

## VA FIXED RATE & VA HIGH BALANCE — PRODUCT DESCRIPTION

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| <p><b>PRODUCT DESCRIPTION</b></p>             | <ul style="list-style-type: none"> <li>• First lien, fully amortizing VA Fixed Rate.</li> <li>• Borrowers, properties and loans must meet eligibility standards as established by the Veteran’s Administration.</li> <li>• <b>VA Fixed Rate</b> <ul style="list-style-type: none"> <li>• 15, 20, 25 or 30 year term</li> <li>• 20,25 or 30 year term - Released</li> </ul> </li> <li>• <b>VA High Balance Fixed Rate</b> <ul style="list-style-type: none"> <li>• 30 year term</li> <li>• 30 year term Released</li> </ul> </li> </ul>   |
| <p><b>PRODUCT CODES</b></p>                   | <ul style="list-style-type: none"> <li>• <b>VA Fixed Rate</b> <ul style="list-style-type: none"> <li>• V15, V15IRRL, V15-LS, <b>V15IRRL-Released</b></li> <li>• V20, V20 IRRL, V20-Released, V20IRRL-Released</li> <li>• V25, V25IRRL, V25-Released, V25IRRL-Released</li> <li>• V30, V30IRRL, V30-LS, V30-Released, V30IRRL-Released</li> <li>• V30-HLTV-Refi-Released</li> </ul> </li> <li>• <b>VA High Balance Fixed Rate</b> <ul style="list-style-type: none"> <li>• V30HB, V30HB-Released, V30IRRL-HB, V30IRRL-HB-Released</li> </ul> </li> </ul>  |
| <p><b>ELIGIBLE STATES</b></p>                 | <ul style="list-style-type: none"> <li>• Please refer to <a href="#">Chapter 2</a> or the <a href="#">Overlay Matrix</a></li> </ul>  |
| <p><b>GEOGRAPHIC RESTRICTIONS</b></p>         | <ul style="list-style-type: none"> <li>• Texas:<br/>See also Texas A6 Home Equity Product Description</li> </ul>   |
| <p><b>MAXIMUM LOAN AMOUNT</b></p>             | <ul style="list-style-type: none"> <li>• Follow VA Guidelines for the applicable county/MSA, VA program section, and loan purpose except that regardless of LTV, the veteran must have sufficient entitlement for a minimum 25% guaranty. See also hyperlink at end of this Product Description.</li> <li>• VA High Balance maximum loan amount \$1,000,000</li> </ul>   |
| <p><b>AGE OF LOAN / PRIOR REJECTS</b></p>     | <ul style="list-style-type: none"> <li>• Loans must have been closed no more than 60 days prior to delivery.</li> <li>• Loans previously rejected by or repurchased from Gateway, VA or GNMA are ineligible.</li> <li>• Loans previously rejected by or repurchased from a private investor, unless such prior rejection/repurchase is fully and specifically disclosed to Gateway in the loan file and Gateway determines the loan is eligible for purchase regardless of the prior investor’s determination.</li> </ul>  |
| <p><b>ASSUMPTIONS</b></p>                     | <ul style="list-style-type: none"> <li>• Not allowed</li> </ul>  |
| <p><b>BUYDOWNS</b></p>                        | <ul style="list-style-type: none"> <li>• See Temporary Buydown Product Description for eligible Product Codes</li> </ul>   |
| <p><b>CONVERSION OF PRIMARY RESIDENCE</b></p> | <ul style="list-style-type: none"> <li>• No Rental Income considered for any lease executed with a family member or interested party to the purchase or loan transaction.</li> </ul>   |
| <p><b>CREDIT SCORE OVERLAY</b></p>            | <ul style="list-style-type: none"> <li>• ≥620 with AUS Approval or Manual Underwrite</li> <li>• Primary Borrower must have a credit score. Co-borrowers with no credit scores and non-traditional credit are allowed subject to agency guidelines. Please use a value of 100 in the Representative Credit Score field when pricing the loan in the GEMS system, so appropriate pricing adjustments will be calculated.</li> <li>• Government Released Loan Programs all Borrowers must have a credit score. Non-traditional credit NOT allowed.</li> <li>• VA High Balance Released require &gt; 700 Credit Score when loan amount &gt; \$1,000,000</li> </ul> |



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| <p><b>DTI</b></p>                                   | <ul style="list-style-type: none"> <li>• LP Accept/Accept or DU Approve/Eligible</li> <li>• Manual Underwrite allowed, up to 50% DTI, must include DU/LP Finding that shows Caution/Refer/Ineligible and meet applicable Agency guidelines including compensating factors.             <ul style="list-style-type: none"> <li>• Government Released Programs Manual Underwrite is NOT allowed</li> <li>• DTI &gt; 41% must include a statement on the Loan Analysis justifying the reason for the approval.</li> <li>• Compensating factors must be listed on VA Loan Analysis.</li> <li>• Residual Income must exceed the guidelines by at least 20%.</li> <li>• Underwriters must refer to Chapter 4, topic 8.d Table 6 for non self-employed borrowers.</li> <li>• Non-Borrowing Spouse credit report requirements.</li> <li>• A credit report is required on the non-borrowing spouse if the subject property is in a community property state (AZ, CA, ID, LA, NV, NM, TX, WA, WI).</li> <li>• Follow VA guidelines for when a non-borrowing spouse's debt must be considered in qualifying DTI.</li> </ul> </li> <li>• All loan programs with a Non-Purchasing Spouse that require NPS credit pulled, will also require the NPS to authorize their own credit report pull. A Borrower cannot authorize credit pulled for their spouse. The credit authorization can be obtained either signed by NPS or by Lender Attestation.             <ul style="list-style-type: none"> <li>• Non-Purchasing Spouse signed Credit Authorization form that details:                 <ul style="list-style-type: none"> <li>o NPS Name, Signature, and Date</li> <li>o Authorizes approval of mortgage credit for spouse mortgage loan application.</li> </ul> </li> <li>• Obtained verbally and recorded with a Lender Attestation form that details:                 <ul style="list-style-type: none"> <li>o Individual name the Lender spoke with</li> <li>o How was the authorization received (ie. phone or in person)</li> <li>o If Phone # used to contact the individual</li> <li>o Date of the authorization</li> <li>o What was authorized (ie. mortgage credit pulled for NPS purposes)</li> </ul> </li> </ul> </li> </ul> |
| <p><b>DOWN PAYMENT ASSISTANCE</b></p>               | <ul style="list-style-type: none"> <li>• All down payment assistance programs must be prior approved by Gateway. Government entity (e.g. federal, state, county, or VA) approved DPA programs only. Gateway does not purchase Bond Program loans.</li> <li>• <a href="#">Click here</a> for a current list of Gateway approved DPA programs</li> <li>• Some properties may qualify for Gateway Specialty Loan Programs with down payment assistance.</li> </ul>  |
| <p><b>ESCROW HOLDBACKS</b></p>                      | <ul style="list-style-type: none"> <li>• Escrow Holdbacks must be completed prior to loan purchase, as evidenced by satisfactory VA final inspection.</li> </ul>   |
| <p><b>ESCROW WAIVERS</b></p>                        | <ul style="list-style-type: none"> <li>• Not allowed</li> </ul>  |
| <p><b>INELIGIBLE PROPERTY TYPE OVERLAYS</b></p>     | <ul style="list-style-type: none"> <li>• See <a href="#">Overlay Matrix</a></li> </ul>   |
| <p><b>INTEREST CREDIT AT CLOSING</b></p>            | <ul style="list-style-type: none"> <li>• Cannot exceed 7 calendar days and must be used to reduce closing costs (e.g., cannot result in cash back to the borrower at closing.)</li> </ul>  |
| <p><b>INVESTMENT PROPERTIES AND SECOND HOME</b></p> | <ul style="list-style-type: none"> <li>• Not allowed</li> </ul>  |
| <p><b>ITIN OVERLAY</b></p>                          | <ul style="list-style-type: none"> <li>• All borrowers must have a valid social security number; ITINs are not allowed</li> </ul>  |



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| NATURAL DISASTER POLICY                   | <ul style="list-style-type: none"> <li>See <a href="#">Chapter 2</a> Eligible Mortgage Loans</li> </ul>  |
| NON-ARM'S LENGTH AND CONFLICT OF INTEREST | <ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a></li> </ul>   |
| OCCUPANCY                                 | <ul style="list-style-type: none"> <li>Primary only</li> <li>No Second Home or Investment Properties</li> </ul>  |
| PRINCIPAL CURTAILMENT AT CLOSING          | <ul style="list-style-type: none"> <li>See <a href="#">Overlay Matrix</a></li> </ul>   |
| QUALIFIED MORTGAGE LOAN                   | <ul style="list-style-type: none"> <li>For any loan that is subject to 12 C.F.R. Section 1026.43, Gateway will only purchase the loan if (i) it meets the definition of a "Qualified Mortgage" as set forth in 12 C.F.R. Section 1026.43(e) (2) Loan and (ii) complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the loan file transferred to Gateway. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan..</li> <li>Loans that are not subject to 12 C.F.R. Section 1026.43 will only be purchased if they meet all applicable agency and program guidelines. Any breach of these requirements shall be deemed to materially and adversely affect the value of the loan and shall require a repurchase of the affected loan.</li> </ul>   |
| REFINANCES                                | <p><b>Loan Seasoning for all Refinances (Rate/Term and Cash-Out) require:</b></p> <ul style="list-style-type: none"> <li>The first monthly payment of the loan being refinanced was made 210 days or more prior to the closing date of the refinancing loans</li> <li>Minimum of six consecutive monthly payments have been made on the loan being refinanced</li> <li>Loans being refinanced within one year from the date of closing, lender must obtain a payment history/ledger from the servicing lender documenting all payments.</li> <li>Fee Recoupment to not exceed 36 months</li> <li>Net Tangible Benefit</li> <li>VA Cash-Out Refinances are limited to 90% LTV</li> </ul> <p><b>VA Construction to Perm require:</b></p> <ul style="list-style-type: none"> <li>VA Requires two-time close construction to permanent loans to be run as Refinance Cash-Out with a DU Approve or LP Accept</li> <li>VA Cash-Out Refinances can be granted a max LTV up to 100%</li> <li>VA seasoning requirements do not apply</li> <li>Use VA Backed Purchase and Construction Loan Funding Fee Matrix for VA Funding Fee calculation <a href="https://www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/">https://www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/</a></li> <li>Submit as Purchase transaction in VA WebLGY (include VA WebLGY print-out in loan delivery to Gateway)</li> </ul> <p><b>IRRRLs:</b></p> <ul style="list-style-type: none"> <li>Must meet 620 minimum Credit Score</li> <li>0x30 late mortgage payments in the last 12 months or life of loan if less than 12 months</li> <li>Single line tri-merge credit report</li> <li>Verification of sufficient assets to close if necessary</li> </ul> <p><b>Released Loan Program:</b></p> <ul style="list-style-type: none"> <li>Manufactured Homes Ineligible for Released Loan Program</li> <li>AVM (must be dated prior to loan closing)</li> </ul> |



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| <b>REFINANCES (con't)</b> | <b>VA Loan Program Code V30-HLTV-Refi-Released:</b> <ul style="list-style-type: none"><li>• VA Cash-Out seasoning requirements apply to true cash out</li><li>• VA Cash-Out Construction to Perm seasoning requirements not applicable</li><li>• LTV above 90% LTV</li><li>• Sold Released only (servicing will not be retained)</li><li>• Standard VA eligibility and underwriting guidelines apply</li><li>• Ineligible for Texas a6 Refinance</li></ul>  |
| <b>UNDERWRITING</b>       | Must be underwritten by a VA Automatic & LAPP approved Underwriter employed by Client, plus: <ul style="list-style-type: none"><li>• Joint loans must be approved by VA</li><li>• Client must also secure VA prior approval for:<ul style="list-style-type: none"><li>• Loans to veterans in receipt of VA non-service related pension</li><li>• Loans to veterans rated incompetent by VA</li><li>• Joint loans involving (i) a veteran and non-veterans who is not the veteran's spouse or (ii) involving two or more veterans who intend to use their entitlement and take title jointly</li><li>• Clear CAIVRS, LDP and GSA search required on all loans</li></ul></li><li>• Gateway may purchase, at Gateway's sole discretion and subject to the terms set forth below, VA loans that have been manually underwritten by a Client. To be eligible for purchase, each such loan must meet all manual underwriting guidelines as prescribed by VA and are subject to further restrictions as described in Gateway's Overlay Matrix. All other terms and conditions applicable to the sale or repurchase of the loan remain in full force and effect. Gateway reserves the right to pass on the purchase of any such loan at Gateway's sole and complete discretion.</li><li>• Must include DU/LP Finding that shows Caution/Refer/Ineligible.</li><li>• Government Released Programs Manual Underwrite is NOT allowed</li></ul> |

### VA Mortgage Limits:

[https://www.benefits.va.gov/homeloans/purchaseco\\_loan\\_limits.asp](https://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp)

### VA Lender's Handbook

[https://benefits.va.gov/warms/pam26\\_7.asp](https://benefits.va.gov/warms/pam26_7.asp)

