exhibit E and Exhibit F (Examples: Unfinished basement, lower level of a tri-level, etc.). See the Origination Guide for more information.
Post-Closing Repairs	Escrows for post-closing repairs considered case by case as an exception and must be submitted to Virginia Housing for consideration. No structural or major mechanical repairs allowed.
General Guidelines	Unless otherwise noted follow FHA requirements (with program overlays).

Lock-In	Loans locked on Virginia Housing's LOS – Mortgage Cadence – Select **FHA30F.** Follow steps outlined in the Mortgage Cadence User Guide available on Virginia Housing's website for registering and locking loans.
LLPAs	No additional Loan Level Pricing Adjustments.
Origination	Loan originated in accordance with program guidelines and FHA guidelines.
Lender Delegated Underwriting Availability	Delegated underwriting is available to all approved Virginia Housing delegated lenders. Lender's underwriter assumes full responsibility for compliance with FHA underwriting requirements. Lenders can contact their Business Development Officer for questions / concerns about delegation.
Underwriting	Loans underwritten in accordance with program guidelines and FHA guidelines. Lender's underwriter assumes full responsibility for compliance with FHA underwriting requirements. Non-Delegated lenders must submit to Virginia Housing prior to closing – must use the Underwriting Submission Checklist. Follow steps outlined in the Mortgage Cadence User Guide for submitting a Non-Delegated loan to Virginia Housing Underwriting or submitting for Delegated Approval.
Closing	Loans closed in accordance with standard FHA guidelines. Loan must be closed in the name of the lender, registered in MERS with MERS compliant documents.
UCD	Not required.
Documents	Final AUS, 1003, and Transmittal (92900-LT) must match (standard FHA tolerances allowed).
Funding	Originating lender will fund the first mortgage at closing.
Tax Service Fee	Virginia Housing's tax service fee will be deducted from the Lender's net proceeds. This fee may not be charged to the borrower (FHA requirement).
Delivery	Loans submitted to Virginia Housing within 10 calendar days of closing. Follow steps outlined in the Mortgage Cadence User Guide for submitting a closed loan package. Documents must be uploaded using the Loan Stacking Form.
Pre-Purchase Review	Loans reviewed by Virginia Housing prior to purchase. If errors noted, Virginia Housing will contact lender – this may require rerun of AUS.
Post-Closing	Standard post-closing documents must be submitted to Virginia Housing.
Important: Refer to the Origination Guide for more information about Virginia Housing eligibility requirements.	

The information contained herein (including but not limited to any description of Virginia Housing and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.