



## VA IRRRL General Requirements

**Eligibility Matrix:** See VA and VA Plus guidelines for minimum & maximum credit score, LTV, Loan amount and additional program related requirements.

### VA IRRRL Refinances:

- VA IRRRL Refinance may be used when the proceeds of the Mortgage are used to extinguish an existing VA insured first mortgage lien.
- Payoff of a 2<sup>nd</sup> mortgage lien is not allowed
- Subordination of a 2<sup>nd</sup> mortgage lien is allowed

### Borrower Eligibility:

- At least one Borrower from the existing Mortgage must remain as a Borrower on the new Mortgage.
- If a borrower is removed from the existing mortgage the file needs to be underwritten as a full doc credit qualifying VA IRRRL
- If the PITI increases by 20% or more the file needs to be underwritten as a full doc credit qualifying IRRRL
- A Borrower is eligible for a VA IRRRL without credit qualification if all Borrowers on the existing Mortgage remain as Borrowers on the new Mortgage.

#### Exception

A Borrower on the Mortgage may be removed from title and the new Mortgage in cases of divorce, legal separation or death when:

- the divorce decree or legal separation agreement awarded the Property and responsibility for payment to the remaining Borrower, and
- the remaining Borrower can demonstrate that they have made the Mortgage Payments for a minimum of six months prior to case number assignment.

### Documentation - Principal Residence Occupancy:

- ID
- Utility bills; or

- Direct electronic verification by a Third Party Verification (TPV) vendor verifying the Borrower's address is the same as that of the subject Property.

### **Seasoning Requirements:**

- At least 210 Days must have elapsed after the first payment due date and at least six full consecutive months of payments must have elapsed in order to meet VA IRRRL seasoning requirements

### **Net Tangible Benefit:**

- The new rate must be at least 0.50% lower compared to the new rate
- The borrower cannot exceed the 36 month recoupment cost calculation

### **VA Case#**

- VA Case# will be issued at loan submission or underwriting.

### **Loan Amount Calculation:**

- VA IRRRL can include mortgage payoff, closing costs, and pre-pays.
- Paying off other liens on title cannot be included in the loan amount
- VA Funding fee is allowed to be financed

### **Condominium:**

- Re-verification of project approval is not required

### **Manufactured Homes:**

- Re-verification of Engineer cert is not required

### **Cash back:**

- Cash back at closing cannot exceed \$500
- If cash to close exceeds \$500, principal reduction is allowed

### **Income:**

- Verification of monthly income earned is not required
- 1003 cannot include actual monthly income

### **VOE:**

- Verbal Verification of employment is required
- 1003 must include all employer contact information, employment dates, employment history, and job title.

**Appraisal:**

- Appraisal is not required

**Occupancy Requirements:**

- VA IRRRLS may be used for Principal Residences, second homes, or non-owner occupied properties.

**AUS:**

- DU and LP findings are not required
- Ratio review is not required on non-credit qualifying VA IRRRL

**Credit Report:**

- Credit report with all three credit bureaus and mortgage rating is required

**Funds to close:**

- Funds to close is not required