

VA RENOVATION PROGRAM SPECIFICS				
Occupancy	Max LTV/CLTV	Min FICO	UW Method	DTI & Total Scorecards Classifications
1-2 Unit	90%	580	Desktop Underwriter (DU) Loan Product Advisor (LPA)	Approve/Eligible or Accept/Accept – Follow AUS Approve/Eligible or Accept/Ineligible – Follow AUS Refer/Cautious/Manual – 45% Max DTI
1-2 Unit	100%	600		
3-4 Unit	100%	680		
	Loan Amounts > \$1 million	700		
Total renovation cost may not exceed \$100,000				
Renovation cost above \$50,000 requires a HUD Consultant and must provide:				
<ul style="list-style-type: none"> Completed W9 Consultant Work Write Up/Scope of Work "SOR" HUD Consultant Identity -of-Interest Certification 				

Underwriting Guideline Requirements	
COLLATERAL	
Eligible Properties	<p>1-4 Unit Properties</p> <p>Manufactured Housing:</p> <ul style="list-style-type: none"> Singlewide Doublewide Triplewide The rehabilitation must not affect the structural components of the structure that were designed and constructed in conformance with the FMHCSS and must comply with all other requirements for Manufactured Housing. <p>Condos (VA Approved) https://lgy.va.gov/lgyhub/condo-report</p>



COLLATERAL, continued	
Ineligible Properties	<p>Demolished Homes Razed Homes Mixed-Use Properties Co-Ops Investment Properties Mobile Homes</p> <p>Important: Homes that have never been completed cannot be accepted into the VA Renovation program; construction must be complete. <i>Evidence of completion would be a Certificate of Occupancy or other similar documentation from the local jurisdiction.</i></p>
TPYES OF IMPROVEMENTS	
Eligible Improvements	<ul style="list-style-type: none"> • Eliminating health and safety hazards • Connecting to public water and sewerage systems • Repairing/replacing plumbing, heating, AC and electrical systems • Making changes for improved functions and modernization • Eliminating obsolescence • Mold remediation • Repairing or installing new roofing, provided the structural integrity of the dwelling will not be impacted by the work being performed • Siding, gutters, and downspouts • Making energy conservation improvements • Creating accessibility for persons with disabilities • Installing or repairing fences, walkways, and driveways • Installing a new refrigerator, cooktop, oven, dishwasher, built-in microwave oven and washer/dryer • Repairing or removing an in-ground swimming pool • Installing smoke detectors • Installing, replacing, or repairing exteriors decks, patios, and porches • Lead-based paint abatement



TPYES OF IMPROVEMENTS (continued)

Ineligible Improvements

- Structural Modifications
- Oil Tanks (repair, removal, remediation)
- Landscaping and site improvements
- Recreational or luxury improvements (see examples)
- Purchasing an existing Structure on another site and moving it onto a new foundation
- Any repair that will take more than 6 months to complete
- The repair prevents the Borrower from occupying the Property for more than 15 days during the renovation period
- Any repair that is done as Self Help

Examples:

Recreational or luxury improvements, such as:

- New swimming pools
- Bath houses
- Tennis courts
- An exterior hot tub, spa, whirlpool bath or sauna
- Barbecue pits, outdoor fireplaces or hearths
- Tree surgery (except when eliminating an endangerment to existing improvements)
- Satellite dishes
- Photo murals
- Gazebos
- If the scope of work requires more than three draws per specialized contractor
- The proposed repairs/improvements require detailed plans, engineering, or architectural exhibits



GENERAL	
Appraisal	<p>The Appraisal is ordered directly through the VA portal. The GC bid must be forwarded to the VA appraiser upon the order, for both refinance and purchase transactions. The Appraisal cannot be ordered prior to the Builder/Contractor VA ID number being obtained.</p> <p>Requirements:</p> <ul style="list-style-type: none"> The appraiser must provide an “After Improved Value” and make the appraisal subject to the following repairs or alterations based on a hypothetical condition that the repairs or alterations have been completed. The appraiser must review the Contractor’s proposal and cost estimates. The appraiser must notify the Mortgagee of any health and safety issues in the Property that are not addressed on the proposal. The appraiser must include the proposal as an exhibit to the appraisal report Any additional repairs noted by the appraiser must be addressed and completed either prior to close and verified with a certificate of completion or must be included in the VA renovation repairs. Any modifications and/or changes to the contractor bid must be reviewed and included in the appraisal report. The appraiser must review the bid that is provided in the appraisal report and certify if the property will meet VA guidelines based off the repairs on the bid or state what additional repairs are needed. EPM requires a 2nd level review on any property with a current condition of a C5, prior to any renovation work. Final inspection must be completed by a VA appraiser once property is 100% complete.

