

INTEREST RATE REDUCTION REFINANCE (IRRRL)					
Maximum LTVCLTV*	Max Loan Amount**	Minimum Fico	Maximum Ratios	Mortgage Rental History	
100% Including VA Funding Fee	\$636,150 Max loan amount including financed funding fee	580 if ≤ \$424,100 700 if > \$424,100	N/A or 41% if P&I increasing 20%+	0 x 30 last 12 months	
*Regardless of the LTV, the Veteran must have sufficient entitlement to guaranty the loan.					
**If county limit allows. See VA loan limits for specific counties.					
Maximum Loan Amount	The maximum loan amount, including the VA Funding Fee, is 100% of the appraised value. The new loan amount may include unpaid principal balance of existing VA loan, allowable closing costs, prepaids, maximum of 2 discount points, VA Funding Fee.				
FUNDING FEE					
Applies unless Veteran is Exempt					
Interest Rate Reduction Loans	Percentage of .50% regardless of Subsequent Use				
Disabled Veteran (Service-connected disability)	Partial or Full Fee Waiver as directed by VA				
COLLATERAL					
Eligible Collateral	Owner Occupied Only. 1-4 Units, PUD and Condo.				
Ineligible Collateral	Investment properties, second homes, mixed use, non-warrantable condos, mobile Homes, Co-ops, Condo Hotels, Manufactured Homes, Modular Homes				
Condos	Must be VA-approved condominium complex and meet all requirements.				
Appraisal Requirements	No appraisal required.				
TYPES OF FINANCING					
Term Increase	The term of the new loan may not exceed the original term by more than 10 years, subject to a maximum term of 30 years and 32 days.				
Interest Rate Decrease	The interest rate of the new loan must be less than the interest rate of the existing VA loan unless refinancing on ARM to Fixed Rate.				
Payment Increase	The P&I payment must be less than the principal and interest payment of the existing VA loan unless 1) Refinancing an ARM to Fixed Rate, OR 2) The term of the new loan is less than the term of the existing VA loan.				
Payment Increase 20% or more	Veterans ability must be documented with a YTD paystub covering most recent 30 days, 2 years W-2's, verbal verification of employment. The borrowers income to total debt ratios must be manually calculated. VA IRRRL Loan Comparison worksheet plus underwriter cert. is required.				
Interest Rate Reduction Refi (IRRRL)	Rate and Term only. No cash back to the borrower. Incidental cash back not to exceed \$500.				
Seasoning	Payoff existing VA loan only, existing seconds must subordinate. At time of application at least 6 payments must have been made on the current VA mortgage being refinanced and must be 6 months seasoned.				
Max Mortgage Calculation	New loan amount may include unpaid principal balance, accrued interest for month due, allowable closing costs*, prepaid expenses, discount points, and VA Funding Fee. *See VA Lending Guide for all allowable closing costs.				
Cash Out Refinance	Not Allowed. Minor adjustment at closing not to exceed \$500.				
CREDIT					
Non-Traditional Credit	Not Allowed.				
Credit Profile	A tri-merged credit report is required. For non-credit qualifying IRRRL's, a FICO score and mortgage rating for all liens is required. The credit report may not be older than 60 days at underwriting or 90 days at funding.				
CAIVRS	CAIVR clearance must be obtained for all borrowers on the transaction.				
Bankruptcy	Open bankruptcies are not eligible. Bankruptcies must be discharged and seasoned for a minimum of 2 years.				
Social Security Numbers	Required for ALL borrowers. A photo I.D. is also required.				
Collections/Charge Offs	Unpaid accounts that could result in a lien against the property or impair the Veteran's ability to repay the mortgage may be required to be paid. Funds to payoff any required collections or charge offs must be from the borrower's own verified assets and/or gift funds per VA Standard Guidelines.				
Judgments/Liens	All outstanding judgments and liens must be paid prior to or at closing. Includes judgments and tax liens of non-purchasing spouse. Judgments and liens must be paid with borrower's own verified assets.				
Foreclosure/Deed-in-Lieu	Must be seasoned 2 years from the date of trustee's deed. Documentation required, credit report is unacceptable. CAIVRS - if applicable.				
Short Sale/Deed-in-Lieu/Pre-foreclosure	Must be seasoned for a minimum of 2 years.				
Minimum Payment	5% of outstanding balance for revolving accounts if no payment is indicated. Applies to credit qualifying IRRRLs only.				
Mortgage/Rental History	Mortgages with 12 months or more payment history - 0x30 in the last 12 months (however MIM may require 0x30 last 24 months) Mortgages with 12 months payment history - all payments must have been made within the month due FICO < 700 require a 12 month transaction payment history printout from the existing servicer				
Non Borrowing Spouse	Credit report required in community property states. Debts must be added to DTI Ratio, and credit history may be considered.				
INCOME/ASSETS					
Residual Income Requirements	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.				
*States are broken down by Region. Check with Underwriting for breakdown.					
Debt Ratio	Applies if P&I increase exceeds 20%. The max DTI = 41% w/o compensating factors, and 50% with compensating factors.				
Non-Taxable Income	Nontaxable income such as Social Security, Pension, Workers Comp and Disability Retirement income can be grossed up. Tax free income can not be grossed up to meet Residual Income, DTI only.				
Income	Applies if P&I increase exceeds 20%. Residual income requirements apply and vary by region / loan amount / property type. See above matrix. Pay stubs covering 30-day period, 2 years W-2s, 2 years tax returns for self-employed borrowers, Telephone VVOE for current employment, and 4506T transcripts.				
Verbal Verification of Employment	FICO < 680 verbal VOE required 10 days prior to closing and 2 year employment history required on 1003				
Payoff Debt to Qualify	Payoff of revolving debt is allowed if paid in full prior to closing. Payoff and zero balance must be documented directly from credit. Cannot payoff on the HUD-1.				
Assets	Asset verification and source of funds is required for any funds needed to close				
4506T/Transcripts	All loans require the 4506T to be executed by all borrowers; transcripts are not required.				
1003 Application	Complete current employment and REO schedule, Income, Assets, and Liabilities are omitted on non credit qualifying IRRRLs.				
VA Forms	VA Reserves or National Guard Certification: Required if credit qualifying and if applicable to Veteran VA Benefit (VA Form 26-8937). Required to determine disability benefits for VA Funding Fee and if credit qualifying.				
GENERAL					
Underwriting	Manual Underwrite				
IRRRL Eligible Borrowers	Veteran plus Spouse OR 2 Veterans				
Non Occupant Co-Borrower	Not Allowed				
Guaranty/Entitlement	The loan being paid off through the refinance must be the loan indicated on the COE. In some cases, a copy of the Note may be required to verify the LIN number. The minimum guaranty on an IRRRL is 25%, regardless of the dollar amount of guaranty being transferred from prior loan.				
VA IRRRL Case Assignment	Evidence of new case number is required to verify that Veteran's name and address match the application.				
Loan Terms Available	30 and 15 year fixed.				
Qualifying Fixed Product	Qualify at Note Rate.				

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