

# VA IRRRL

## Interest Rate Reduction Refinance Loan

Program Codes: VA IRRRL -30, -15 & VA HB IRRRL -30

Loan Purpose	Property Type	Occupancy Type	Min FICO	Max LTV/CLTV	Max Loan Limit
Rate & Term	1 Unit**	Primary, 2nd Home, & Investment	580*	90%	Lower of \$1.0M or VA Loan Limit Please visit the link below <a href="https://www.va.gov/housing-assistance/home-loans/loan-limits/">https://www.va.gov/housing-assistance/home-loans/loan-limits/</a>
			600*	125%/Unlimited***	
	2-4 Units**	Primary & Investment	600*	125%/Unlimited***	

\* Non-credit qualifying requires minimum 640 credit score.

\*\* Non-credit qualifying permitted on 1-unit properties only. 2-4 units require credit qualifying.

\*\*\*High Balance max 100% LTV

Discount point charged: If ≤ 1%, the LTV limited to 100%; If > 1% the LTV is limited to 90%

### Program Overlay

<b>Product Type</b>	VA IRRRL: 30-Yr Fixed, 15-Yr Fixed VA HB IRRRL: 30-Yr Fixed
<b>Loan Purpose</b>	Interest Rate Reduction Refinance Loan (Streamline Rate & Term)
<b>Property Type</b>	Single Family   2-4 Units   VA Approved Condo   PUD New Construction (Completed < 1 year, never occupied) builder must be VA approved
<b>State Restrictions</b>	FL Condo: Upto 7 Stories. No High Rise Condo (8+)
<b>4506-C</b>	Signed by all borrowers
<b>Age of Documents</b>	Credit/income/asset documentation, if applicable, must be ≤120 days from Note date. Appraisal must be dated within 180 days of Note date.
<b>Appraisal</b>	AVM or Form 2055. Appraisal cannot be ordered through VA. The Protecting Veterans from Predatory Lending Act requires a LTV determination when discount points are charged.
<b>AUS Findings</b>	Manual underwrite only. Credit qualifying and non-credit qualifying eligible.
<b>Borrowers - Eligible</b>	Veteran or Veteran and spouse. Borrower must currently occupy the property. A spouse may only be deleted if the loan is credit qualified
<b>Incidental Cash Back</b>	Incidental cash back to borrower cannot exceed \$500. (\$0.00 in Texas)
<b>Credit Report</b>	Non-credit qualifying: Mortgage only required to verify mortgage history. Credit qualifying: Full credit report required.
<b>Credit Score</b>	<ul style="list-style-type: none"> <li>Non-credit qualifying eligible with ≥ 640 credit score</li> <li>Credit qualifying required with 580-639 credit score</li> </ul>
<b>Credit Score 580-599</b>	<ul style="list-style-type: none"> <li>Credit qualifying only</li> <li>1-unit</li> <li>Max 90% LTV/CLTV</li> <li>Min 2-year payment history on loan being refinanced with a 0x30 in 24 months. &lt; 2 year pay history ineligible</li> <li>VA residual income requirements apply.</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>Non-credit qualifying: Abbreviated 1003 allowed.</li> <li>Credit Qualifying: Full completed 1003. All loans: photo ID and social security card, most recent mortgage statement, a copy of existing Note, payoff statement with valid expiration.</li> </ul>
<b>Employment</b>	<ul style="list-style-type: none"> <li>Not required to be verified on non-credit qualifying</li> <li>Two-year employment history. A VVOE required within 10 days for wage earners, 30 days for self-employed on credit qualify.</li> </ul>
<b>Funding/Guaranty Fee</b>	<ul style="list-style-type: none"> <li>Funding fee 0.50%</li> <li>Certificate of Eligibility indicates exempt / not exempt from funding fee. Min 25% guaranty required</li> <li>Funding fees waived for active duty Purple Heart recipients. Refer to VA guidelines for complete details <a href="#">VA Lenders Handbook</a>.</li> </ul>
<b>High Balance</b>	<ul style="list-style-type: none"> <li>Loan amounts &gt; VA Conforming Loan Limits</li> <li>Max 100% LTV</li> <li>Mortgage history min 12 months for credit qualifying and 24 months for non-credit qualify</li> <li>2-4 unit owner-occupied, second home, and investment property ineligible on high balance transactions</li> </ul>
<b>Impound Account</b>	Required
<b>LDP/GSA</b>	Parties to the transaction must be checked.
<b>Loan Amount</b>	<p>Base loan amount ≤ VA Conforming Loan Limits is the lesser of:</p> <p>(a) UPB, allowable VA closing costs, VA funding fee, and up to 2 discount points OR</p> <p>(b) Appraised value (AVM/2055) x 125%.</p> <p>Base loan amount ≥ VA Conforming Loan Limits is the lesser of:</p> <p>(a) UPB, allowable VA closing costs, VA funding fee, and up to 2 discount points OR</p> <p>(b) Appraised value (full conventional appraisal) x 100%</p>
<b>Loan Term</b>	Maximum loan term is existing term + 10 years (not to exceed 30 years + 32 days)
<b>Mortgage History</b>	<p>Credit Qualifying:</p> <ul style="list-style-type: none"> <li>0x30 in previous 12 months</li> </ul> <p>Non-Credit Qualifying:</p> <ul style="list-style-type: none"> <li>Loan amount ≤ VA Conforming Loan Limit: 0x30 in previous 12 months</li> <li>Loan amount &gt; VA Conforming Loan Limit: 0x30 in previous 24 months</li> </ul> <p>Mortgage must be current and due for month closing.</p>
<b>Net Tangible Benefits</b>	Existing Fixed Rate loans being refinanced into a new Fixed Rate loan: must reduce interest rate by ≥ 0.50%
<b>Program Parameters</b>	<p>VA to VA refinance. No income or assets (if funds needed to close &lt; \$500).</p> <p>Credit qualify required if:</p> <ul style="list-style-type: none"> <li>PITI increase &gt; 20%</li> <li>Spouse removed</li> <li>High balance w/ credit score &lt; 720</li> <li>Credit score 580-599</li> </ul> <p>Standard VA credit requirements apply. Must benefit borrower with lower PITI payment or reduction in loan term or more stable product. Continuity of obligation required.</p>
<b>Refinance Restrictions</b>	<p>The note date of the refinance loan must be on, or after, the later of:</p> <p>(a) the date on which the borrower has made at least six-monthly payments on the loan being refinanced</p> <p>(b) the date that is 210 days after the first payment due date of the loan being refinanced</p> <p>For loans being paid off that include a loan modification, seasoning will be based on the applicable Note Modification dates.</p>
<b>Reserves</b>	Not required
<b>Subordinate Finance</b>	New loan proceeds may not be used to pay off existing subordinate financing; must subordinate to new loan.