



## **FLORIDA CAPITAL BANK MORTGAGE VA LOAN POLICY**

This written policy is published by Florida Capital Bank Mortgage for purposes of express incorporation by reference into the written agreements through which it obtains loan applications, loan packages, and/or loans (every agreement incorporating this policy is referred to below as the “Agreement”), and shall not be waived or modified except as may be done from time to time through the publication of an updated version of this policy, which act of revision by update shall only be effected in writing and shall occur only at the exclusive discretion of Florida Capital Bank Mortgage.

Broker represents and warrants as to each loan package that is a VA loan:

A. Loan Guaranty Contract (LGC). Broker represents and warrants that the loan application package qualifies for the VA loan guaranty contract (LGC) and that there is no situation or circumstance residing within the loan application package that would cause the VA loan to be ineligible for the issuance of an LGC.

B. Insurability. Broker represents and warrants that the loan application package is insurable under the VA loan guaranty contract program, and there exists no fact or circumstance, and no error or misrepresentation in the loan file or the LGC application forms, whether known or unknown to Broker, that would disqualify the loan from the issuance of an LGC or that would exist as grounds for the rescission or cancellation of an LGC by the issuing agency.

C. VA Loan Package Requirements. Broker understands the VA minimum requirements for submission of a new loan package for insuring, and as to each loan application package that is a VA loan Broker shall submit a complete and correct VA loan package submission, meeting all VA-required borrower eligibility, underwriting, down payment assistance, appraisal, and closing conditions.

D. VA Underwriting Requirements. Broker represents and warrants that the loan application package complies with and meets all current VA underwriting requirements, including but not limited to those set forth in the VA Lender’s Handbook, a complete copy of which Broker possesses, and including but not limited to certificates of eligibility, requirements for automated certificates of eligibility (ACE), credit-score based requirements for automated vs. manual underwriting, credit and credit reconciling requirements, three-year requirement and form DD-214 and form DD-4 exemptions thereto, occupancy requirements, income requirements, appraisal/appraiser requirements, streamline/IRRRL requirements, and specially adapted housing (SAH) grant requirements.

E. VA File Documentation Requirements. Broker shall prepare, maintain, and timely submit for any loan application package that is a VA loan a complete and correct underwriting submission package ordered according to Florida Capital Bank Mortgage’s VA Loan File Stacking Instructions, a copy of which Broker has received. Broker shall remain constantly updated on VA file documentation requirements by, among other practices, regularly reviewing VA lending forms, handbooks, and other promulgated materials at the following Internet address:



<https://vip.vba.va.gov/portal/VBAH/Home>

F. Compliance With Loan Parameters and Property Type. Each loan application package complies with and does not exceed VA and Florida Capital Bank Mortgage's maximum parameters for VA loans, including but not limited to limits on loan-to-value (LTV), debt-to-income (DTI), loan balance, interest rate and term, and closing costs, as promulgated and revised or republished by Florida Capital Bank Mortgage from time to time at its sole discretion. No loan application package represents any of the following: (i) an adjustable rate mortgage (ARM) loan, (ii) a cash-out refinance loan, (iii) an Indian Leasehold Property, (iv) a loan on manufactured housing (mobile home), (v) a loan on commercial operations, condotel, watercraft, timeshare, leaseholds, unimproved land, agricultural property, or condominiums subject to pending litigation, (vi) a "Fair Condition" property.

G. No Ineligible Borrower. Each borrower is a VA-eligible borrower pursuant to all applicable VA rules, regulations, and guidelines, and is not any of the following: (i) a person without an authentic and documented social security number issued by the Social Security Administration, (ii) a borrower with diplomatic immunity, (iii) a fictitious entity (corporation, limited liability company, partnership, estate), (iv) a foreign national, (v) a land trust.

H. Compliance With Freddie/Fannie VA Requirements. Broker represents and warrants that each loan application package complies with all Fannie Mae and Freddie Mac VA loan guidelines, without limitation.

I. Fraud and misrepresentation. There is no fraud or misrepresentation as to any aspect of the loan application package pertaining to VA borrower eligibility, VA insuring, or VA-required documentation or underwriting processes, whether known or unknown to Broker, without limitation.

In the event that there exists any breach of any of the foregoing, Broker shall be subject to the Indemnification and Purchase on Demand obligations set forth within the Agreement, and Broker agrees and acknowledges that any loan application package and VA loan that is transacted between Broker and Florida Capital Bank Mortgage pursuant to this written policy shall be subject to the complete requirements, obligations, and remedies of the Agreement, without limitation.

In the event that this written policy, or any part of it, is found unenforceable in any jurisdiction, Florida Capital Bank Mortgage and the Broker intend to revert to and be governed by the terms of the Agreement, without reference to the terms of this written policy.