

# VA Purchase or Cash-Out Refinance - Correspondent

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VA County Loan Limits: [https://www.benefits.va.gov/HOMELoans/purchaseco\\_loan\\_limits.asp](https://www.benefits.va.gov/HOMELoans/purchaseco_loan_limits.asp)

Purchase						
Program	Property Type	LTV/CLTV <sup>1</sup>	Credit Score	Loan Amount	DTI	
					AUS	Manual
Conforming	1-4 Units	100%	550	See <b>Loan Limits</b> section	Per AUS	50%
	Manufactured Housing <sup>3</sup>	100%	550			
Jumbo	1-4 Units	100%	550	\$1,000,000		
		100%	700	\$2,000,000		
		90%	660	\$2,000,000		
		90%	700	\$2,500,000		

Refinance <sup>2</sup>						
Program	Property Type	LTV/CLTV <sup>1</sup>	Credit Score	Loan Amount	DTI	
					AUS	Manual
Conforming	1-4 Units	100% <sup>2</sup>	550	See <b>Loan Limits</b> section	Per AUS	50%
	Manufactured Housing <sup>3,4</sup>	100% <sup>2</sup>	550			
Jumbo	1-4 Units	100% <sup>2</sup>	700	\$1,000,000	Per AUS	50%
		90%	550	\$1,000,000		
		90%	660	\$2,000,000		
		90%	700	\$2,500,000		

<sup>1</sup>. The maximum LTV may be lower in cases where the veteran does not have full entitlement; the maximum LTV is the lesser of the amount listed in this table or that which is required to obtain a 25% Guaranty. For more information on loan Guaranty refer to the VA Loan Guaranty section of the Program Guidelines.

<sup>2</sup>. The LTV on refinances is determined by dividing the Total Loan amount, including any financed VAFF, by the reasonable value on the NOV. Refinances with LTV > 90% are eligible for 30-year fixed rate loans only and must use the VA High LTV Refinance product code.

<sup>3</sup>. Manufactured housing is not eligible for jumbo loan amounts.

<sup>4</sup>. Refinances of single-wide manufactured homes are limited to the payoff of existing purchase money liens and eligible costs. Cash in hand is only allowed for multi-wide manufactured homes.

Product Parameters					
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>A full VA appraisal is required on all loans. Loan amounts &gt; \$2,000,000 also require a satisfactory Collateral Desktop Assessment (CDA). Plaza will order the CDA upon receipt of the appraisal.</li> <li>Plaza aligns with VA policies that enable VA-designated appraisers to rely on third parties for appraisal related information.</li> <li>Notice of Value (NOV) to be issued by Plaza and is valid for 6 months.</li> <li>Loan amount &gt; \$1,000,000: Request a certified appraiser when requesting the appraiser assignment from VA.</li> </ul>				
<b>Underwriting Method</b>	DU or LPA Approval. DU or LPA Refer/Eligible may be manually underwritten if: <ul style="list-style-type: none"> <li>The loan meets all published loan program guidelines, and</li> <li>The underwriter's evaluation has determined the loan is an investment quality mortgage, and</li> <li>The loan file contains documentation to support the underwriting decision.</li> </ul>				
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Owner occupied primary residences only.</li> <li>Veterans must certify that they intend to live in the home.</li> <li>If the buyer is on active duty, a spouse must certify occupancy.</li> <li>No non-occupying borrowers.</li> <li>Single or married service members deployed from their permanent duty station are considered to be in a temporary-duty status and are able to certify intent to occupy. There is no need to have a spouse, if applicable, certify the occupancy.</li> </ul>				
<b>Loan Limits</b>	Maximum Base Loan Amount				
	Unit	Contiguous States		Alaska & Hawaii	
		Conforming	Jumbo	Conforming	Jumbo
	1	\$806,500	\$2,500,000	\$1,209,750	\$2,500,000
	2	\$1,032,650		\$1,548,975	
	3	\$1,248,150		\$1,872,225	
	4	\$1,551,250		\$2,326,875	

<b>Eligible Borrowers</b>	A veteran is a person who has served on active duty in the Army, Navy, Air Force, Marines, Coast Guard or National Guard, and who (except for a service member on active duty) was discharged or released from active duty under conditions other than dishonorable.
<b>Property Type</b>	<ul style="list-style-type: none"> <li>• Attached/detached SFRs</li> <li>• Attached/detached PUDs</li> <li>• VA approved Condos</li> <li>• 2-4 Units</li> <li>• HUD-owned (REO) properties that meet HUD Minimum Property Requirements (MPRs) are eligible for VA financing.</li> <li>• Manufactured housing</li> </ul>
<b>Refinance Seasoning</b>	<p>The note date of the refinance loan must be on or after the later of:</p> <ul style="list-style-type: none"> <li>• The date on which the borrower has made at least six consecutive monthly payments on the loan being refinanced; and</li> <li>• The date that is 210 days after the first payment due date of the loan being refinanced</li> <li>• If the subject loan is refinancing a modified loan, the seasoning is based on the modification, not the original loan that was subsequently modified</li> <li>• If the loan being refinanced was in forbearance, the 6 months consecutive payments start post-forbearance.</li> </ul>
<b>Transactions</b>	<p>Purchase and Refinance (non-IRRRL)</p> <p><b>Refinances:</b></p> <ul style="list-style-type: none"> <li>• All VA Refinances must meet the requirements outlined in <b>VA Circular 26-19-5</b>. This is effective for all non-IRRRL refinances with application dates on or after February 15, 2019. <ul style="list-style-type: none"> <li>○ <b>Type I Cash-Out Refinance:</b> The loan amount, including the VA Funding Fee, does not exceed the payoff amount of the loan being refinanced.</li> <li>○ <b>Type II Cash-Out Refinance:</b> The loan amount, including the VA Funding Fee, exceeds the payoff amount of the loan being refinanced.</li> </ul> </li> </ul> <p><b>Refinance Net Tangible Benefit (NTB):</b> All refinances (Type I and Type II) must pass a NTB test and a NTB disclosure must be provided to the Veteran no later than the third business day after receiving the Veteran's loan application, and again at loan closing.</p> <p><b>Type I Refinance NTB</b> – One of the following NTB must exist for all Type I Refinances:</p> <ul style="list-style-type: none"> <li>• Fixed Rate to Fixed Rate refinance requires an interest rate reduction of at least .5%</li> <li>• Fixed Rate to ARM refinance requires an interest rate reduction of at least 2%</li> </ul> <p><b>Type II Refinance NTB</b> - One of the following NTB must exist for all Type II Refinances:</p> <ul style="list-style-type: none"> <li>• The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance;</li> <li>• The term of the new loan is shorter than the term of the loan being refinanced; Note: LTV &gt; 90% high LTV refinances are only available with a 360 month (30-year) term.</li> <li>• The interest rate on the new loan is lower than the interest rate on the loan being refinanced;</li> <li>• The monthly principal and interest payment on the new loan is lower than the monthly principal and interest payment on the loan being refinanced;</li> <li>• The new loan results in an increase in the borrower's monthly residual income (refer to the <b>VA Type II Cash-Out Refi – Residual Income NTB Calculator</b>);</li> <li>• The new loan refinances an interim loan to construct, alter, or repair the home;</li> <li>• The new loan amount is equal to or less than 90 percent of the reasonable value of the home, or;</li> <li>• The new loan refinances an adjustable rate loan to a fixed rate loan.</li> </ul>

Additional Parameters	
<b>Assets</b>	<p>Source must be documented for any down payment and closing costs the borrower is paying for. All DAPS must be VA approved.</p> <p><b>Asset Verification:</b> The veteran or spouse must have sufficient cash to cover assets that are needed to close and those funds must be verified.</p> <p><b>Gift Funds:</b></p> <ul style="list-style-type: none"> <li>• Gift funds are allowed for down payment and closing costs</li> <li>• Gifts may not be allowed for reserves</li> </ul> <p><b>Gifts of Equity:</b> Not allowed</p>
<b>Certificate of Eligibility</b>	Certificate of Eligibility (COE) is required.
<b>Eligible Fees</b>	<p><b>Fees and Charges:</b> VA policy has evolved around the objective of helping the veteran to use his/her home loan benefit; therefore, VA regulations limit the fees that the veteran can pay to obtain a loan. For a list of eligible fees and charges refer to Plaza's <b>Veteran Borrower Paid Fees &amp; Charges Policy</b>.</p> <p><b>Fee Recoupment on Type I Refinances:</b> For all Type I Refinances made to refinance an existing VA-guaranteed loan, the recoupment period of all fees (excluding VAFF), closing costs, expenses (other than taxes, escrow, insurance, and like assessments), and incurred costs must not exceed 36 months from the date of loan closing. This requirement does not apply to Type II Refinances.</p> <p><b>Recoupment Calculation:</b> Divide all fees, closing costs, expenses, and incurred costs (excluding taxes, escrow, insurance, and like assessments), by the reduction of the monthly principal and interest payment as a result of the refinance. If the loan being refinanced has been modified, the principal and interest reduction must be computed/compared to the modified principal and interest monthly payment. VA allowable fees offset by lender credits and/or premium pricing may be excluded from the recoupment calculation.</p>
<b>Energy Efficient Mortgages (EEMs)</b>	Eligible for VA purchase transactions only.
<b>Temporary Buydowns</b>	<p><b>Temporary Buydowns are eligible subject to the following:</b></p> <ul style="list-style-type: none"> <li>• 3-2-1, 2-1 and 1-0 buydowns are offered</li> <li>• Qualify at the note rate</li> <li>• Buydown funds may only be provided by the builder, seller, lender or borrower</li> <li>• Interested Party Contribution (IPC) limits apply when the source of funds is a party to the transaction</li> <li>• Buydown Agreement must be included in the loan file</li> </ul>

Product Name	Product Code	Available Term in Months
VA 15 Year Fixed	VA150	180
VA 30 Year Fixed	VA300	181-360
VA High LTV Refinance 30 Year Fixed	VA300L	360
VA 5/1 Treasury ARM	VA51T	360
VA Jumbo 5/1 Treasury ARM	VAJ51T	360
VA Jumbo 15 Year Fixed	VAJUMBO15	180
VA Jumbo 30 Year Fixed	VAJUMBO30	181-360
VA Jumbo High LTV Refinance 30 Year Fixed	VAJUMBO30L	360
VA 30 Year Fixed w/3-2-1 Buydown	VA300BD321	360
VA 30 Year Fixed w/2-1 Buydown	VA300BD21	360
VA 30 Year Fixed w/1-0 Buydown	VA300BD10	360
VA Jumbo 30 Year Fixed w/ 3-2-1 Buydown	VAJ300BD321	360
VA Jumbo 30 Year Fixed w/ 2-1 Buydown	VAJ300BD21	360
VA Jumbo 30 Year Fixed w/ 1-0 Buydown	VAJ300BD10	360

The information contained in this flyer may not highlight all requirements; refer to Plaza's program guidelines. Plaza's programs neither originate from nor are expressly endorsed by any government agency.

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