

Requirements for ALL VA Modification Programs

- ✓ Loan must be in default, and the reason for default is resolved prior to the modification.
- ✓ The modification will reinstate the loan.
- ✓ Household income must support all expenses. (Note: An exception is granted to VA Regulation 36.4340, underwriting guidelines.)
- ✓ Current owner is obligated to pay and party to the loan modification.
- ✓ Borrower will not be charged a processing fee or receive cash back.
- ✓ All unpaid fees will be waived. Costs incurred, and legally chargeable, may be collected from borrower.
- ✓ Servicer will remain in first lien position.
- ✓ Guaranty amounts may be impacted, as outlined in VA Regulation 36.4315.
- ✓ Property cannot be abandoned or condemned.
- ✓ Standard loan modification incentives apply.

Additional Modification Program Requirements	Traditional Modification	Streamline Modification	VA Affordable Modification (VAAM)	VA Disaster Modification	Disaster Extend Modification
Loan must bear a fixed rate and follow the maximum rate guidelines outlined in VA Regulation 36.4315.	X	X	X	X	
New loan terms must follow guidelines outlined in VA Regulation 36.4315.	X	X	X	X	
Servicers must follow guidelines outlined in VA Regulation 36.4315 with regards to including items in the modified indebtedness.	X	X	X	X	
Borrower's financials are required for review.	X		X		
Minimum of 12 payments have been made on the loan.	X	X	X		
Loan has not been modified within the last 3 years.	X	X	X		
Loan has not been modified more than 3 times during the life of the loan.	X	X	X		
Modification must realize at least a 10% reduction in principal and interest portion of the payment.		X			
Borrower cannot have previously defaulted on a prior Streamline modification.		X			
Borrower has not submitted a complete workout package.		X		X	X
Borrower must complete a 3 month Trial Payment Plan (TPP).		X		X	
Modified monthly PITIA payment must be no greater than 31% of the borrower's gross monthly income.			X		
Principal deferrment is allowed.			X		
Loan must be impacted by a natural disaster and no more than 30 days delinquent at the time of the disaster.				X	X
Modification must be solicited within 12 months of disaster.				X	X
Terms are extended by the same number of months the loan is delinquent, up to 12 months.					X
Servicer must forgive all delinquent interest.					X