

# 2026 VA Residual Income Table & Cheat Sheet

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*A Comprehensive Guide by The Housing Assistant*



## What Is VA Residual Income?

**Residual Income** = the amount of monthly cash a borrower has *left over* after paying:

- ✓ Mortgage payment (PITI)
- ✓ Taxes, installments & recurring debts
- ✓ Utilities estimates
- ✓ Child support/childcare

This leftover figure confirms the borrower can pay *daily living costs* (gas, groceries, Netflix, etc.) without financial strain. The VA relies on this to help prevent foreclosure.

!! **Note:** VA residual income considerations often take precedence over DTI ratios, meaning if residual income is strong, higher DTI may be acceptable with justification.

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## How VA Calculates It (Quick Formula)

Gross Monthly Income  
– Income taxes & FICA (Federal Insurance Contributions Act)  
– Mortgage PITI  
– Installment debts (car, student, etc.)  
– Minimum credit card payments  
– Childcare/support  
– Estimated utility costs  
= Residual Income

This is a *net discretionary income number*. VA lenders verify it against minimum guidelines.

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## 2026 VA Residual Income Tables

Tables vary by:

- Loan amount (below or above \$80,000)
- Region (cost-of-living differences)
- Household size

### Table 1 — Loan Amounts of \$79,999 and Below

Family Size	Northeast	Midwest	South	West
1	\$390	\$382	\$382	\$425
2	\$654	\$641	\$641	\$713
3	\$788	\$772	\$772	\$859
4	\$888	\$868	\$868	\$976
5	\$921	\$902	\$902	\$1,004
>5	+\$75 per extra member	+\$75	+\$75	+\$75

Add up to 7 total family members max.

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### Table 2 — Loan Amounts of \$80,000 and Above

Family Size	Northeast	Midwest	South	West
1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823
3	\$909	\$889	\$889	\$990
4	\$1,025	\$1,003	\$1,003	\$1,117
5	\$1,062	\$1,039	\$1,039	\$1,158
>5	+\$80 per extra member	+\$80	+\$80	+\$80

Again, include all actual dependents: spouse and any children you financially support.

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## Region Geography Cheat Sheet

VA residual income regions are **not states with exceptions** — they're fixed groups:

**Northeast:**

CT, ME, MA, NH, NJ, NY, PA, RI, VT

**Midwest:**

IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI

**South:**

AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, WV

**West:**

AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY

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## Pro Tips for Mortgage Ops



### 1. Know When to Use Which Table

- Purchase/refi with loan amount  $\geq$  \$80K? → Use *Table 2*
- Small loans  $<$  \$80K? → Use *Table 1*
- Always match household size + region accurately.



### 2. Residual Income Beats DTI

VA will often allow DTI above 41% if the residual income:

- ✓ Meets or exceeds the guideline
- ✓ Is substantially higher (e.g., 20% above) allows exceptions.



### 3. Include Only What VA Wants

Give residual income its focus: *VA cares about what's left to live on.* They prioritize:

- Mortgage
- Utilities
- Debts
- Childcare/support

They *don't nitpick every Starbucks latte*, but they do want comfort margin.



### 4. Compensating Factors Can Help

If residual income is borderline, strong compensating factors can support the file:

- ✓ Long steady employment
- ✓ Excellent credit
- ✓ Low revolving usage
- ✓ Social security income

- ✓ VA disability benefits (consistent monthly)
  - ✓ Utility allowances based on energy-efficient homes (documented)
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## Quick Reference Flowchart — Should This Loan Pass?

- Step 1 → Identify Region & Household Size
  - Step 2 → Determine Loan Amount  $\geq$  or  $<$  \$80K
  - Step 3 → Look up Residual Income Minimum
  - Step 4 → Calculate Borrower Residual Income
  - Step 5 → Compare: Borrower  $\geq$  Guideline?
    - Yes → OK; Go to final underwriting
    - No → Evaluate compensating factors
      - If present → Document & proceed
      - If absent → Request corrective action
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## FAQ — Mortgage Ops Edition

### **Q: Can non-VA DTI guidelines override residual income needs?**

**A:** Typically, no, if DTI is low but residual income is strong, file can still be approved. But if residual income is *insufficient*, DTI alone won't save it.

### **Q: What if household size is tricky?**

**A:** Include all dependents you support financially, even room-and-board family members, *if* they impact cash flow. Document decisions clearly.

### **Q: Does VA gross up non-taxable income?**

**A:** For residual income calculations **no**, you report what's actually available. (Gross up is for other purposes like qualifying income in conventional loans.)

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## Closing Notes

- VA Residual Income is not optional; lenders must evaluate it.
- It's a direct look at a borrower's *financial breathing room*.
- A strong residual figure typically correlates with lower default risk, *and we like that on the books.* 😎