



VA IRRRL Matrix					
Primary Residence					
Loan Purpose	Minimum FICO ¹ ,	Maximum Total Loan Amount	Max LTV/CLTV	Units	Loan Terms
VA IRRRL	0	\$1,500,000	NA ¹	1-4 Units, Manufactured OK	15-30 Year Fixed Rate Terms in Annual Increments
	550	\$2,000,000			
	680	\$3,000,000			
¹ When discount points are charged AND the loan type is converted from a Fixed Rate to ARM, appraisal is required and LTV is capped per below: - Discount points > 1% - Max LTV is 90% excluding funding fee - Discount Points < 1% - Max LTV is 100% excluding funding fee					
Minimum Loan Amount		Max Incidental Cash Back		AUS	
\$75,000		\$500 (TX = \$0 ¹)		No AUS, Manual UW Only	
		¹ no cash back permitted on TX refinance transactions			
Maximum Term Increase			Property Types		
The term of the new loan may not exceed the original term by more than 10 years, subject to a maximum of 30 years and 32 days.			VA financed 1-4 Unit, Condo, Manufactured homes		
			Occupancy		
			Primary, Second Home, Investment		
VA Funding Fee for Non-Exempt Veterans					
.50% regardless of Subsequent Use					
Veteran Eligibility					
IRRRL Borrower Eligibility	Obligated parties on the original loan must be the same on the new loan that is being refinanced, and the veteran must still own the property. Below is the guidance for when a change of obligor is acceptable per VA.				
	Parties obligate3d on the VA loan being refinanced:		Parties to be obligated on the new IRRRL:		Is IRRRL Possible?
	Unmarried Veteran		Veteran and new spouse		YES
	Veteran and Spouse		Divorced Veteran		YES
	Veteran and Spouse		Veteran and different spouse		YES
	Veteran Alone		Different veteran who has substituted entitlement		YES
	Veteran and non-veteran, joint loan obligors		Veteran Alone		YES
	Veteran and spouse		Divorced spouse alone		NO
	Unmarried veteran		Spouse alone, veteran died		NO
	Veteran and Spouse		Different Spouse alone (veteran died)		NO
	Veteran and non-veteran, joint loan obligor		Non-Veteran Alone		NO
Surviving Spouse	VA IRRRL is permitted for veteran's surviving spouse if the surviving spouse was obligated on the original note. - Evidence of death certificate for veteran is required - LIN# in the veteran's name - VA Portal will reflect under veteran's social security number - Loan Summary must be completed with veteran's social security for VA guaranty.				



General Eligibility	
All IRRRL Requirements	• Certificate of Eligibility is required • Clear CAIVRS • Must not be presently delinquent in mortgage • Second Home and Investment Occupancy: Veteran must certify the subject property was previously owner occupied in VA 26-1802(a) item 25.2.(c)
Borrower Eligibility	Eligible Borrowers: • Borrowers obligated on the existing VA refinanced loan • Veteran or the spouse of an active service member with certification that he or she previously occupied the property • Joint loans are allowed in accordance with VA's requirements. Ineligible Borrowers: • Non-Occupying Co-borrowers • Veteran with Unmarried Person • Foreign Nationals • Limited and General Partnerships • Irrevocable Trusts • ITIN borrowers
Credit Qualifying Requirements	Credit analysis and underwriting are required when: • The loan to be refinanced is 30 days or more past due (VA Prior Approval Required), or • The monthly payment (PITI) will increase 20 percent more.
Fee Recoupment	All VA IRRRL transactions require 36-month recoupment. • Transactions that do not meet recoupment requirements are ineligible. This includes payment increases due to changing from ARM to fixed rate and term reduction. • IRRRLs with P&I increases may be eligible if the borrower(s) incur no fees, closing costs, or expenses (other than taxes, amounts held in escrow, and fees paid per VA Handbook.
Interest Rate Decrease	The interest rate of the new loan must be less than the interest rate of the existing VA loan unless it is refinancing an ARM to FIXED.
Loan Comparison Statement	A complete comparison disclosure should be presented to the Veteran within 3 business days of initial date of application and again at loan closing. • Comparison statement calculation: Include all fees, expenses, and closing costs, (including taxes, amounts held in escrow, VA funding fee), whether included in the loan or paid outside of closing.
Net Tangible Benefit	Net Tangible Benefit must be met as follows: • Fixed to Fixed requires 0.5% rate reduction • Fixed to ARM requires 2.0% rate reduction • ARM to Fixed and ARM to ARM are exempt from rate reduction • To ensure compliance, a copy of the note from the refinanced loan must be provided. • ARM-to-Fixed: No rate reduction required, rate may increase. Costs must be recouped within 36 months; if the PI payment is staying the same or increasing, the veteran may not pay for loan costs other than taxes, amounts held in escrow, and the Funding Fee.



Seasoning Requirements	The new Note date of the refinance loan must be on or after the later of: • The date on which the sixth monthly payment is made on the loan, AND • The date that is 210 days after the date on which the first payment is due on the original loan being refinanced, * *Note: when the loan being refinanced has been modified, the 210 days of seasoning must be measured from the first payment due date listed on the modification agreement, not from the first payment due date of the original loan which was modified.
Credit Requirements	
Age of Documents	• 120 Days for Credit Report, Income and Assets • 90 days Title All items are measured from Disbursement Date.
Credit Report	Non-Credit Qualifying: • The following credit report types are eligible ○ Full Tri-Merge or single bureau only with Mortgage Reported ▪ May be reported with or without other debt ▪ With or without credit scores** ○ Soft Pull Tri-Merge or single bureau only with Mortgage Reported ▪ May be reported with or without other debt ▪ With or without credit scores** ○ Mortgage Only report ▪ With or without credit scores** ** No score borrower(s) carry higher pricing LLPA's Credit Qualifying: • Tri Merge Credit report with FICO is required with all liabilities included.
Debt Ratios	Non-Credit Qualifying: • NA Credit Qualifying: • Max 41%/50% • > 41% housing ratio requires residual income that exceeds VA guideline by a minimum of 20% and significant documented compensating factors.
Subordinate Financing	• Loans with Subordinate Financing: allowed to remain in place with subordination agreement. • New subordinate financing is not permitted.
Income / Assets	
Assets	• Reserves are not required. • Verification of source of funds to close is not required.
Employment Verification	Non-Credit Qualified: Verbal VOE is not required Credit Qualifying: Income will be verified as per VA handbook



Residual Income Charts (Applies if PITI increase exceeds 20%)					
Residual Income Requirements when Credit Qualifying	Residual income is calculated on Credit Qualifying loans only. The residual income calculated should be greater than or equal to VA requirements below.				
	Loan Amounts \$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	\$967
	5	\$921	\$902	\$902	\$1,004
	Above 5	Add \$75 for each additional member up to a family of seven			
	Loan Amounts \$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
	Above 5	Add \$80 for each additional member up to a family of seven			
	Geographical Regions for Residual Income Guidelines				
	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			
Property					
Appraisal Requirements	We will use the original loan amount as value to determine LTV/CLTV for loans with no appraisal requirement. - No Appraisal is required unless the loan is going from Fixed Rate to an ARM AND discount points are being charged and the LTV must be calculated. When discount points are charged AND the loan type is converted from a Fixed Rate to ARM, appraisals are required. Appraisals are not ordered through VA WebLGY - Ordered through approved AMC following same process as Conventional - Veteran to pay cost of appraisal - Appraisal cost must be included in recoupment requirement - Exterior-only appraisal is acceptable				
Escrow Accounts / Impounds	Escrow Impound Accounts must be established for taxes and insurance				
Maximum Loan Exposure	We will not extend more than 4 active loans to any individual or an aggregate of \$2 million				
State Restrictions	Please see our approved states . TX (a)(6) refinanced are not eligible.				