VA Lenders Handbook (VA Pamphlet 26-7), Chapter 1, Topic 15 — Application Checklist for Authority to Close Loans on an

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15. Application Checklist for Authority to Close Loans on an Automatic Basis Change Date February 1, 2019 • This chapter has been revised in its entirety. a. Checklist • 1) Experience Your firm must meet one of the following experience requirements: • Company Experience • Firm actively engaged in originating VA loans for at least 2 years, and firm has originated and closed a minimum of ten VA loans (excluding IRRRLs); or, • Firm actively originating and closing VA loans for less than 2 years, and firm has originated and closed at least 25 VA loans (excluding IRRRLs). • Principal Officer Experience Documentation Resumes for each principal officer (president plus any officers involved in managing loan origination functions) showing mortgage lending experience. Experience Requirement A principal officer who is actively engaged in managing VA origination functions must have at least 2 recent years management experience in the most recent 5 years. Continued on next page VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-46 15. Application Checklist for Authority to Close Loans on an Automatic Basis, continued a. Checklist, continued • Agent Experience Documentation • A copy of the VA letter approving the firm as an agent for the sponsoring lender; • a letter from a senior officer of the lender indicating the number of VA loans submitted and compliance with VA requirements and procedures; and • a copy of the corporate resolution. Experience requirement • Firm actively operating as an agent for an automatic lender for 2 years, and originated a minimum of ten VA loans; or, • Firm actively operating as an agent for an automatic lender for less than 2 years, and originated a minimum of 25 VA loans. • 2) Underwriter(s) Documentation VA Form 26-8736a completed by a senior officer outlining the underwriter's specific experience with VA loans. If the underwriter is not located in the home office, provide certification from a senior officer that the underwriter is supervised by an individual other than a branch manager or other person with production responsibilities must be provided. Experience Requirement • Minimum 3 years of experience in processing, pre-underwriting or underwriting mortgage loans, and at least 1 recent year of this experience making underwriting decisions on VA loans (recent = within the past three years); or, • Accredited Residential Underwriter (ARU) by the Mortgage Bankers Association. • 3) Working Capital or Net Worth • A minimum of $50,000 in working capital must be demonstrated; or • Lender has $250,000 net worth and reported by CPA in annual financial statements (see Topic 14 of this chapter). Continued on next page VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-47 15. Application Checklist for Authority to Close Loans on an Automatic Basis, continued a. Checklist, continued • 4) Financial Statements audited and certified by a CPA and current to within 6 months of the application date. • 5) Line of Credit of at Least $1 Million Dollars • 6) Two Permanent Investors with addresses, telephone numbers and name(s) of contact person(s) • 7) Quality Control Plan That Meets VA Requirements (see Topic 14 of this chapter) • 8) Designated Liaison Officer • 9) Corporate Resolutions and Delinquency Data for Affiliates • 10) List of Branch Offices or Corporate Resolutions for Agents • 11) Application Fee Submitted

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