



W10-04

ISSUE DATE 1/20/10

EFFECTIVE 1/21/10

New VA Loan Product and Expanded Jumbo Guidelines

Reunion Mortgage is pleased to announce that we now offer Veteran's Administration (VA) loans, and we have expanded the guidelines for our Jumbo product. The government state adjusters will also be revised on our rate sheets, effective Thursday, January 21st.

VA Loans

VA loans offer up to 100% financing for veterans and active-duty military personnel. The initial rollout is for a 30-year fixed loan, with plans to add VA Jumbo later, and hopefully the Interest Rate Reduction Refinancing Loan (IRRRL) with common overlays to combat risk:

- Owner occupied, 1-4 units, PUD and condo
- Minimum 640 credit score
- Loan amounts \$50,000 - \$417,000
- Seller concessions up to 4%
- DTI per DU (manual maximum 50%)
- Assumable
- VA assistance available if borrower has future problems making payments
- Maximum 1% Origination Fee (excluding Reasonable and Customary Itemized Fees defined by VA)
- Broker must be a Reunion-sponsored VA Agent
- VA refinance is not allowed in Texas

Jumbo Fixed and ARM

The mortgage industry is still very cautious about Jumbo loan amounts, as property values in many areas continue to decline. As a result, Reunion will require investor approval prior to locking and closing a loan. This is common in the industry, and allows Reunion to expand our Jumbo guidelines. Brokers can provide the property zip code to their Account Executive or branch to see if there is an LTV adjustment before submitting a loan.

The Jumbo enhancements include:

- Maximum LTV/CLTV increased from 65% to 80%
- Minimum credit score improved from 720 to 700
- 3- and 4-unit properties are now available
- Cash-out option is now available (with some limits on the maximum allowed)
- Maximum DTI increased from 40% to 45%
- Non-permanent resident aliens are now eligible with a reduced LTV requirement
- ARMs now qualify at the Note Rate

Government State Adjuster Changes

Several changes to Reunion's government state adjusters (both Fixed and ARM) will be effective on January 21st, and will apply to both FHA and VA pricing.

Click here to view the new [VA Fixed Product Guidelines](#) and the expanded [Jumbo Fixed and ARM Product Guidelines](#). Pricing for these products and the revised state adjusters will appear on tomorrow's rate sheet. An updated *Broker Lock Policy* will also be posted on the broker website to address the need for Jumbos to be investor-approved prior to lock.

Please contact your Account Executive or branch with questions.