VA MPR EXPRESS RENOVATION PROGRAM

PROGRAM SPECIFICATIONS	
Description	The VA Minimum Property Requirements (MPR) Express Renovation Loan is a single-close loan that allows a veteran borrower to purchase a home, or refinance an existing home, that requires a large-dollar repair and to include the cost of that repair in the loan balance. The program is purpose-built for VA MPR deficiencies and other large-ticket items identified at home inspection or appraisal, most commonly roof replacement, HVAC replacement or repair, and septic or well replacement or repair. A contractor may be selected for the repair prior to loan closing but is not required. A feasibility Study listing cure cost may be provided and used in lieu of a contractor bid to establish the repair escrow, which allows the file to close while the contractor is identified and vetted afterward.
Channels	• Broker • Correspondent ○ Non-Delegated UW

FICO	• 580 minimum qualifying credit score for all qualifying Borrowers.
	  ○ 580-659: A minimum of 2 qualifying credit scores are required for all qualifying borrowers. Use the middle score if 3 credit scores or the lower of the two if 2 credit scores.
	  ○ 660+: A minimum of 1 qualifying credit score is required for all required borrowers.
	  ○ Lowest representative score from all borrowers will be used for qualification purposes.

UW Method	• Desktop Underwriter (DU) • Loan Product Advisor (LPA)
AUS Recommendation	• Approve/Eligible – DU • Refer/Eligible – DU • Risk Class Accept – LPA • Risk Class Refer – LPA
Eligible Terms	• 10Yr., 15Yr., 20Yr., 25Yr., 30Yr. Fully Amortizing Fixed

Eligible Transaction Types	• Purchase
	• Cash Out Refinance
	  ○ Follow VA Circular 26-19-05 for NTB requirements
	  ○ LTV calculations includes the VA funding fee
	  ○ **Seasoning Requirement:**
	  ▪ The borrower must have made at least six consecutive monthly payments on the loan being refinanced, referred to hereinafter as the Initial Loan, beginning with the payment made on the first payment due date; and
	  ▪ The first payment due date of the refinance loan occurs no earlier than 210 days after the first payment due date of the Initial Loan.
	• Texas Renovation refinance transactions are permitted:
	  ○ May not receive any cash back at closing. Principal reductions/curtailments are not permitted, and
	  ○ Liabilities not secured by the subject property may not be paid with proceeds from this transaction.

Eligible Property Types	• 1 Unit Primary Residence (attached/detached) • 2 Unit Primary Residence (attached/detached) • Manufactured Housing • VA Approved Condominiums https://lgy.va.gov/lgyhub/condo-report ○ eLEND reserves the right to require HOA approval of proposed renovations. If required, this approval can be written from the board, found in the bylaws or confirmed verbally with the HOA contact.
Maximum LTV	• Purchase, 100% LTV including renovation costs • Refinance, 100% LTV including renovation costs
Maximum DTI	• DTI > 41% must meet requirements of Chapter 4, Topic 8, 9, and 10 of VA Pamphlet 26-7. • Refer/Eligible AUS Recommendations and Manual Underwrites: ○ 65% Maximum
Maximum Loan Amount	• The Maximum Mortgage Worksheet (MMW) must be completed in calculating the maximum loan amount. • Loan amounts may not exceed the national baseline Conforming Loan Limits as published by the FHFA. • High Balance and Jumbo loan amounts are not permitted
Appraisal	**Important:** • If application starts off as a VA Reno: ○ Appraisal must be ordered with bid

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EQUAL HOUSING LENDER

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	○ Appraisal must be ordered subject to repairs or alterations • If the loan starts off as a VA Standard purchase or refinance ○ Appraisals "Subject To" requires an estimate of cost to cure • Final Inspection must be completed by a VA appraiser once property is 100% complete Note: "As Completed/After Improved" Property Condition Rating as determined by the Appraiser must be C1-C4.
Eligible Repairs	This product is designed for VA Minimum Property Requirement (MPR) deficiencies and other large-dollar repair items identified at home inspection or appraisal. • Roof replacement • HVAC replacement or repair • Septic or well replacement or repair on an existing system • Any other MPR deficiency cited on the appraisal or flagged at home inspection, provided the repair is non-structural and non-cosmetic This is not a product to perform updates or renovations such as kitchen remodels or bathroom upgrades. Repairs must be permanently affixed to the real property. Per VA, alterations and repairs must be ordinarily found on similar properties of comparable value in the community.
VA Minimum Property Requirements (Reference)	Per VA Pamphlet 26-7, Chapter 12. A deficiency in any of the following, cited by the appraiser or identified at home inspection, is an eligible repair under this program provided the cure is non-structural and within the maximum renovation budget. • Safe, all-weather access to the property from a public or private street • Adequate space for living, sleeping, cooking, dining and sanitary facilities • A roof that prevents the entrance of moisture and has reasonable future utility • Freedom from defective construction, continuing settlement, excessive dampness, leakage or decay • Permanently installed heating adequate for healthful and comfortable living conditions, maintaining a temperature of at least 50°F in areas containing plumbing • A continuing, safe supply of potable water, plus hot water for sanitary use • Safe sewage disposal — public sewer, or an individual system that meets state and local requirements • Electrical, plumbing and mechanical systems that are safe to operate, protected from the elements, and have reasonable future utility • Crawl space and attic that are accessible, adequately ventilated and free of standing water or debris • Freedom from wood-destroying insects, fungus and dry rot • Remediation of lead-based paint hazards on dwellings built prior to 1978 • Freedom from any other condition hazardous to the health or safety of the occupants This list is a summary provided for reference only. VA Pamphlet 26-7, Chapter 12 as currently published governs, including VA Change 46 applicable to appraisals made after 5/1/2026.
Amount of Repairs	• Maximum total renovation budget of $35,000.00. ○ The $35,000.00 maximum is all-inclusive: it includes the required 15% contingency reserve, all inspection and reinspection fees, and the title update fee. • There is no minimum rehabilitation cost. • Only non-structural repairs are permitted.
Maximum Construction Timeframe	• 3 months from closing
Escrow Amount	• Excess amount to be applied as a principal reduction, unless funded by the borrower at initial closing (any funds returned to the client must be approved by eLEND).
Contingency	• A contingency reserve equal to 15% of the alteration and/or repair cost is required on all loans.
Draws	• eLEND permits 50% initial advancement request up to $17,500.00 calculated off the approved scope of work after closing upon request. • eLEND permits up to three draws per contractor after closing, excluding the initial request noted above. These include two intermediate draws during the rehabilitation process and one final draw. Each draw may include up to two separate disbursements; a draw with two disbursements counts as one draw. All draw requests must be submitted in writing and executed by both the Contractor and Borrower. The draws are based on the percentage of completion of the project and require a site inspection documenting work progression.
Title Updates	• 1 Title Update ($150 will be included in the maximum mortgage amount calculation) • 1 Final Lien Waiver provided by General Contractor
General Contractors	• eLEND permits for only 1 General Contractor/Builder; multiple Generals Contractors/Builders are not permitted with exception to well and septic contractors where outside the general contractor's scope. • There can be no identity or conflict of interest between the borrower and contractor. • Family members are not eligible; the borrower cannot be employed by or be an owner in the contractor's business • The GC/Builder must carry sufficient insurance equal to the amount of $100,000/per occurrence through a valid and current general liability insurance policy • GC/Builder must provide a detailed estimate/bid itemizing all of the repairs that are to be completed with costs broken down to material and labor, and not, if permits are going to be required.

Forms	See FORMS Section in the Resource Center
Underwriting Guidelines	Follow VA Pamphlet 26-7 Chapter 7 for alteration and repair guidelines and the VA Pamphlet 26-7 Chapter 4 for credit and underwriting requirements
Overlays	
Follow all overlays outlined in the VA Renovation Program: • eLEND requires the use of eLEND's Texas counsel on all Texas transactions. eLEND utilizes this 3rd party for document preparation and requires 48 hours for both title review and to generate a closing package.	
Disclaimer: All overlays herein are subject to change by eLEND without notice. Where eLEND is silent, the UW must follow all guidelines outlined in the Lender's Handbook – VA Pamphlet 26-7.	