

ORVET LOAN PROGRAM SYNOPSIS

Updated and effective MAY 1, 2017

THIS PROGRAM SYNOPSIS IS INTENDED FOR USE BY LENDING PROFESSIONALS ONLY, AND IS NOT TO BE CONSTRUED AS THE FINAL AUTHORITY ON ELIGIBILITY OR LENDING DECISIONS.

ODVA LOANS ARE CONVENTIONAL LOANS AND ARE NOT AFFILIATED TO FEDERAL VA LOANS. DO NOT USE FEDERAL VA FORMS. PROCESS THE FILE USING A 1003 & 1008 MORTGAGE INSURANCE IS REQUIRED FOR ALL LTV TRANSACTIONS IN EXCESS OF 80%.

PROPERTY TYPE	MAXIMUM LTV	MAXIMUM CLTV	MAXIMUM LOAN AMOUNT
Site Built and Manufactured Home	80.01% to 95% conventional U/W with DU A/E applies.	100% Purchase Money seconds are acceptable. No ODVA purchase money second product.	\$424,100 per loan. 1 st lien position, conventional loan limit. 4 loan maximum lifetime benefit.
Condominium	95%	100%	\$424,100 see above
Townhouse	95%	100%	\$424,100 see above
Farms, Houseboats	Not Eligible	Not Eligible	Not Eligible
Manufactured Home in a Park.	Not Eligible	Not Eligible	Not Eligible
Additional/Secondary or Mother in Law type Dwellings.	Not Eligible	Not Eligible	Not Eligible
Accessory Dwelling Units.	Not Eligible	Not Eligible	Not Eligible

GENERAL PROGRAM PARAMETERS

LOAN PROGRAM AND ELIGIBILITY	<p>The veteran must have received at least one DD 214 evidencing qualifying military service. Use Member/Service Copy 2, 4 or 6.</p> <p>To be eligible, the veteran must have served on active duty, as documented on the DD214, with the United States Armed Forces and meet one of the following criteria:</p> <ul style="list-style-type: none"><input type="checkbox"/> Beginning on or before January 31, 1955 served more than 90 consecutive days and was discharged or released under honorable conditions; OR<input type="checkbox"/> Beginning after January 31, 1955 served more than 178 consecutive days and was discharged or released under honorable conditions; OR<input type="checkbox"/> Served 178 days or less and was discharged or released under honorable conditions because of a service-connected injury or illness; OR<input type="checkbox"/> Served 178 days or less and was discharged or released under honorable conditions and has a disability rating from the United States Department of Veterans Affairs; OR<input type="checkbox"/> Served at least one day in a combat zone and was discharged or released from active duty under honorable conditions; OR<input type="checkbox"/> Received a combat, campaign or expeditionary ribbon or medal for service and was discharged or released under honorable conditions; OR<input type="checkbox"/> Is receiving a non-service connected pension from the United States Department of Veterans Affairs. <p>To be program-eligible, veterans did not have to enter the service from Oregon nor be discharged back into the state.</p> <p>An eligible veteran is generally limited to 4 ODVA loans and is a lifetime benefit. Each loan cannot exceed \$417,000 which is the conventional conforming loan limits as set by Fannie Mae.</p>
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	This information is general. For specifics, or to have an Eligibility Application e-mailed to you, call 503-373-2012. Or go to our website at www.orvethomeloans.com Eligibility turn-around time is usually under 24 hours.
PROPERTY TYPE	Property securing an ODVA loan is limited to Owner Occupied Primary Single Family Residence located within the State of Oregon. Multiple-use, ADU or multi-unit properties are not allowed. There are no pricing/rate adjustments for other property types. Residential value emphasis is on the dwelling, as such contributory value of significant excess acreage or ancillary outbuildings may be discounted. See Federal Tax Code for restrictions.
LOAN TERM	15, 20 & 30 year terms only.
LOAN AMOUNT LIMITATIONS	Minimum: None. No pricing adjustments. Maximum: Currently \$424,100.
INCOME LIMITATIONS	There are no income limitations for ODVA loan applicants, other than evidence of capacity to repay the loan.
NO RECAPTURE	ODVA loans are not subsidized; therefore, there is no recapture penalty.
PREPAYMENT PENALTY	NONE.
OCCUPANCY REQUIREMENT	ODVA requires the loan to be closed as an Owner Occupied Primary Single Family Residence and the property must be located in the State of Oregon. Owner Occupied 2 to 4 Unit Properties or Non-Owner Occupied 1 to 4 Unit Properties not eligible. Occupancy must occur within 60 days of closing.
MORTGAGE INSURANCE	ODVA loans are underwritten to conventional conforming FNMA guidelines. MI Coverage requirements for a 30 year term: 90.01 - 95% LTV = 30% coverage. 85.01 - 90% LTV = 25% coverage. 80.01 - 85% LTV = 12% coverage. MI Coverage requirements for 15 to 20 year terms: 90.01 to 95% LTV = 25% coverage 85.01 to 90% LTV = 12% coverage 80.01 to 85% LTV = 6% coverage

SELLER-PAID CLOSING COSTS	Unlike FEDERAL VA loans ODVA does not require the seller to pay any or some of the borrower's closing costs. Participating Lenders or Mortgage Brokers are not expected to pay any of the closing costs.
SELLER CONTRIBUTIONS	Please see Fannie Mae guidelines for seller contributions, the seller may contribute 3%, 6% or 9% of the transaction amount toward closing costs, depending upon the LTV. See 301.02 IPC's.
LENDER AND MORTGAGE BROKER COMPENSATION AND FEE LIMITATIONS	<p>Lenders retain the ODVA-allowed origination fee of up to 1.375%, and may charge up to \$600 as a documentation fee. No other fees may be charged <u>and retained</u>. Lenders <u>may</u> charge all true pass-through costs such as appraisal, credit, 442, and courier fees. ODVA will add a premium to the loan purchase price to bring the lender fee income to 2.00% from the scheduled loan origination fee which is tied to the specific interest rate selected by the borrower.</p> <p>Mortgage Brokers will quote the scheduled loan origination fee tied to the specific interest rate selected plus a \$635 loan processing fee (\$600 to broker and \$35 to ODVA for redraw document fee) both to be collected from the borrower at escrow by ODVA. These amounts are to be reflected in the Fee Worksheet. Pursuant to Section 8 of the Mortgage Brokers' Origination Agreement, at closing ODVA will remit funds to escrow to pay the originating mortgage brokerage 1.60% of the loan amount, plus \$600 processing fee. Mortgage brokers may also charge, but not retain, all true pass-through costs such as appraisal, 442, and credit fees.</p>
UNDERWRITING OPTIONS	All loans may be fully manually underwritten upon receipt by ODVA. Oregon Administrative Rules direct that, except for certain underwriting aspects, ODVA will conform to FNMA underwriting guidelines. Applications processed through DU, which receive Approve/Eligible findings, are generally accepted, however, ODVA reserves the right to mitigate these findings in all cases. The submitted file must support the data provided by the DU findings. ODVA does have some limitations on DU findings, e.g. ODVA requires a full 1004 Uniform Residential Appraisal Report. Special Note: LP decisions do not carry the same weight. Any loan requiring mortgage insurance is subject to the underwriting requirements of the mortgage insurer.
CO-BORROWER LIMITATIONS	Federal law restricts who may be a co-borrower on an ORVET loan. Co-borrowers may ONLY be the lawfully wed spouse of the veteran borrower, <u>including same-gender marriages that were performed in states where such marriages are legal</u> ; OR Oregon Registered Domestic Partners. (File documentation of spousal or Partner status may be required at ODVA's discretion.)

**UNDERWRITING
SPECIFICS
(Alphabetically
listed)**

AGE OF DOCUMENTATION:

Asset and credit documentation age must comply with Fannie Mae requirements. ODVA reserves the right to request supplemental or more current documentation.

APPRAISAL

Appraisers: Must be licensed in the State of Oregon.

No Approved Appraiser List. ODVA does not maintain an Approved Appraiser List. Brokers or Lenders may select **any** Oregon licensed appraiser and it not required to use an Appraisal Management Co.

Appraisal Format: ODVA requires a full (URAR) Uniform Residential Appraisal Report (Form 1004). (Form 1073 for condos), for each loan, with **no exceptions**, even where DU or LP indicates a reduced appraisal allowance. Federal VA appraisals are not accepted. **Appraisal must note remaining economic life, site, dwelling and other structure values (If the appraisal is void of these values, the appraisal will NOT be accepted).**

ASSET DOCUMENTATION

ODVA is sensitive to the source of funds. It is expected that each file will contain a minimum 60-day history of funds to be used for closing. Significant recently-acquired funds should be documented through a paper trail.

ASSUMABILITY OF LOANS

ODVA loans are **NOT** assumable. Loans are due and payable upon Sale or Transfer.

AUTOMATED UNDERWRITING

DU FINDINGS are required on all loans where Mortgage Insurance applies and an Approve/Eligible finding is required. DU findings are encouraged to be submitted for all LTV transactions. No reduced appraisal documentation is accepted as a full **URAR** is required for all loans even if DU notes such. LP findings may be accepted on a case by case basis. **NOTE: ODVA reserves the right to mitigate DU findings in all cases.**

AUTOMOBILES and OTHER ASSETS

Please list these on the 1003.

BI-MONTHLY PAYMENTS: Not available.

BORROWERS

Only a veteran who has established his or her ODVA eligibility as described under "Loan Program and Eligibility", above, is program eligible. See the marginal "Co-borrower Limitations" section above for recently expanded co-borrower opportunities.

Natural Persons Only: Only a natural person may be a borrower. Trusts, corporations, and other such entities are not eligible and therefor the loan must close in the individual name(s).

BROKER-PAID CLOSING COSTS

ODVA does not require a mortgage broker to pay any of the borrower's closing costs or prepaid costs, except to cure Good Faith Estimate tolerance violations.

BUSINESS USE OF HOME - PROPERTY

Federal regulations strictly limit business use of property securing an ODVA loan. Not more than **15%** of the square footage of the dwelling may be used for business purposes, and any income derived from such use must be "incidental" in nature. Any activity that allows a borrower to take a "business use of home" tax deduction, such as a daycare business, may disqualify the property as ODVA loan security. Foster care for juveniles is an exception to this rule, as long as such foster care is not the principal source of income for the household.

CASH-OUT PURCHASE TRANSACTIONS

Not available for any Purchase Money loan transaction.

CLOSING COSTS AND PREPAID

Any Fannie Mae approved source of funds for closing costs and prepaid costs is acceptable. ODVA does not prohibit interested-party contributions from paying recurrent costs or prepaid costs; however, contributions must conform to the 3% / 6% / 9% rule.

CLOSING DOCUMENTS FOR LENDERS

ODVA will **NOT** purchase any loan that cites an entity other than the originating lender as nominee, beneficiary, or grantee.
MERS TRANSACTIONS ARE NOT ACCEPTED!

CO-BORROWERS

Federal law restricts who may be a co-borrower on an ORVET loan. Co-borrowers may ONLY be the lawfully wed spouse of the veteran borrower, including same-gender marriages that were performed in states where such marriages are legal; OR Oregon Registered Domestic Partners. (File documentation of spousal or Partner status may be required at ODVA's sole discretion.) Thus, non-registered partners, friends, parents, siblings, guarantors, or non-occupant co-borrowers are prohibited. The Oregon Attorney General has held that same-gender marriages performed under Multnomah County's brief issuance of such licenses do not meet the "lawfully wed" requirement. The borrower and co-borrower may be unmarried or non-partners at time of application, but must be wed or have an Oregon Registered Domestic Partnership before the loan closes.

COMMERCIAL/AGRICULTURE

Prohibited for any ODVA loan.

CONDOS

The current maximum LTV for condos is 95%. An HO-6 insurance policy is required additional requirements may apply for coverage and deductible offsets to the Master Policy. The Master Policy is also required.

CONSTRUCTION LOANS

ODVA does not offer course-of-construction loans. See Refinance Section for maximum LTV. Takeout of the Construction Loan is Limited to "Actual Costs" plus closing costs to a **maximum LTV of 80%** of the Appraised value **OR** the payoff of the Construction Loan plus closing costs to a **maximum LTV of 80%** of Appraised value. Borrower vested interest in title to the real property may affect the 18 or 24 month window for the refinance transaction. Call the ODVA Underwriter for specifics.

CONTINUITY OF INCOME

An applicant's source of qualifying income is expected to continue for at least three years. However, mitigating the continuance of income and obtaining such documentation that Social Security/Disability, Social Security Retirement, VA Disability, or other retirement income, is at the discretion of ODVA, Loan Underwriter or Program Manager.

CONVERSION OF EXISTING RESIDENCE

See FNMA guidelines for this underwriting condition. Exceptions may be allowed where the LTV is 80% or lower.

CREDIT

For Brokered Loans applicants must have at least 3 open trades seasoned 12 to 24 months. Call for exceptions. If mortgage insurance is required the underwriting guidelines for that insurer shall prevail.

Adverse Credit: Though not score-driven, ODVA is primarily an "A" and "B plus" lender. However, the ODVA underwriter is willing to listen to reasonable documented explanations for derogatory reports. If the LTV is in excess of 80% a mortgage insurer must also be willing to accept the loan. A large down payment may compensate for some negative history. Adverse credit stemming from military activation: ODVA recognizes that individuals were unexpectedly ordered to extended military service; and that such service to country often resulted in financial hardship. ODVA will consider applications from impacted veterans with documented evidence and on a case-by-case basis. Attempts to exercise maximum underwriting latitude may be employed. However, mortgage insurers may limit our latitude in the underwriting process.

Alternative credit: ODVA will consider independently verifiable alternative credit; however, mortgage insurers may limit such consideration.

Bankruptcy, Foreclosure, Deed-In-Lieu: ODVA may have expanded latitude for considering applicants with a prior bankruptcy, foreclosure or deed-in-lieu and a minimum of 20% down. It is vital that such applicants be able to demonstrate to ODVA that the derogatory report arose from circumstances that were truly beyond the applicant's control and that are unlikely to recur. A history of re-established credit is a must, and any bankruptcy case must be officially closed, not just discharged. Generally, at least three years must have passed since the negative event. **CONTACT the UNDERWRITER for EXCEPTIONS or CONSIDERATIONS.** If mortgage insurance is required, major adverse credit incidents must be at least 4 years old at the time of loan application or as the mortgage insurer underwriting guidelines reflect.

Collections, Judgments, Liens, Charge Offs etc. aggregates per FNMA guidelines or DU findings may be mitigated at the sole discretion of ODVA. Ongoing judgments for child support, spousal support, etc. will be required to be paid current with supporting proof.

Credit explanation letters: A letter of explanation and documentation should be in the file when submitted.

Credit report: The credit report must be a tri-merge, or RMCR, with scores. For an LTV below 80% a minimum of 3 trade-lines is required. If a borrower does not have 3 trade-lines, a combination of least 4 trade-lines and/or alternative credit/payment references is required. Mortgage insurance credit history requirements may be more stringent, **mitigation of exceptions not allowed with MI structured loans.**

Credit Scores: If a brokered loan requires mortgage insurance be aware that the mortgage insurance vendor's score requirements take precedence over any potential ODVA latitude.

Extenuating Circumstances: An extenuating circumstance is considered to be an event over which the applicant had no control, such as catastrophic medical bills, an extended period of unemployment, divorce. For consideration as a compensating factor, the extenuating circumstance must be documented. Re-established credit may be required. Consideration may be given to documented VA disability cases that were awarded significant disability compensation after financial failure, and have subsequent satisfactory credit. Loan approval is not guaranteed. ODVA will review and mitigate any exceptions to underwriting guidelines except for those that are contrary to mortgage insurer guidelines which are not in control of ODVA.

DEBT

Alimony, child support, spousal support and installment debt: Such obligations must be included in ratios unless the applicant can document that the obligation will terminate in 10 months or less. Business debt, Co-signed debt, Court ordered Assignment of debt: Will follow the FNMA (Fannie Mae) guidelines or in such cases where Mortgage Insurance is required default to those Underwriting requirements and/or valid DU findings that prevail. Mitigation of all Non-Mortgage Insured loans may occur at the discretion of ODVA, Loan Underwriter or Program Manager. Business-paid debts may be excluded from the borrower's ratio if documentation is provided showing that the business actually pays the debt. Generally this will be 12 months of canceled checks, and a corresponding deduction on the business tax return. Insufficient evidence will require the inclusion of that debt in to the borrower's debt ratio calculations.

401-K/IRA/Insurance loans: Loans secured by the borrowers' own financial asset, such as 401-K accounts, IRAs, stocks, bonds, et al, are contingent liabilities. However, if the borrower provides a copy of the pertinent loan instrument, the contingent liability will likely not be included in the debt ratio. Note that if the borrower intends to use the same asset account as part of the reserve requirement, the value of the asset must be reduced by the outstanding loan amount. For Student loans where deferred installment debt, including student loans, must be included as part of the applicant's recurring monthly debt. The monthly payment can be obtained from the student's payment letter or forbearance agreement; a copy of which should be included in the loan file (FNMA guideline shall prevail as or when updated).

DESKTOP UNDERWRITER/ORIGINATOR

Oregon Administrative Rules direct ODVA's underwriter to pay special heed to (FNMA) Fannie Mae underwriting guidelines. A loan that has been approved by DU is unlikely to be challenged by the ODVA underwriter if the original variables input to DU are documented in file. Mortgage Brokers and Lenders are encouraged to utilize DU prior to submitting loans to ODVA. ODVA will not accept the reduced appraisal documentation requirements if noted in the DU findings. A full Uniform Residential Appraisal Report (URAR) is required.

LP Loan Prospector approvals may be used on an exception basis only, but do not carry the same weight as the DU findings.

DOWN PAYMENT

Down payment funds may come from any Fannie Mae-approved source for the same LTV ratio.

DOWN PAYMENT ASSISTANCE PROGRAMS

True grant programs, agency silent seconds, tribal donations and the like are welcomed. However, ODVA will not participate in a transaction involving any down payment assistance program that requires an offsetting contribution from the seller or other interested party. Minimum borrower contribution of own funds may be required with greater than 80% LTV loans

ELIGIBILITY

A veteran must establish his or her eligibility for the ODVA loan program. This is different from Federal VA eligibility. For eligibility questions call direct to 503-373-2012 or toll free inside Oregon at 888-673-8387 extension 2012.

FEE ADD-ONS

ODVA will add only the cost of a flood cert plus a \$635 processing fee for a brokered transaction and \$600 for a lender transaction. Other than any applicable loan origination fee, there are no other ODVA fees associated with a transaction.

NO PRICING ADJUSTMENTS!

FUNDING FEE DO NOT APPLY TO ODVA

FUNDS TO CLOSE

Funds to close may come from any approved source by FNMA (Fannie Mae) or Mortgage Insurance provider.

LOAN ESTIMATE ERRORS

LENDERS will be expected to cure and document any Loan Estimate tolerance issues prior to presenting the loan to ODVA for purchase.

IMPOUNDS

Property tax, hazard insurance and applicable mortgage insurance impounds are required if the LTV exceeds 80%. A Loan with LTV ratios at or below 80% may have voluntary impounds. There is **no fee** for waiver of impounds. ODVA reserves the right to require impounds as a condition of loan approval.

INCOME DOCUMENTATION

- Files for employed applicants should contain YTD paystubs covering the most recent 30-day period, plus W-2 statements for the last two years. Loans in excess of 80% LTV should include at least a verbal verification of employment.

- Social security, retirement, and disability income should be documented with a copy of the award letter, plus a most recent bank statement showing continuing deposit of the benefit. (Note: ODVA does not require that an originator try to obtain documentation that social security disability, social security retirement, PERS disability, PERS retirement, federal retirement, military retirement, or military disability income will continue for three years.)

- Self-employment, investment, rental, or other income sources shall be documented with copies of the most recent 2 years' personal and business federal tax returns. (Partnership, LLC, S and C Corp. the entire Tax Return must be included). Only the front page of the 1040, and applicable Schedules B, C, D, E, F need to be submitted for all other sole proprietor income. All tax returns must be signed. With an ODVA LTV of 80% or less, a DU finding may override this requirement.
- Trust income must be documented with a letter from the Trustee stating the amount, frequency and duration of payments, and affirming that such income will be stable and continue for at least three more years; accompanied by copies of the applicants' federal tax returns and schedules for the last two years. Lump-sum trust distributions may be used for down payments and closing costs if verified by a copy of the check and deposit slip or trustee's letter citing the distribution amount.

INCOME LIMITATIONS

There are no income limitations with ODVA loans, other than demonstrated capacity to repay the loan.

INSURANCE, HOMEOWNERS/HAZARD

ODVA mortgagee clause:
The Director Of Oregon Department Of Veterans' Affairs, his successors and assigns, Insurance Unit, 700 Summer St NE, Salem, OR 97301-1285

The maximum deductible is \$2500 or 1% of the face value of the policy. The insurance policy/binder coverage shall be at least the appraised value or replacement cost of the improvements. This includes Other Structures if present. **Insurance to cover the loan balance is not accepted.**

LOAN-TO-VALUE RATIO

Lender & Broker loans: ODVA will accept CLTV to 100% of the lesser of the sales price or appraised value on any property type.

Please note: The maximum LTV on specific property types is capped at 95%. There is no minimum LTV or loan amount. Refinances and for Construction loan take out transactions, please refer to Refinance Section.

LOCKING A LOAN – 60 DAY

To lock a rate/reserve funds submit the LOCK REQUEST FORM via email to submissions@odva.state.or.us
 ODVA does not offer a lock extension provision of any nature.

MANUFACTURED HOUSING

Loans for manufactured homes on land only as real property. The manufactured homes must be "double wide" or larger, and conform to Fannie Mae's requirements for manufactured housing under Sections 505 & 506. Exceptions may be granted for previous movement of the manufactured home for loans with an LTV of 80% or less. Personal Property manufactured home financing is not available. **See the first page for LTV guidelines.**

MAXIMUM LOAN AMOUNT

The ODVA maximum loan amount for 2017 is \$424,100.

MERS RELATED TRANSACTIONS

Not accepted under any circumstance and will be returned.

MINIMUM LOAN AMOUNT

There is no minimum ODVA loan amount. There are no pricing adjustments for low loan amounts.

MORTGAGE INSURANCE required 80.01% LTV and higher. ODVA reserves the right to mitigate AUS findings.

NUMBER OF PROPERTIES OWNED

ODVA has no limit on the number of properties a borrower may own. Only **ONE** ODVA loan may open at the same time.

ODVA FEE ADD-ONS

ODVA add-ons are the cost of a flood cert plus a processing fee (Broker) or an Origination fee "if applicable". No other ODVA fees are associated with a transaction.

PROPERTY REQUIREMENT/LIMITATION

Federal rules impose significant restrictions on the types of property that may secure an ODVA loan. These include:

- Owner Occupied Primary "Single" Family Residence only.
- Owner-occupied at time of closing.
- Property securing an ODVA loan must be located in the State of Oregon. Value must vest in the residential improvements and the home site. Outbuildings, arenas, barns, so forth, may have their values discounted.
- No multiple-use property. Business Use is restricted.
- No significant income may be derived from any allowed business use of the home.
- Real property only.
- Manufactured homes on land must meet Fannie Mae general underwriting criteria. Call for potential exceptions.
- Maximum LTV see matrix and are subject to change without prior notice by MI insurer.
- Domestic wells require testing as described under "Well Tests" below.
- Off GRID properties will be scrutinized thoroughly and may not be financed at the sole discretion of ODVA.

RATIOS

ODVA has no fixed maximum DTI ratio. Loan files are evaluated to ensure that the proposed loan is prudent and sensible. Loans requiring mortgage insurance may reflect absolute maximum back ratio. **CALL FOR EXCEPTIONS FOR NON-MI LOANS.**

REFINANCES

ODVA should not be viewed as a refinance lender; we are primarily a purchase loan lender. Federal tax laws controlling ODVA's lending program restricts refinancing ability. ODVA cannot refinance a property where the vested title ownership of 18 months or longer. If eligible, the loan must close on or prior to the 18 month window. Exceptions to the 18-month timeline for construction loan take-outs. See Construction Loan section. ODVA is prohibited from refinancing its own loans. No cash back of any amount (\$0.00) is allowable under a qualified refinance transaction. Construction Loan takeout and the Refinance of another lenders mortgage may not exceed an 80% LTV, nor may it pay off an existing subordinate lien, unless it is a Purchase Money 2nd lien. Call the ODVA Underwriter for specifics.

RESERVES

Liquid Reserves: Generally, borrowers are expected to have two months PITI in reserve after closing. Exceptions may be approved on a case-by-case basis. Tax and Insurance Reserves are required if the LTV exceeds 80%. Loans with LTV ratios at or below 80% may have impounds waived, unless impounds are required as part of the approval conditions.

SECONDARY FINANCING

While ODVA cannot offer second lien loans, ODVA does allow secondary financing in accordance with Fannie Mae guidelines. The maximum CLTV on any ODVA loan is 100%.

SELLER-PAID CLOSING COSTS

ODVA does NOT require a Seller, Lender or Broker to contribute to the buyer's closing costs, however, a voluntarily contribution up to 3%, 6% or 9% per Fannie Mae guidelines is allowed.

SOURCE OF FUNDS

ODVA is sensitive to the source of funds. It is expected that each file will contain a minimum 60-day history of funds used for closing, or that a HUD-1 for a sale will be provided at closing. Significant recently acquired funds must be documented through a paper trail. **SEE FNMA OR MORTGAGE INSURANCE GUIDELINES.**

SPRING/SURFACE WATER SOURCES:

ODVA does not lend against properties with springs or other surface water flow as a domestic water source.

TAX RESERVES – See Impounds

TRUSTS

Loans may not be closed in the name of a Trust. After closing transfer into the Trust (Revocable only) may be considered.

UNDERWRITING

By Oregon Administrative Rule, ODVA underwrites essentially to Fannie Mae credit/capacity guidelines. An Automated Underwriting Finding/Desk Top Underwriting of Approve/Eligible may be mitigated and does not guarantee a loan approval.

The ODVA underwriter may be reached directly at 503-373-2267.

UPCHARGING - PROHIBITED

WELL TESTS – PURITY & FLOW

	<p>If a property is served by a domestic well ODVA requires copies of the results of purity, nitrate and arsenic test, such tests are required by law when a property served by a domestic well. In addition, provide the results of a 4-hour pump test. Wells flowing less than 5 GPM may be required to meet on-site water storage requirements, less than 2 GPM are not acceptable. Applies to purchase money transactions only.</p>
	<p>END OF DOCUMENT</p>