

## VA IRRRL Fixed/ARM

Primary					
Property Type	Maximum Base Loan Amount		Minimum Credit Score <sup>1</sup>	Max LTV <sup>1,2</sup>	MAX CLTV
1-4 Units	Standard	≤ Conforming Loan Limits	580 <sup>1</sup>	No Max	
	High Balance	\$1 > Conforming Loan Limits - \$1,000,000			
1 Unit	Super Max	\$1,000,001 - \$2,000,000	680	115%	125%
Second Home					
Property Type	Maximum Base Loan Amount		Minimum Credit Score <sup>1</sup>	Max LTV <sup>1,2</sup>	MAX CLTV
1 Unit	Standard	≤ Conforming Loan Limits	580 <sup>1</sup>	No Max	
	High Balance	\$1 > Conforming Loan Limits - \$1,000,000	660	90%	125%
	Super Max	\$1,000,001 - \$2,000,000	700		
Investment Property					
Property Type	Maximum Base Loan Amount		Minimum Credit Score <sup>1</sup>	Max LTV <sup>1,2</sup>	MAX CLTV
1-4 Units	Standard	≤ Conforming Loan Limits	580 <sup>1</sup>	No Max	
	High Balance	\$1 > Conforming Loan Limits - \$1,000,000	660	90%	125%
1 Unit	Super Max	\$1,000,001 - \$2,000,000	700		
Footnotes					
<sup>1</sup> Minimum Credit Score Requirements	All loanDepot to loanDepot require the following:				
	<ul style="list-style-type: none"> <li>Minimum Fico score 580</li> </ul>				
	All non loanDepot to loanDepot require the following:				
	680-719		≥ 720		
<sup>2</sup> LTV Restrictions	<ul style="list-style-type: none"> <li>Maximum 90% LTV</li> <li>AVM (HVE) required; Refer to appraisal section for additional requirements</li> </ul>				
	<ul style="list-style-type: none"> <li>No additional restrictions</li> </ul>				
<ul style="list-style-type: none"> <li>Refer to Net Tangible Benefit Test section for max LTV and appraisal requirements when discount points are financed into the loan amount.</li> </ul>					

Funding Fee Table			
Type of Veteran	Down Payment	% for First Time Use	% for Subsequent Use
All Types	N/A	.50%	.50%
<ul style="list-style-type: none"> <li>All VA loans require a VA funding fee unless the VA has determined the veteran to be exempt from paying the funding fee.</li> <li>Exceptions may be made to veterans with service-connected disabilities and to surviving spouses of veterans who die in service or from service-connected disabilities.</li> <li>All or part of the fee may be paid in cash at loan closing or may be included in the loan without regard to the reasonable value of the property or the computed maximum loan amount, as appropriate.</li> </ul>			

### Temporary Guidance Due to COVID-19 - Refer to [COVID-19 Communications](#) for additional guidance.

Applies when VOE is required

**Income Verification Guidelines** – Effective for all loans closed on, or after **March 27, 2020**.

Due to COVID-19, there may be difficulty in obtaining income verification due to disruption to operations of the borrower's employer. An attempt to satisfy the VA requirements for Verification of Employment (VOE) as outlined in the loanDepot VA Lending Guide and in the VA Lenders Handbook, Chapter 4 – Credit Underwriting.

The following alternatives are allowed in lieu of VOE:

- Employment and income verification from third-party services may be utilized.
  - Additional fees associated with these services cannot be charged to the Veteran.

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- Employment and income verification that cannot be obtained from the third-party services may use Alternative Sources of Validation:

- Evidence of direct deposit from a bank statement, and
- Paystubs covering at least one full month of employment within 30 days of the closing date.

**Note:** The payment amounts between the paystubs and direct deposits listed on the bank statements must be reconciled.

- If the above Alternative Sources of Validation cannot be obtained:

- Minimum 2 months cash reserves PITI is required.

**Note:** Must document the effort to obtain the VOE in the Correspondence section of WebLGY.

Underwriter must comment on the VA Form 26-6393, Loan Analysis box 47 remarks section when the above Alternative Sources of Validation and/or cash reserves options are being utilized.

### Underwriting Loans

When the borrower is impacted during the COVID-19 period (i.e. furlough, curtailment of income, etc.), VA does not consider that period as a break in employment or income as long as the borrower has returned (or anticipated return) to work in the same capacity and income levels. A copy of the furlough letter must be provided as supporting documentation, if applicable.

<b>VA Lending Resources</b>	<ul style="list-style-type: none"> <li>• All loans must be underwritten to the standards contained within this matrix and the <a href="#">loanDepot VA Lending Guide</a>.</li> <li>• Any guidance published on this matrix supersedes any guidance referenced within the loanDepot VA Lending Guide.</li> <li>• If guidance is not provided on this matrix or within the loanDepot VA Lending Guide, please refer to the <a href="#">VA Lenders Handbook</a>.</li> </ul>
<b>Ineligible Transactions</b>	<ul style="list-style-type: none"> <li>• VA Renovation Loans</li> <li>• Energy Efficient Mortgage</li> <li>• Bond and Down Payment Assistance (DPA)</li> <li>• Hawaiian Home Land Transactions</li> <li>• <b>Multiple loanDepot loans: Maximum 2 loans for one borrower active at one time.</b></li> </ul>
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li>• Texas 50 (a)(6) not allowed.</li> <li>• Hawaii Lava Zones 1 and 2 are ineligible.</li> </ul>
<b>Minimum Loan Amount</b>	<ul style="list-style-type: none"> <li>• \$60,000</li> </ul>
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>• VA County loan limits do not apply to IRRRLs. VA will guarantee 25% of the principal balance on an IRRRL, regardless of whether the loan exceeds the limits for the particular county.</li> <li>• The maximum loan amount for IRRRLs is determined by completing the IRRRL Worksheet (<a href="#">VA Form 26-8923</a>).</li> </ul>
<b>Minimum Guaranty</b>	<ul style="list-style-type: none"> <li>• Minimum guaranty of 25% is required.</li> </ul>
<b>Maximum Loan 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 and 32 days. For example, if the old loan was made with a 15 year term, the term of the new loan cannot exceed 25 years.</li> </ul>
<b>Debt-To-Income (DTI)</b>	<ul style="list-style-type: none"> <li>• DTI is not calculated for Non-Credit Qualifying IRRRL's.</li> </ul>
<b>AUS Requirements</b>	<ul style="list-style-type: none"> <li>• All IRRRLs must be manually underwritten. AUS is not permitted.</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• All borrowers must have a valid Social Security number.</li> <li>• Minimum credit score is required for all borrowers.</li> </ul>
<b>Qualifying Ratios</b>	<ul style="list-style-type: none"> <li>• Fixed &amp; ARM: Qualify at the Note Rate.</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• An appraisal is required when one or more of the following apply: <ul style="list-style-type: none"> <li>○ When going from Fixed interest rate to an ARM refinance. Refer to the NTB Test section below,</li> <li>○ The loan amount exceeds \$1,000,000,</li> <li>○ Occupancy is Second Home or Investment Property and loan amount exceeds Conforming limits,</li> <li>○ VA CARES Act forbearance (in or exiting) with a 6 to 12 months timeframe for non-LD to LD transactions.</li> </ul> </li> <li>• <b>Note:</b> AVM/BPO is acceptable for LD to LD and AVM (HVE) is acceptable for Non-LD to LD transactions, except on Fixed to ARM refinances and VA CARES Act forbearance (6 – 12 months).</li> <li>• Acceptable appraisal reports: <ul style="list-style-type: none"> <li>○ Loan amounts &gt; \$1,000,000: Full (interior/exterior) appraisal</li> <li>○ Loan amounts ≤ \$1,000,000: Exterior-only appraisal</li> <li>○ AVM/BPO is acceptable for LD to LD and AVM (HVE) is acceptable for Non-LD to LD transactions, except on Fixed to ARM refinances and VA CARES Act forbearance (6 – 12 months).</li> </ul> </li> <li>• These appraisals are not ordered through WebLGY or the VA Fee Panel.</li> <li>• If the Veteran is required to pay for the cost of the appraisal, the cost must be included as part of the recoupment cost.</li> <li>• The Veteran may only be charged a reasonable and customary amount, and only charged for one appraisal.</li> </ul>



## VA IRRRL Fixed/ARM

<b>Veteran's Comparison Statement</b>	<ul style="list-style-type: none"> <li>• Comparison statement is required on all VA IRRRLs: <ul style="list-style-type: none"> <li>○ Must include all fees and costs (includes taxes, escrow amounts and funding fee) and divide by the reduced monthly P&amp;I payment. Lender credits may be used to offset;</li> <li>○ Must be provided to the Veteran within 3 business days of the initial loan application and again at closing;</li> <li>○ Veteran must certify receipt of both statements.</li> </ul> </li> <li>• When the comparison statement exceeds 36 months recoupment, loan must meet the Statutory/Qualifying Recoupment.</li> </ul>															
<b>Statutory/Qualifying Recoupment</b>	<ul style="list-style-type: none"> <li>• All fees and costs incurred must have a recoupment of no more than 36 months. (No Exceptions) <ul style="list-style-type: none"> <li>○ Divide all fees, expenses, and closing costs (exclude taxes, escrow amounts and funding fee) by the reduced monthly P&amp;I payment.</li> <li>○ Lender credits may be used to offset allowable fees and costs.</li> <li>○ This statutory/qualifying recoupment statement must be documented in the loan file.</li> </ul> </li> <li><b>Note:</b> When the current loan has been modified or an ARM, the P&amp;I reduction must be computed/compared to the current P&amp;I payment.</li> </ul>															
<b>Same/Higher P&amp;I Payment</b>	<ul style="list-style-type: none"> <li>• When the P&amp;I payment is the same or higher the loan must be a <b>no cost</b> loan to Veteran.</li> <li>• Lender credits may be used to offset allowable fees and costs.</li> <li>• When the monthly payment (PITI) increases by 20% or more, the loan must: <ul style="list-style-type: none"> <li>○ Qualify as credit qualifying, and</li> <li>○ Include a certification that the veteran qualifies for the new monthly payment.</li> </ul> </li> </ul>															
<b>Interest Rate Decrease Requirement</b>	<ul style="list-style-type: none"> <li>• The interest rate on the new loan must be a lower interest rate than the loan it is refinancing, and is subject to the net tangible benefit test. <b>Note:</b> The only exception to not require a decrease in interest rate is refinancing an ARM to a Fixed rate.</li> <li>• No more than 2 discount points can be financed in the loan amount.</li> </ul>															
<b>Net Tangible Benefit (NTB) Test</b>	<ul style="list-style-type: none"> <li>• Net Tangible Benefit Requirements – All refinance transactions must meet the more restrictive of <a href="#">loanDepot Net Tangible Benefit Policy</a> or agency/program Net Tangible Benefits Requirements.</li> <li>IRRRL loans must meet the NTB test as follows: <ul style="list-style-type: none"> <li>• Fixed Rate to Fixed Rate: <ul style="list-style-type: none"> <li>○ The interest rate on the new loan must be lower than the interest rate for the loan being paid off by at least 0.50%.</li> </ul> </li> <li>• Fixed Rate to Adjustable Rate: <ul style="list-style-type: none"> <li>○ The interest rate on the new loan must be lower than the interest rate on the loan being paid off by at least 2%, and</li> <li>○ For loans in which the lower interest rate is due solely to discount points: <ul style="list-style-type: none"> <li>➢ The discount points must be paid at closing; or</li> <li>➢ Discount points may be added to the loan amount under the following conditions: <ul style="list-style-type: none"> <li>▪ If discount points are less than or equal to 1 discount point the LTV must be 100% or less.</li> <li>▪ If discount points are greater than 1 discount point the LTV must be 90% or less.</li> <li>▪ An appraisal is required.</li> </ul> </li> </ul> </li> </ul> </li> </ul> </li> </ul>															
<b>Seasoning Requirements</b>	<ul style="list-style-type: none"> <li>• The note date of the refinance loan must be on or after the later of: <ul style="list-style-type: none"> <li>○ The date on which the borrower has made 6 consecutive full monthly payments on the loan being refinanced; and</li> <li>○ 210 days, or more, after the date of the first payment due date on the loan being refinanced.</li> </ul> </li> <li><b>Note:</b> Advance/prepaid payments to meet the 6 scheduled payment requirement is not permitted. Loan must not be in forbearance (except for CARES Act on or after 6/30/2020 refer to below guidance).</li> </ul>															
<b>CARES Act on or after 6/30/2020</b>	<ul style="list-style-type: none"> <li>• Due to the COVID-19 pandemic, VA is temporarily waiving certain prior approval requirements applicable to delinquent loans (&gt; 30 days past due).</li> <li>• The Veteran must provide: <ul style="list-style-type: none"> <li>○ An explanation for the delinquency/forbearance, and</li> <li>○ Information to establish that they are no longer experiencing a financial hardship caused by COVID-19.</li> </ul> </li> <li>• Refer to CARES Act on or after 6/30/2020 in the loanDepot VA Lending Guide for complete details.</li> <li><b>Note:</b> A full appraisal is required for non-loanDepot to loanDepot with a VA CARES Act forbearance (6 – 12 months). Refer to Appraisal Requirements above.</li> </ul>															
<b>Income/Employment</b>	<ul style="list-style-type: none"> <li>• Income documentation is not required for Non-Credit Qualifying IRRRL's.</li> <li>• VVOE or alternative income verification required to confirm borrower has income source. This is required for primary employment income only and not required for retired borrowers.</li> <li>• <b>Maximum 1 business owned for Credit Qualifying IRRRL's.</b></li> </ul>															
<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>• Funds to close do not have to be documented.</li> </ul>															
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Not required.</li> </ul>															
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>• Generally, the party or parties obligated on the original loan must be the same as the new loan and the Veteran must still own the property.</li> </ul> <table border="1" data-bbox="378 1724 1539 1866"> <thead> <tr> <th>Parties Obligated on Old VA Loan</th> <th>Parties Obligated on new IRRRL</th> <th>Is IRRRL Possible?</th> </tr> </thead> <tbody> <tr> <td>Unmarried Veteran</td> <td>Veteran and new spouse</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Divorced Veteran alone</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Veteran and different spouse</td> <td>Yes</td> </tr> <tr> <td>Veteran alone</td> <td>Different veteran who has substituted entitlement</td> <td>Yes</td> </tr> </tbody> </table>	Parties Obligated on Old VA Loan	Parties Obligated on new IRRRL	Is IRRRL Possible?	Unmarried Veteran	Veteran and new spouse	Yes	Veteran and spouse	Divorced Veteran alone	Yes	Veteran and spouse	Veteran and different spouse	Yes	Veteran alone	Different veteran who has substituted entitlement	Yes
Parties Obligated on Old VA Loan	Parties Obligated on new IRRRL	Is IRRRL Possible?														
Unmarried Veteran	Veteran and new spouse	Yes														
Veteran and spouse	Divorced Veteran alone	Yes														
Veteran and spouse	Veteran and different spouse	Yes														
Veteran alone	Different veteran who has substituted entitlement	Yes														



## VA IRRRL Fixed/ARM

	Veteran and spouse	Spouse alone (Veteran died)	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 obligors	Non-Veteran alone	No
Property Types	<b>Eligible</b>		<b>Ineligible</b>
	<ul style="list-style-type: none"> <li>SFR/PUD (detached/attached)</li> <li>VA <a href="#">Approved Condo</a><sup>1</sup></li> <li>2-4 units</li> </ul> <p><sup>1</sup>Site condominiums in MI are treated as SFR.</p>		<ul style="list-style-type: none"> <li>Co-ops</li> <li>Agricultural/Income producing properties</li> <li>Manufactured Homes</li> <li>Non-Warrantable Condo/Condotel</li> </ul>
Credit	<b>Mortgage History</b>		
	<ul style="list-style-type: none"> <li>Loan must not be 30 days or more past due at the time of application.</li> <li>Loan must be current prior to closing.</li> </ul>		
No Cash Back	<p><b>All occupancy types except Texas Homestead</b></p> <ul style="list-style-type: none"> <li>At final loan approval: <ul style="list-style-type: none"> <li>IRRRL worksheet, final 1003 and all other applicable documents must reflect less than a \$50 tolerance.</li> </ul> </li> <li><b>Note:</b> Refer to the IRRRL worksheet's "NOTE" for when re-computation is required.</li> <li>At loan closing: <ul style="list-style-type: none"> <li>Final loan amount and IRRRL worksheet must reflect less than a \$50 tolerance.</li> </ul> </li> </ul> <p><b>Texas Homestead Occupancy</b> NO EXCEPTIONS: Cash back is not allowed for loans secured by owner-occupied primary residence properties located in the state of Texas.</p>		
Overlay Matrix	<ul style="list-style-type: none"> <li><a href="#">LDW Loan Program Overlays</a></li> </ul>		

### VA - Eligible Terms & Plan

	Conforming				High Balance / Super Max			
	Product Description / Terms				Product Description / Terms			
Fixed	10 Year				10 Year			
	15 Year				15 Year			
	20 Year				20 Year			
	25 Year				25 Year			
	30 Year				30 Year			
ARM	Conforming				High Balance / Super Max			
	Description	Index	Caps	Margin	Description	Index	Caps	Margin
	5/1	1-Year CMT	1/1/5	1.75%	5/1	1-Year CMT	1/1/5	1.75%

