

**STATE OF NORTH DAKOTA  
DEPARTMENT OF VETERANS AFFAIRS  
DEPARTMENT POLICIES**

<b>SUBJECT:</b> Veterans Aid Loan - Underwriting		<b>POLICY NO:</b> 204
<b>DISTRIBUTION:</b> Department Personnel Veteran Service Officers	<b>EFFECTIVE:</b> ACOVA Mtg 11/17/2023	<b>PAGE NO:</b> 1 of 1

Underwriting procedures that shall be utilized:

- 1) Income:
  - a. All documented income sources will be considered. Part time or seasonal income is a calculated average over 12 months.
  - b. Applicant must have discretionary income to repay the loan.
  - c. Spouse's income may be used to calculate discretionary income.
- 2) A credit report must be obtained for every application received, to include the spouse if his/her income is considered, and reviewed for,
  - a. Credit Score
    - i. Applicant(s) should have minimum credit score of 580
    - ii. Credit score between 300 and 579 may be considered based on
      1. Unexpected life events leading to low score
      2. Medical expenses contributing to low score
      3. Previous loan history with NDDVA
  - b. Payment History
  - c. Delinquent accounts
  - d. Bankruptcy
  - e. Credit Utilization Ratio: Proportion of credit limit to credit balance
  - f. Tax Liens
    - i. Loans will not be issued to applicants with outstanding tax liens
  - g. Child Support
    - i. Loans will not be issued to anyone who is not current on paying child support
- 3) Debt-to-income ratio of 30% is desired. Other ratios will be considered by Commissioner, or Authorized Representative, on a case-by-case basis.