



# VA IRRRL

## Standard & High Balance

### Product Matrix

#### VA Handbook

[https://benefits.va.gov/warms/pam26\\_7.asp](https://benefits.va.gov/warms/pam26_7.asp)

# of Units	Maximum LTV/CLTV <sup>2,3</sup>		Minimum Credit Score <sup>4,5</sup>
1	<u>Conforming Loan Amounts</u> <sup>1</sup> Unlimited LTV/CLTV <sup>2</sup>	<u>High Balance Loan Amounts</u> <sup>1</sup> 110%/110% <sup>2</sup>	600 <sup>4,5</sup>

<sup>1</sup> The Conforming Loan amount is \$726,200. Loan amounts greater than the Conforming Loan Limit are considered High Balance for the purpose of determining the LTV.

<sup>2</sup> Refer to Property Valuation of the guideline section for requirements.

<sup>3</sup> New Subordinate financing is not permitted. Note: An existing subordinate lien meeting VA guidelines for subordinate financing is permitted.

<sup>4</sup> Minimum credit score of 620 for manufactured homes.

<sup>5</sup> Loan amounts > \$1,000,000 and < \$1,500,000 require a minimum credit score of 700.

### Guaranty / Entitlement

- The new IRRRL loan amount may be equal to, greater than, or less than, the original amount of the loan being refinanced. This may impact the amount of guaranty on the new loan, but not the veteran's use of entitlement.
- VA Guaranty is always 25% for all IRRRLs.

<b>Terms</b>	<ul style="list-style-type: none"> <li>• 30 and 15 year fixed rate. (ARM's not available)</li> </ul>
<b>Funding Fee</b>	<ul style="list-style-type: none"> <li>• IRRRL's = .50%</li> </ul>
<b>AUS</b>	<ul style="list-style-type: none"> <li>• Manual underwriting only.</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Primary residence only</li> </ul>
<b>CAIVRS</b>	<ul style="list-style-type: none"> <li>• All borrowers on the loan must have clear CAIVRS</li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>• Three credit bureau tri-merge report or a Mortgage only credit report with credit scores.</li> <li>• EMM requires that each borrower have at least one credit scores.</li> </ul>
<b>Mortgage History</b>	<ul style="list-style-type: none"> <li>• <b>EMM will not accept mortgage or rental history with late payments recorded within the last 6 months (0X30, 6 months).</b></li> <li>• Min. of six months mortgage payment history must be available on the current mortgage.</li> <li>• Mortgage payment history must be 0 x 30 in the last 12 months on all other financed properties (not primary).</li> <li>• Mortgage may not be past due at time of closing</li> </ul>
<b>Maximum Term</b>	<ul style="list-style-type: none"> <li>• The maximum loan term is the original term of the VA loan being refinanced plus 10 years, but not to exceed 30 years. (Example: if the old loan was made with a 15-yr term, the term of the new loan cannot exceed 25 years.)</li> </ul>
<b>Max. Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$1,500,000. (VA Form 26-8923, IRRRL Worksheet, must be used for the actual calculation.)</li> </ul>
<b>Cash to close</b>	<ul style="list-style-type: none"> <li>• Not required to be documented</li> </ul>
<b>Cash Back</b>	<ul style="list-style-type: none"> <li>• Minor adjustments at closing not to exceed \$500.00 cash back is eligible.</li> </ul>
<b>Seasoning Requirements</b>	<ul style="list-style-type: none"> <li>• <b>A copy of the original Note of the loan being refinanced is required on all VA Refinances.</b></li> <li>• In order to meet Ginnie Mae and VA seasoning requirements, the new note date must be on or after the later of:               <ul style="list-style-type: none"> <li>▶ the date that is 210 days after the date on which the first monthly payment was due on the mortgage being refinanced, AND</li> <li>▶ the date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ul> </li> <li>• <b>For the refinance of a loan that has been modified, the Note date of the new refinance mortgage must be on or after the later of:</b> <ul style="list-style-type: none"> <li>▶ The date that is 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced, and</li> <li>▶ The date on which <b>six (6) modified payments</b> have been made on the mortgage being refinanced</li> </ul> </li> <li>• VA Loans may not close while in forbearance.</li> </ul>
<b>Net Tangible Benefit</b>	<ul style="list-style-type: none"> <li>• Fixed rate to Fixed rate. The new interest rate must be <u>at least .50% lower than the rate on the existing mortgage.</u></li> <li>• ARM to Fixed rate are exempt from rate reduction</li> <li>• Payment increase is not permitted under any circumstances.</li> </ul>



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<p style="text-align: center;"><b>Fee Recoupment</b></p>	<p><b>In accordance with VA Circular 26-19-22, the VA is now requiring 2 recoupment calculations.</b></p> <ul style="list-style-type: none"> <li>• <b>Comparison statement.</b> If the comparison statement disclosure passes the <math>\leq 36</math> month test then the Statutory Calculation is not required. <ul style="list-style-type: none"> <li>- Comparison calculation includes all fees, expenses and closing costs. Including prepaids and the VA Funding Fee.</li> </ul> </li> <li>• <b>Statutory Calculation:</b> <ul style="list-style-type: none"> <li>- Statutory calculation includes all closing costs but DOES NOT include the VA Funding Fee and prepaids.</li> </ul> </li> <li>• Recoupment is calculated by adding all of the required fees and expenses divided by the reduction of the monthly Principal &amp; Interest (P&amp;I) payment.</li> </ul> <p><b>NOTE: The recoupment period for all fees and charges financed as part of the loan or paid at closing may not exceed 36 months.</b></p>
<p style="text-align: center;"><b>Income</b></p>	<p><b>Employment History</b></p> <ul style="list-style-type: none"> <li>• Salaried or commissioned borrowers must have a two-year employment history as verified by verbal verification of employment (VVOE).</li> <li>• Frequent changes in employment represent an additional risk. Underwriters are advised to scrutinize loans with multiple and/or recent job changes. Letters of explanation may be requested at the underwriter's discretion.</li> <li>• Self-employed borrowers must have a two-year history of self-employment verified via a third party.</li> </ul> <p><b>Income</b></p> <ul style="list-style-type: none"> <li>• Application should make no reference to income</li> <li>• Fixed income borrowers (e. g. retirement/Social Security) are required to provide verification of the source of income.</li> </ul>
<p><b>Real Estate Owned</b></p>	<ul style="list-style-type: none"> <li>• The maximum number of financed residential properties a borrower may have is four.</li> </ul>
<p style="text-align: center;"><b>Properties Listed for Sale</b></p>	<p>Properties listed for sale within the last six months are eligible provided:</p> <ul style="list-style-type: none"> <li>• Property was taken off the market no less than 30 days prior to the application date, and</li> <li>• Veteran provides written confirmation of their intent to occupy the property moving forward, and</li> <li>• Property may not be relisted during or after (at least 120 days) the loan closing.</li> </ul>
<p style="text-align: center;"><b>Property Evaluation</b></p>	<p>The current value must be determined be in the file when delivered to EMM Underwriting and meet the following requirements:</p> <ul style="list-style-type: none"> <li>• Freddie Mac HVE with a confidence level of "H" or FSD max of 15; or</li> <li>• Radian Market Assessed Prices (MAP): FSD max of 10, or</li> <li>• Clear Capital AVM:FSD max of 15 or</li> <li>• Pennymac Home Value Estimator <a href="https://www.goPennymac.com/home-value-estimator">https://www.goPennymac.com/home-value-estimator</a>: FSD max of 15</li> <li>• CoreLogic Total Home Value (THV):FSD max of 11 or</li> <li>• CoreLogic Pass:FSD max of 12</li> <li>• A 2055/1075 drive by appraisal or full appraisal</li> </ul> <p><i>(An AVM is not required if a more thorough appraisal option is used.)</i></p> <ul style="list-style-type: none"> <li>• Manufactured Homes require a Conventional #2055. (See Manufactured Home Section)</li> </ul>
<p style="text-align: center;"><b>Ineligible Properties</b></p>	<ul style="list-style-type: none"> <li>• Co-ops</li> <li>• Life Estates</li> <li>• VA Indian Leasehold properties</li> <li>• 2-4 unit properties considered on a case-by-case exception basis</li> </ul>
<p style="text-align: center;"><b>Geographic Restrictions</b></p>	<ul style="list-style-type: none"> <li>• Florida Condominiums are not eligible.</li> <li>• Texas 50(a)(6) loans are not eligible, regardless of whether or not the current loan contains a cash out provision.</li> </ul>



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<b>Specific IRRRL Documentation</b>	<ul style="list-style-type: none"> <li>• Loan payoff statements must be included in the loan file at the time of underwriting.</li> <li>• The Note from the existing loan should be included in the loan file at the time of underwriting as documentation of the current loan terms.</li> </ul>
	<p>VA IRRRL Documents that should be included in the loan file:</p> <ul style="list-style-type: none"> <li>- IRRRL Case Number printout</li> <li>- Addendum to the URLA (VA 26-1802a)</li> <li>- Federal Collection Policy Notice (VA 26-0503)</li> <li>- Counseling Checklist for Military Homebuyers (VA 26-0592)</li> <li>- Child Care Letter</li> <li>- Statement of Nearest Living Relative</li> <li>- IRRRL Worksheet (VA 26-8923)</li> <li>- Request for Verification of Benefits (VA 26-8937)</li> <li>- VA Loan Comparison (signed by Veteran)</li> </ul>

### Manufactured Homes

<p><b>Appraisal Requirements:</b></p> <ul style="list-style-type: none"> <li>• Minimum Conventional form #2055 required. Property condition must be average or better. Appraisal fee to be disclosed.</li> <li>• Maximum LTV/CLTV 105%/125%</li> <li>• Multi-width, single family with a minimum of 700 square feet.</li> <li>• Must be attached to a permanent foundation and legally classified as real property</li> <li>• Fee simple ownership only</li> <li>• Prelim to confirm the subject is a permanently affixed manufactured home</li> <li>• Tax Sheet to confirm subject is taxed as land plus improvements.</li> <li>• ALTA Endorsement 7, or 7.1, or 7.2, or equivalent state form required</li> <li>• Affidavit of affixation, or state equivalent document, required</li> <li>• Provide copy of foundation certification (or equivalent documentation) from previous loan. If there is none, one will be required: <ul style="list-style-type: none"> <li>▶ Follow FHA's PFGMH, which can be found at: <a href="https://www.hud.gov/program_offices/administration/hudclips/guidebooks/4930.3G">https://www.hud.gov/program_offices/administration/hudclips/guidebooks/4930.3G</a></li> </ul> </li> </ul>
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