

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

SUBJECT: Veterans Aid Loan - Underwriting	POLICY NO: 204
DISTRIBUTION: Department Personnel Veteran Service Officers	EFFECTIVE: ACOVA Mtg 11/19/2021
	PAGE NO: 1 of 1

Underwriting procedures that shall be utilized:

- 1) Income:
 - a. All documented income sources will be considered
 - 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 650
 - ii. Credit score between 550 and 649 may be considered based on
 1. Unexpected life events leading to low score
 2. Medical expenses contributing to low score
 - 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.