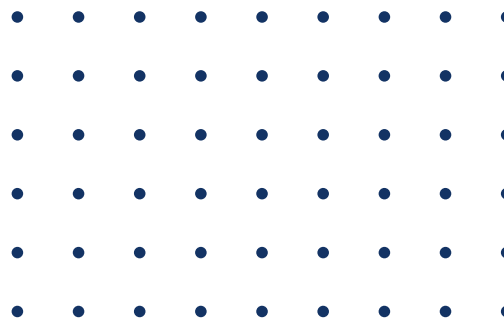




MLBWHOLESALE
Making Lives Better

VA Renovation

www.MLBWholesale.com



 NMLS #1101220

MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Servicer, AZ Department of Insurance and Financial Institutions, CA Department of Financial Protection and Innovation, CO Division of Real Estate, CT Department of Banking, DC Department of Insurance, Securities, and Banking, DE Office of the State Bank Commissioner, FL Office of Financial Regulation, GA Department of Banking and Finance, IA Division of Banking Finance Bureau, ID Mortgage Broker Lender License, IL Department of Financial & Professional Regulation, IN Department of Financial Institutions, KS Office of the State Bank Commissioner, KY Department of Financial Institutions, LA Office of Financial Institutions, MA Division of Banks: MA Licensed Mortgage Lender/Licensed Mortgage Broker MC1101220. MD Office of the Commissioner of Financial Regulation, ME Bureau of Consumer Credit Protection, MI Department of Insurance and Financial Services, MN Department of Commerce, MS Department of Banking and Consumer Finance, MO Division of Finance, MS Department of Banking and Consumer Finance, MT Division of Banking & Financial Institutions, NE Department of Banking and Finance, NH Banking Department, NC Commission of Banks Office, ND Department of Financial Institutions, NM Mortgage Loan Company License, NY Department of Financial Services, OH Division of Financial Institutions, OK Department of Consumer Credit, OR Department of Consumer and Business Services, PA Department of Banking and Securities, RI Department of Business Regulation, SC Board of Financial Institutions, SD Division on Banking, TN Department of Financial Institutions, TX Department of Savings and Mortgage Lending, UT Department of Financial Institutions, VT Department of Financial Regulation, VA Bureau of Financial Institutions, WA Department of Financial Institutions, WI Department of Financial Institutions, WV Division of Financial Institutions, WY Division of Banking. All Rates subject to change without notice. MLB, in no way, claims to represent or to conduct business on behalf of HUD or the Federal Government. EQUAL HOUSING LENDER



WHAT IS A **VA RENOVATION**?

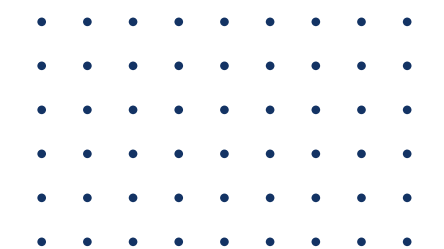
The VA Renovation Program is a single-close loan that enables borrowers to purchase a home that needs repairs or refinance their existing home and including the necessary funds for renovation in the loan balance.



Purchase and Cash Out 1 ONLY
(Not permitted for Cash Out 2).
**No Additional Cash Out above
repairs costs.*

Repairs Improvements must be
permanently affixed to real
property.

VA Renovation mortgage may
not be used for complete tear-
down and reconstruction of the
dwelling.





WHY USE A **VA RENOVATION**?

Aged Housing

**Aging
Population**
(deferred maintenance)

**Build
equity**

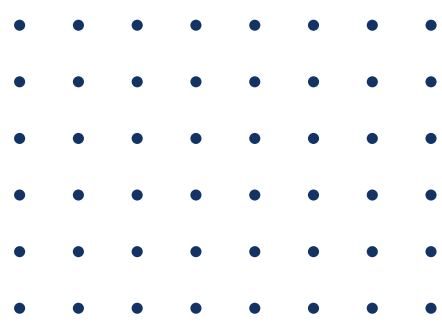
**Influx of
foreclosures**

**Family has
outgrown
starter home**

**Cosmetic
improvements**

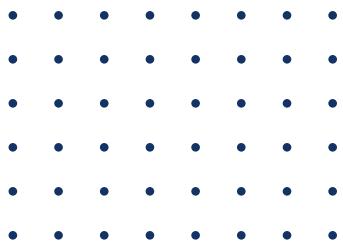
**Accessibility
for the
disabled
veterans**

**Make a home
your own**





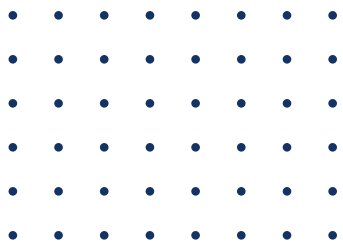
BENEFITS OF THE VA RENOVATION



- **No Down Payment Required:** Qualified veterans can finance 100% of the home's purchase and renovation costs.
- **No Private Mortgage Insurance:** Borrowers are not required to pay PMI, which can result in significant savings.
- **Improves Home Value:** Renovations can increase the home's value, potentially providing more equity.
- **Government-Backed Security:** The loan is backed by the Department of Veterans Affairs, providing additional security to lenders and borrowers.
- **Meets Minimum Property Requirements:** The loan can be used to bring a property up to the VA's Minimum Property Requirements (MPRs), ensuring the home is safe, sanitary, and structurally sound.

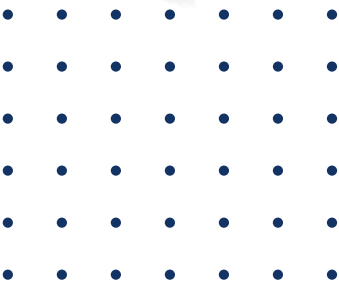


ELIGIBLE BORROWERS



- Standard VA guidelines, http://www.benefits.va.gov/warms/pam26_7.asp
- MIN Fico score of 600, Purchase
- MIN Fico score of 600, Cash Out for LTV 90% or below.
- MIN Fico score of 600, required for LTV for 100%. *IMPORTANT, Cash out is only to be used for the repairs.
- Seasoning and VA Net Tangible Benefit must be met on Cash Out Transactions
- DTI and LTV – follow standard VA guideline





ELIGIBLE **PROPERTY** TYPES

- 1 unit owner-occupied primary residence
- PUDs
- VA-approved condos
- Manufactured Homes (Single, Double, Multi-Wide)
- Modular Homes



Certificate Of Eligibility

Certificate of Eligibility (COE) can be accessed at <https://lgy.va.gov/lgyhub/>

COE includes:

- Veteran name
- Branch of service
- Entitlement amount
- Funding fee status
- Existing VA loans

VA

Department of Veterans Affairs

CERTIFICATE OF ELIGIBILITY

FOR LOAN GUARANTY BENEFITS

REFERENCE NUMBER 88888888

NAME OF VETERAN JOHN DOE

SERVICE NUMBER
SOCIAL SECURITY NUMBER XXX-XX-9999

ENTITLEMENT CODE 05

BRANCH OF SERVICE Army

FUNDING FEE EXEMPT

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status

THIS VETERAN'S BASIC ENTITLEMENT IS \$36,000*
TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS \$0*



Full Entitlement

Certificate of Eligibility (COE) can be accessed at <https://lgy.va.gov/lgyhub/>

- \$36,000 basic entitlement
- VA guarantees 25% of the loan
- No loan limit restrictions

VA
Department of Veterans Affairs

CERTIFICATE OF ELIGIBILITY
FOR LOAN GUARANTY BENEFITS

REFERENCE NUMBER

NAME OF VETERAN

MICHELLE

SERVICE NUMBER
SOCIAL SECURITY NUMBER

XXX-XX-

ENTITLEMENT CODE

05

BRANCH OF SERVICE

Navy

FUNDING FEE

EXEMPT

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status

THIS VETERAN'S BASIC ENTITLEMENT IS \$36,000*

TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS \$0*

The veteran is eligible for the benefits of Chapter 37, Title 38, U.S. Code, subject to any condition(s) cited below. Basic entitlement for veterans who have not previously used home loan benefits is \$36,000. Additional entitlement is available for most loans in



Used Entitlement

Certificate of Eligibility (COE) can be accessed at <https://lgy.va.gov/lgyhub/>

When the borrower has used their entitlement
The COE will show the **loan details** as well
As the **amount of entitlement** that has been
used

***NOTE: When you have used entitlement, you
May still qualify for a VA loan. The underwriter
Will complete a worksheet to determine what
Entitlement is left over that we can apply to the
New loan***

VA

Department of Veterans Affairs

REFERENCE NUMBER 20245850

NAME OF VETERAN

ENTITLEMENT CODE **05**

BRANCH OF SERVICE **Navy**

FUNDING FEE **Exempt - SC with Monthly Award**

CERTIFICATE OF ELIGIBILITY

FOR LOAN GUARANTY BENEFITS

SERVICE NUMBER
SOCIAL SECURITY NUMBER **XXX-XX-**

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status
17-17-6-1531813	FL	\$156,031	03/13/2012	\$43,435	Active

THIS VETERAN'S BASIC ENTITLEMENT IS **\$0***

TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS **\$43,435***

The Veteran is eligible for the home loan benefits of Chapter 37, Title 38, U.S. Code, subject to any condition(s) cited below. Basic entitlement available to a Veteran is \$36,000. Entitlement previously used may be restored when the property is sold, or the loan is paid-in-full. For loans above \$144,000, the maximum amount of entitlement available to a Veteran with full entitlement is 25 percent of the loan amount. For Veterans who have previously used entitlement and such entitlement has not been restored, the maximum amount of entitlement available to the Veteran, is 25 percent of the Freddie Mac conforming loan limit (CLL) reduced by the amount of entitlement previously used (not restored) by the Veteran. CLL loan limits are adjusted annually, and the current limits are available at www.homeloans.va.gov.



Guaranty Calculator

To determine if your loan meets the minimum 25% Guaranty, you can go to <https://lgy.va.gov/lgyhub/guaranty-calculator>

Here is an example of Used Entitlement where the borrower still qualifies for another loan

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status
17-17-6-1531813	FL	\$156,031	03/13/2012	\$43,435	Active

THIS VETERAN'S BASIC ENTITLEMENT IS \$0*

TOTAL ENTITLEMENT CHARGED TO PREVIOUS VA LOANS IS \$43,435*

Guaranty Percentage Calculator

This calculator is for estimation purposes only. For more accurate and detailed information, please refer to the veteran's COE record.

State ⓘ

Virginia

County ⓘ

Fairfax

County Loan Limit:

\$ 1,149,825.00

Previous Entitlement Charged ⓘ

43435

Loan Amount ⓘ

855000

Guaranty Amount:

\$ 213,750.00

Guaranty Percent:

25%

Success



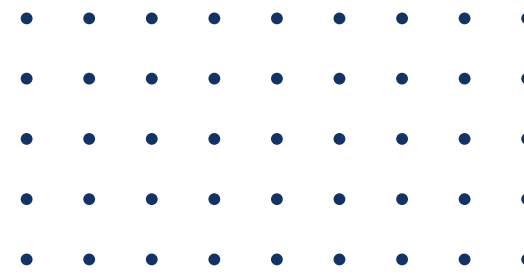
VA RENOVATION

- No minimum rehab costs
- Max rehab costs: Bid of **\$50,000**
- There can only be **one contractor**. (Must be arm's length)
- Identity or conflict of interest not permitted between anyone within the transaction.
- Up to **3 Draws** (each draw will require 1 inspection before release of the draw. A final Inspection is required after all work is completed)
- **10%-15% Contingency** is required
- Work **MUST** be completed within 4 months





CONTRACTORS



CONTRACTORS DO NEED TO BE APPROVED BY MLB

Underwriter will review to make sure that individual contractor's information and documentation is acceptable

All contractors must provide the following for approval:

1. Proof of business license and valid driver's license
2. Contractor profile to include:
 - a. Three business references completing similar jobs
 - b. Insurance, phone # and policy #
3. General liability Insurance and workman's comp
 - a. Signed/dated detailed bid itemizing the specific cost (material and labor) of each individual repair
 - b. Completed Federal W-9





ACCEPTABLE CONTRACTOR BID

Contractor Bid must include:

- Borrower Name/s
- Property Address
- Contractor Name/Address
- Itemization of the cost of labor/materials
- Details for each repair item
- Total cost
- Signatures for borrower(s) and contractor

Required Document:
Standard 203(k) and Limited 203(k)
-Bid Required from each contractor

Contractor Bid

ABC Contractor

56789 Construction Way, Anytown, CA 90000

License #: 123456
800-222-9999

Borrower name and property address required

Client: Mr. & Mrs. Customer

Project Location: Parcel # 012-987-01
1234 Oak Street
Anytown, CA 90000

Detailed itemization required for labor and material

Item	Description	Labor	Material	Contracted Amount
Permitting	Roofing permit	\$350.00	\$154.00	\$504.00
	All other permitting is included in subcontractor pricing			\$0.00
Plumbing	Install two electric water heaters	\$1,200.00	\$625.00	\$1,825.00
Well Drilling	Well piping	\$6,500.00	\$3,200.00	\$9,700.00
	Clay county permit	\$85.00		\$85.00
	Shallow well pump 1hp	\$250.00	\$1,239.10	\$1,489.10
	Deep well pump 1hp	\$250.00	\$1,603.10	\$1,853.10
HVAC	3.5 ton Tempstar heat pump and 3 ton Trane heat pump	\$3,275.00	\$5,600.00	\$8,875.00
Electrical	Make all repairs, install lighting, and hookup fixtures	\$2,500.00	\$1,250.00	\$3,750.00
Pool	Pump, filter, re-plumb, acid wash, and install new heat pump	\$1,000.00	\$500.00	\$1,500.00
Roof Repair	Replace missing shingles at front	\$650.00	\$150.00	\$800.00
Fascia Repair	Replace eve drip	\$450.00	\$35.00	\$485.00
	Replace damaged fascia	\$350.00	\$50.00	\$400.00
Drywall Repair	Foyer - wall repair	\$125.00	\$100.00	\$225.00
	Front corner office #2 - ceiling repair	\$125.00	\$100.00	\$225.00
	Family room - ceiling repair	\$125.00	\$100.00	\$225.00
	Dining room - ceiling and wall repair	\$250.00	\$200.00	\$450.00
	Kitchen - ceiling and wall repair	\$250.00	\$200.00	\$450.00
	Master Bedroom - wall repair	\$125.00	\$100.00	\$225.00
	Master bathroom - wall repair	\$125.00	\$100.00	\$225.00
	Bedroom 2 - wall repair	\$125.00	\$100.00	\$225.00
WDO Repair	Door trim on rear of home, fascia on right of home, trim at pool and roof sheathing	\$1,500.00	\$550.00	\$2,050.00
				\$0.00
Door Repair	Replace and install new hardware for all damaged and missing doors	\$850.00	\$450.00	\$1,300.00
Stove	Install new stove	\$150.00	\$450.00	\$600.00
Total				\$37,466.20

Standard: This figure is used for the Work Write-Up. Figures MUST match.

Represents total labor and material costs.

Terms and Conditions



APPRAISAL

Order the VA appraisal at <https://lgy.va.gov/lgyhub/>

Once the appraisal is ordered, the VA LIN (VA case #) will be available.

Appraisal must be ordered with a copy of the BID and must be ordered subject to repairs and alterations.

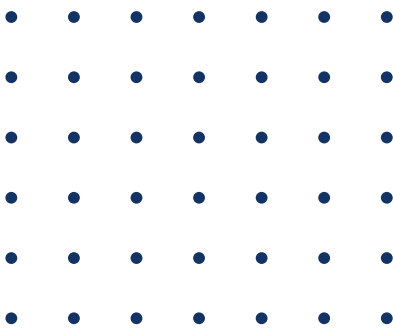
VA appraiser will “HOLD” the appraisal order until the BID has been provided.

BID must provide a detailed estimate/bid itemizing all of their repairs that are to be completed, with costs broken down to material and labor, and whether permits are going to be required.





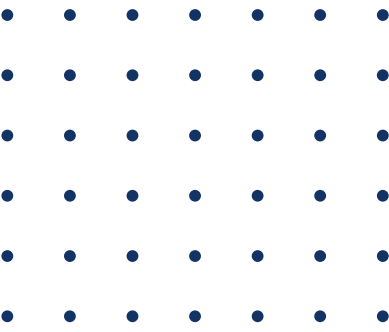
ELIGIBLE REPAIRS



- Connecting to public water and sewerage systems
 - Repairing/replacing plumbing, heating, AC and electrical systems
 - Making changes for improved functions and modernization
 - Eliminating obsolescence
 - Repairing or installing new roofing, provided the structural integrity of the dwelling will not be impacted by the work being performed
 - Siding, gutters, and downspouts
 - Making energy conservation improvements
 - Creating accessibility for persons with disabilities
 - Installing or repairing fences, walkways, and driveways
 - Installing a new refrigerator, cooktop, oven, dishwasher, built-in microwave oven and washer/dryer
 - Repairing or removing an in-ground swimming pool
 - Installing smoke detectors
 - Installing, replacing, or repairing exteriors decks, patios, and porches
 - Lead-based paint abatement
 - Well or Septic repair (septic tank replacement ineligible)
 - Mold Remediation
- Note: VA requires any alterations and repairs to be ordinarily found on similar properties of comparable value in the community.



INELIGIBLE REPAIRS



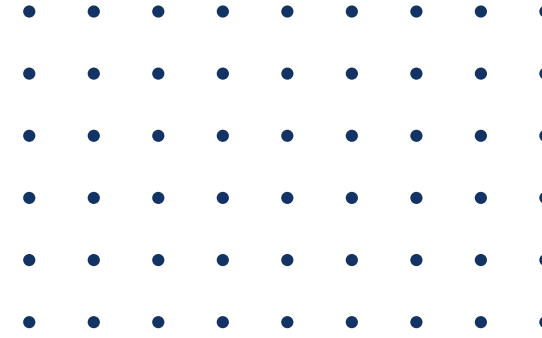
- Oil Tanks (repair, removal, remediation)
- Any repair/installation private waste management system (Lagoon, Cesspools, Pits, etc.) Major repairs or installation of septic systems
- VA Energy Efficient Mortgage
- Purchasing an existing structure on another site and moving it to a new foundation
- Any repair that will take more than 4 months to complete
- Any repair that prevents the borrower from occupying the property for more than 15 days during the renovation period
- Any repair that is done as Self Help

Home must be habitable at the time of application



ACQUISITION COST VERSUS VALUE

(PURCHASE)



Purchases: Loans for alteration and repair in conjunction with a purchase must use the lesser of the acquisition cost + Bid/repairs + repair costs*

OR

The as-completed (after-Improved) value determined by the VA fee panel appraiser.

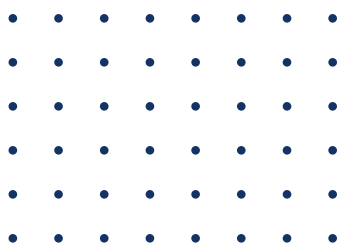
**Repair Costs include contingency reserve (if any, up to 15 percent of the repair cost), inspection fees, title update fees, and permits.*





ACQUISITION COST VERSUS VALUE

(PURCHASE EXAMPLES)



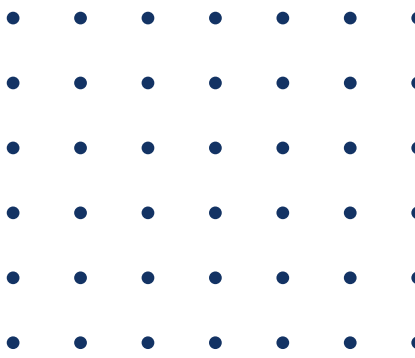
Example 1: Contract sales price \$100,000, alterations and repairs \$75,000, contingency reserve of \$7,500, inspection \$250, permit \$250, for a total acquisition cost of \$183,000. Notice of Value (NOV) is \$180,000. The lesser amount of \$180,000 is to be used as the acquisition cost and the borrower must bring \$3,000 to closing. This is not considered down payment as it is greater than the value.

Example 2: Contract sales price is \$100,000 alterations and repairs are \$75,000, contingency reserve of \$7,500, inspection \$250, permit \$250, for a total acquisition cost of \$183,000. Notice of Value (NOV) is \$190,000. The lesser amount of \$183,000 is to be used as the acquisition cost. Therefore, the entire acquisition cost of \$183,000, plus the funding fee may be financed.

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OVERVIEW OF MLB'S SPECIFICATIONS & OVERLAYS



- Not permitted in NY
- No fico loans are not permitted
- VA Renovation Refinance is not available in TX
- SFR only
- Fixed rate ONLY
- Joint loans not permitted.
- Luxury/Recreational repairs not permitted. Any structural repairs, an engineer's report, or architectural specs are not eligible
- No minimum rehab costs. Max rehab costs \$50,000
- Loans cannot close in a trust
- Home must be habitable at the time of application





CLOSING/POST CLOSING

MLB will not disburse any funds prior to work being in place. Subsequent draw amounts will be based on inspections & percentage of completion.

Each authorized draw will include a 10% holdback (Total of holdbacks released with final disbursement)

When work is completed:

- Borrower notifies MLB
- MLB will order the final inspection from the original appraiser or AMC, if not available
- Upon receipt of inspection and forms, a final disbursement will be made to the contractor
- All draws are released through ACH transfer
- Any unused funds in escrow are applied as a principal reduction



RESOURCES

Reach out to [Client Services](#) for assistance

Call or Text: 973-564-0866

View MLB's programs [here](#)

Videos and Presentations [here](#)





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841 Mountain Ave, Suite 400, Springfield, NJ 07081

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