

LoanException Classification	LoanException Description
Validation Error	LIN does not exist or lender is not authorized to remit this LIN for Guaranty
Critical Error	Root loan on Refinance LIN has already had a refinance guaranteed
Critical Error	No eligible obligor
Critical Error	Expired notice of value (NOV) on purchase or cash out refinance
Critical Error	Uniform closing dataset (UCD) indicates cash out refinance on an IRRRL LIN
Critical Error	UCD indicates IRRRL on a cash out refinance LIN
Critical Error	UCD indicates cash out refinance on a purchase LIN
Critical Error	LIN in the UCD does not match the LIN in the application programming interface (API) request
Critical Error	Cash to close + closing costs paid prior to closing is less than lender specified cash amounts for borrower paid discount points, VA funding fee and other closing costs exclusive of prepaids and escrow items
Critical Error	Closing costs financed do not equal the VA funding fee included in the loan amount, plus energy efficient mortgage amounts modeled as closing costs on a purchase loan
Critical Error	Lender lacks automatic authority to close the loan for a purchase/construction/cash out refinance
Critical Error	Lender closed a loan for a Veteran receiving a VA non-service connected pension without securing prior approval
Critical Error	Lender does not provide a VA-approved underwriter for a non-supervised lender (non-IRRRL)

Critical Error	Lender did not certify that the loan is secured by a first lien and the loan did not receive prior approval
Critical Error	Lender closed a joint loan involving a non-veteran without securing prior approval.
Critical Error	UCD state differs from the appraisal state
Critical Error	Lender fails to certify compliance with statutes and regulations
Critical Error	Lender fails to certify post appraisal repairs have been completed properly
Critical Error	Lender fails to certify the loan is not in default over 30 days
Critical Error	Loan Term exceeds remaining economic life of property
Critical Error	Loan amount higher than committed loan amount by more than EEM
Critical Error	Loan amount is less than committed loan amount and the monthly payment increased
Critical Error	Loan interest rate is higher than committed loan interest rate by more than 100 basis points
Critical Error	Loan interest rate is higher than committed loan interest rate and the monthly payment increased
Critical Error	Loan term is shorter than committed loan term
Critical Error	Loan term is longer than committed loan term and the monthly payment increased
Critical Error	Loan discount points are lower than committed loan discount points and the monthly payment increased
Critical Error	Guaranty Percent differs from committed loan Guaranty Percent
Critical Error	More borrowers on submitted loan than on committed loan
Critical Error	Amortization Type on loan differs from committed loan
Critical Error	Reasonable value of property less than at loan commitment
Critical Error	Purchase price is more than 5% greater than committed loan

Critical Error

Family size exceeds family size on committed loan

Critical Error

Adjustable rate loan initially resets prior to 36 months

Critical Error

Adjustable rate loan resets on a non annual frequency

Critical Error

Adjustable rate loan allows for more than one percentage point magnitude change per adjustment

Critical Error

Adjustable rate loan allows for more than five percentage point change from initial interest rate over the lifetime of the loan

Pre-Close Message to Lender

Please review the VA Loan Number on this proposed loan and ensure that it matches the VA Loan Number. If the VA loan number matches and you still receive this error, please ensure the sponsor agent relationship is correct and active.

The prior VA loan number for this proposed Interest Rate Reduction Refinancing loan (IRRRL) or cashout refinance loan is no longer reported as active. Please ensure that the prior VA Loan Number is accurate.

Eligibility has not been established for any of the obligors listed in the uniform loan application dataset (ULAD). Please confirm the obligor information provided in the ULAD is correct.

If the proposed loan is an IRRRL and the obligor is a widow refinancing a loan where the widows deceased spouse was the Veteran using entitlement, lender must indicate as such.

The NOV has or will be expired prior to the projected closing date of this proposed loan. Please contact the Construction and Valuation department of the Regional Loan Center (RLC) of jurisdiction of this loan.

The VA LIN on the proposed loan was issued as an IRRRL, but the UCD indicates this loan is a cash out refinance. Please contact the Construction and Valuation department of the Regional Loan Center (RLC) of jurisdiction of this loan.

The VA LIN on the proposed loan was issued as a cash out refinance, but the UCD indicates this loan is an IRRRL. Please contact the Construction and Valuation department of the Regional Loan Center (RLC) of jurisdiction of this loan.

The VA LIN on the proposed loan was issued as a purchase, but the UCD indicates this loan is a cash out refinance. Please contact the Construction and Valuation department of the Regional Loan Center (RLC) of jurisdiction of this loan.

Please review the VA Loan Number on the UCD for this proposed loan and ensure that it matches the VA Loan Number in the lenders LOS.

For this refinance loan, the total of the cash amounts for borrower paid discount points, VA Funding Fee and Other Closing Costs exclusive of Prepaids and Escrow Items exceeds the amount of cash brought to closing from the borrower, plus closing costs paid prior to closing.

For this proposed purchase loan, the sum of the financed funding fee and energy efficient improvements as conveyed in the UCD does not match the sum of the VA funding fee included in the loan amount, plus the sum of energy efficient mortgage amounts extracted from the UCD up to \$6,000.

The lender on this proposed loan does not have automatic authority. VA has not issued a loan commitment for this proposed loan. Please submit the loan for prior approval.

The Veteran on this proposed loan receives a non service-connected VA pension. VA has not issued a loan commitment for this proposed loan. Please submit the loan for prior approval.

A VA approved underwriter, associated with the lender, was not provided for this proposed loan.

The lender did not certify that the proposed loan will be secured by a first lien. If this loan will not be secured by a first lien, please contact the RLC of jurisdiction for this loan.

The proposed joint loan (either involving a non-veteran or a Veteran not using their entitlement who is not the Veteran's spouse) did not receive prior approval from VA. Please submit the loan for prior approval review unless the parties are married to each other at the time of loan closing.

The state provided in the UCD differs from the property state on the appraisal for this VA LIN. If the lender is certain the state provided in the UCD is correct, please contact the Construction and Valuation department of the RLC in jurisdiction of this loan. Otherwise, correct the state information in the UCD.

The lender is required to certify at the time of guaranty that the loan conforms with all applicable provisions of 38 U.S.C. chapter 37 and all regulations concerning guaranty of loans to Veterans as required by 38 C.F.R. Section 36.4303(a)(3).

The lender is required to certify at the time of guaranty that any construction, repairs, alterations or improvements made after the appraisal of reasonable value and paid for out of proceeds of the loan have been completed properly in full accordance with the plans and specifications upon which the appraisal was based as required by 38 C.F.R. Section 36.4303(a)(2).

The lender did not certify that no default exists on the loan being remitted for guaranty continuing for more than 30 days as required by 38 C.F.R. Section 36.4303(a)(1). Please contact the RLC of jurisdiction for this loan. If the lender can certify that the loan is not in default over 30 days, certify as such and resubmit the loan for pre close guaranty evaluation.

The term of the proposed loan is longer than the estimated remaining economic life of the subject property as determined on the appraisal. Reference 38 C.F.R. Section 36.4310(c).

The proposed loan amount for the loan is higher than the loan amount on the Certificate of Commitment by more than the amount of any allowable Energy Efficient Mortgage amount included in the loan amount. Accordingly, this loan must be resubmitted for prior approval.

The loan amount for the proposed loan is less than the loan amount on the Certificate of Commitment but the monthly payment on which the prior approval was granted has increased. Accordingly, this loan must be resubmitted for prior approval.

The interest rate for the proposed loan is higher than the interest rate on the Certificate of Commitment by more than one percent. Accordingly, this loan must be resubmitted for prior approval.

The interest rate for the proposed loan is higher than the interest rate on the Certificate of Commitment and the monthly payment on which the prior approval was granted has increased. Accordingly, this loan must be resubmitted for prior approval.

The term of the proposed loan is shorter than the loan term on the Certificate of Commitment. Accordingly, this loan must be resubmitted for prior approval.

The term of the loan is longer than the loan term on the Certificate of Commitment and the monthly payment on which the prior approval was granted has increased. Accordingly, this loan must be resubmitted for prior approval.

The amount of discount points on the proposed loan is lower than the discount points on the Certificate of Commitment and the monthly payment on which the prior approval was granted has increased. Accordingly, this loan must be resubmitted for prior approval.

The Guaranty Percent calculated for this proposed loan is different than the Guaranty percent on the Certificate of Commitment. Accordingly, this loan must be resubmitted for prior approval.

This loan the VA committed to was for a single veteran borrower. The ULAD for this loan indicates additional borrowers. Accordingly, this loan must be resubmitted for prior approval.

The submitted proposed loan is an adjustable rate loan whereas the loan the VA committed to was a fixed rate loan. Accordingly, this loan must be resubmitted for prior approval.

The reasonable value of the subject property of the proposed loan is less than the reasonable value of the property when the VA committed to the loan. Accordingly, this loan must be resubmitted for prior approval.

The purchase price of the subject property for this proposed loan exceeds the purchase price of the subject property for the committed loan. Accordingly, this loan must be resubmitted for prior approval.

The family size on the submitted proposed loan exceeds the family size considered when the VA committed to the loan. Accordingly, this loan must be resubmitted for prior approval. Please contact the RLC of jurisdiction for this loan.

The proposed adjustable rate loan contains an initial fixed rate period in violation of 38 C.F.R. Section 36.4312(d)(2) and/or 38 U.S.C §3707.

The interest rate adjustment frequency on this adjustable rate proposed loan is not annual in violation of 38 C.F.R. Section 36.4312(d)(2).

This adjustable rate loan allows for an annual adjustment for more than one percent on this proposed loan in violation of 38 C.F.R. Section 36.4312(d)(4)(i).

This adjustable rate loan has a proposed interest rate ceiling of greater than five percent in violation of 38 C.F.R. Section 36.4312(d)(4)(i).

LoanException Classification

LoanException Description

Issue Requires Lender Override

Loan length longer than max

Issue Requires Lender Override

Loan length extension is too long for an IRRRL

Issue Requires Lender Override

Insufficient refinance seasoning - days

Issue Requires Lender Override

Insufficient refinance seasoning - consecutive payments

Issue Requires Lender Override

Lender fails to certify IRRRL disclosure rules were met

Issue Requires Lender Override

Lender fails to certify Cashout Refinance disclosure rules were met

Issue Requires Lender Override

Lender fails to certify borrower qualifies for an IRRRL with 20 percent principal, interest, taxes and insurance (PITI) increase

Issue Requires Lender Override

Insufficient refinance seasoning - number of payments

Issue Requires Lender Override

Cashout net tangible benefit (NTB) requirements not met

Issue Requires Lender Override

Fee recoupment requirements not met
- Recoupment period is longer than 36 months
- Higher monthly payment refinance where the Veteran paid fees

Issue Requires Lender Override

Refinance NTB rate reduction requirements not met

Issue Requires Lender Override

Refinance (IRRRLs and TYPE I Cash-out Refinances) NTB included discount points in loan amount - Lower interest rate resulting from discount points loan-to-value (LTV) requirement(s) not met

Issue Requires Lender Override

Under collected funding fee - lender mistake or incorrect information on the certificate of eligibility (COE)

Issue Requires Lender Override

Over collected funding fee included in the loan amount

Issue Requires Lender Override

Greater than 2 discount points included in the loan amount for an IRRRL

Issue Requires Lender Override Purchase loan amount exceeds (lesser of (Sale Price - Down Payment) or reasonable value), plus VA funding fee included in the loan amount + up to \$6,000 of energy efficient improvements

Issue Requires Lender Override Cashout refinance loan amount exceeds Reasonable Value for a Cashout Refinance

Issue Requires Lender Override Over collected funding fee requiring cash refund

Issue Requires Lender Override Agent- and lender relationship not present

Advisory Repair,Alterations or Improvement loan delayed Guaranty

PreClose Message to Lender

The term of this proposed loan exceeds the maximum allowed in 38 U.S.C. Section 3703(d)(1) and may not be eligible for guarantee unless the term is reduced to the statutory maximum.

The term of this proposed loan exceeds the term of the loan being refinanced by an amount longer than is allowed in 38 U.S.C. Section 3710(e)(1)(E): and may not be eligible for guarantee unless the term is reduced to the statutory maximum.

This proposed loan does not meet seasoning requirements (210 days from first payment date of the loan being refinanced) as required by 38 USC Section 3709(c)(2), 38 CFR Section 36.4306(b)(2), or 38 CFR Section 36.4306(c)(2).

This proposed IRRRL does not meet seasoning requirements (6 consecutive payments have been made on the loan being refinanced) as required by 38 U.S.C. Section 3709(c)(1).

Reminder: At the time of Loan Guaranty lenders are required to certify that the IRRRL disclosures were completed and provided to borrower.

Reminder: At the time of Loan Guaranty lenders are required to certify that the Cashout Refinance disclosures were completed and provided to borrower, as required by 38 CFR § 36.4306(a)(3)(iv).

The lenders are required to certify that the borrower qualifies for the proposed IRRRL when the payment (PITI) on the loan being remitted for guaranty increases by 20 percent over the loan being refinanced.

The VA loan being refinanced by this proposed loan not does not meet all of the loan seasoning requirements (6 payments) as required by 38 U.S.C. Section 3709(c)(1), 38 CFR Section 36.4306(b)(2), or 38 CFR Section 36.4306(c)(2).

This proposed cashout refinance loan does not establish a Net Tangible Benefit (NTB) for the borrower as required in 38 C.F.R. Section 36.4306(a)(3)(i).

This proposed refinance loan does not meet the recoupment of fees and incurred costs on or before 36 months after the projected closing date as required by 38 U.S.C. Section 3709(a)(2).

The interest rate of this proposed refinance loan does not meet the minimum reduction requirement as defined in 38 U.S.C. Section 3709(b).

Discount points are included in this proposed refinance loan amount, additional LTV requirements may be required per 38 U.S.C. Section 3709(b)(4).

The amount of proposed funding fee to be collected on this loan is less than the projected amount owed to VA.

The amount of the proposed funding fee to be collected on this loan is greater than the projected amount owed to VA.

For this proposed IRRRL, more than 2 discount points were included in the loan which is in violation of 38 C.F.R. Section 36.4307(a)(4)(i).

This proposed loan amount exceeds the statutory maximum for this purchase transaction per 38 U.S. Code § 3703(d)(2)(B)(i).

This proposed loan amount exceeds the statutory maximum for this refinance transaction per 38 U.S. Code § 3710(b)(8)

The amount of the proposed funding fee to be collected on this loan is greater than the projected amount owed to VA.

VA has not recognized the relationship between the sponsoring lender and the agent on this loan.

The proposed loan is a repair, alteration or improvement loan of the subject property. All work must be completed prior to guaranty.

LoanException Classification

LoanException Description

Issue Requires Lender Override

Less than max guaranty

Advisory

Late remittance of the funding fee

Advisory

General lender credits are present

Advisory

Liquid Assets less than Cash required to close

Advisory

Borrower current employment tenure materially less than committed loan

Advisory

Borrower spouse current employment tenure materially less than committed loan

Advisory

Purchase price is greater than committed loan

Advisory

Down payment amount is different from that on the committed loan

PreClose Message to Lender

The Veteran's available entitlement does not support a 25% guaranty on the proposed loan. Please ensure you are meeting your secondary market investor requirements.

The funding fee is proposed to be remitted more than 15 days from the date of loan closing and is accordingly subject to an additional late charge (loans remitted more than 30 days from the date of closing are also subject to interest on the late amount). VA will collect the funding fee due plus any late charge and interest due on that late charge.

The proposed loan includes general lender credits. It is recommended to apply lender credits to a specific closing cost.

The liquid assets are less than the cash required from the borrower at closing for this proposed loan.

The length of time the borrower has been at their current employer is materially less than was considered when the VA committed to the loan. This must be reviewed by the VA prior to Guaranty of the loan.

The length of time the borrower's spouse has been at their current employer is materially less than was considered when the VA committed to the loan. This must be reviewed by the VA prior to Guaranty of the loan.

The purchase price of the subject property for this proposed loan exceeds the purchase price of the subject property for the committed loan. This must be reviewed by the VA prior to Guaranty of the loan.

The down payment amount on the submitted loan differs from the down payment amount on the VA committed loan. This must be reviewed by the VA prior to Guaranty of the loan.