Origination Guide Updates Announcement

(OG Announcement 2026-03)

Virginia Housing's Origination Guide has been updated to reflect the following changes:

- Updates to formatting for consistency throughout the Origination Guide
- Updates to references to USDA RD to align with industry standard
- Clarification of requirements for Programs Disclosure and Borrower Affidavit (Exhibit E) to align with the current processes
- Updates to references to appraisal forms to allow for acceptable appraisal based on the loan type, rather than the specific Uniform Residential Appraisal Report; updated references related to Appraisal Waivers to align with the current industry term of Value Acceptance.
- Addition of enhanced clarity for post-closing repairs and escrow holdback agreement requirements
- Clarification of requirements for disclosing the Trustee's Fee in Deeds of Trust
- Clarification of requirements for Title Insurance Binders and Title Policies
- Addition of a notation regarding the closure of the Virginia Housing Community Heroes Pilot

Programs Disclosure and Borrower Affidavit (Exhibit E)

The guidance for completing the Programs Disclosure and Borrower Affidavit (Exhibit E) has been updated to reflect the current process.

Section 2: Eligibility Requirements – 2.1 L: Other Household Members

- Any other household member that does not have income must be identified, and either $0.00 reflected in the annual income field ***or the annual income field may be left blank***.

Appraisals

The required document for appraisal has been updated to reflect the required documentation types.

Section 2: Eligibility Requirements – 2.2 G: Appraisals

- The Originating Lender is responsible for obtaining and ***submitting an appraisal report permitted by the GSE, insurer or guarantor,*** prepared by an appraiser licensed in the Commonwealth of Virginia.
- ***Value Acceptance*** using conventional financing is not permitted; however, an exception may be considered when Fannie Mae or Freddie Mac and the Automated Underwriting System (AUS) ***have issued Value Acceptance using Virginia Housing's Conventional program***. The exception request must be submitted to Virginia Housing for consideration, and the loan cannot be a Virginia Housing bond program.

Post-closing Repairs

The Post-closing Repairs guideline has been updated to require an escrow holdback agreement when post-closing repairs are approved.

Section 2: Eligibility Requirements – 2.2 N: Post-closing Repairs

- ***An escrow holdback agreement is required for any post-closing repairs, with applicable GSE, Insurer or Guarantor timelines included in the agreement. The Originating Lender is responsible for ensuring that all post-closing repairs are completed in the allotted time. Once completed, the Originating Lender is responsible for reporting the completion of the post-closing repairs to Virginia Housing, including any inspection reports, to document that the repairs have been completed.***

First Deed of Trust and Attachments and Second Deed of Trust and Attachments

The verbiage for disclosing the Trustee's fee has been enhanced to provide clarity when using the Virginia Standard Instrument.

Section 2: Eligibility Requirements – 2.5 D: First Deed of Trust and Attachments and Second Deed of Trust and Attachments

- "Trustee's fee"
    i. ***When using a fillable instrument, the "Trustee's Fee"*** must show 5%
    ii. When using the Virginia Standard Instrument, the standard language must indicate the trustee's ability to collect compensation and reasonable attorney's fees

Formal Title Insurance Binder / Title Policy

Specific verbiage has been incorporated into the Formal Title Insurance Binder / Title Policy guidelines for VA and FHA loans.

- For VA loans, the "insured" must also include the Secretary of Veterans Affairs.

Lender and/or The Secretary of

Veterans Affairs, ISAOA ATIMA

- For FHA loans, the "insured" must also include the Secretary of Housing and Urban Development.

Lender and/or The Secretary of

Housing and Urban Development, ISAOA/ATIMA

Final or Repair Inspection Escrows

The Final or Repair Inspection Escrow guideline has been updated to require an escrow holdback agreement when post-closing repairs are approved.

Section 2: Eligibility Requirements – 2.5 K: Final or Repair Inspection and Escrows

- ***An escrow holdback agreement is required for any post-closing repairs, with applicable GSE, Insurer or Guarantor timelines included in the agreement. The Originating Lender is responsible for ensuring that all post-closing repairs are completed in the allotted time. Once completed, the Originating Lender is responsible for reporting the completion of the post-closing repairs to Virginia Housing, including any inspection reports, to document that the repairs have been completed.***

Virginia Housing Loan Programs

A note has been added to the Community Heroes Grant Pilot to reflect the program's closure, effective 3/2/2026.

Effective: All updates outlined in this announcement are effective immediately.