



VA High Balance and Jumbo Size Loans

How to know if a large loan will work using VA

VA does not have a specified limit on the loan size. VA uses a chart with examples to provide guidance on what is acceptable to their parameters. Our investors will follow the VA guidance, but they do place limitations on the loan size. Anything above 484,350 will be considered a High Balance loan for pricing and down payment purposes.

High Balance loans will always have a pricing adjustment for their large loan size. Please be sure to price out the loan before quoting a rate to the borrower.

Before we get into the actual loan calculations of a high balance loan and determining if a down payment will be required, here are some important facts to be aware of:

- 1) High balance loans are still 100% financing, but VA requires 25% guaranty to insure the loan in case of default. If a loan does not have the 25% guaranty in entitlement amount, then a down payment for the difference will be required.
- 2) The loan limit with our investors is 1,500,000. The base loan cannot exceed this amount.
- 3) If the loan amount is greater than 1,000,000 all borrowers must have a minimum **FICO of 700**. When the base loan amount exceeds 484,350 the minimum **FICO must be 620** or greater.
- 4) Loan amounts greater than 1,000,000 must use a certified appraiser. Be sure to request a certified appraiser when requesting the appraiser assignment through VA's portal

To determine if a down payment is required or how much the down payment may be

FSB has tools available for this on the website. Keep in mind, all VA guidelines do apply. If this is a prior approval loan in which the applicants are not married, the entitlement will only be applied to the Veterans portion of the loan. This may require more assistance than following the charts and calculators provided. Please email mtgsupportcenter@flanagansatebank.com for assistance with any loan calculations.

www.myfsbretail.com has a VA loan calculator and the sample calculations VA uses to reference how to calculate the max loan amount. Between these 2 tools, you will be able to confirm the required down payment, if need.

Tools you will need:

- 1) VA Calculator
- 2) VA Samples of max loan amount

3) Certificate of Entitlement

When you have these items in hand, you can follow the calculator to determine the max loan amount and required down payment by filling in the requested information. The samples of max loan amount will allow you to calculate the same information by hand to confirm you get the same answer for the situation.

We recommend that you send your information, once completed to Mortgage Support if you would like a second opinion and to confirm that the totals are accurate.

mtgsupportcenter@flanaganstatebank.com