

## 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> Credit Score Restrictions	580-679		≥ 680		
	<ul style="list-style-type: none"> <li>loanDepot to loanDepot refinance</li> </ul>		<ul style="list-style-type: none"> <li>All non-loanDepot to loanDepot require the following:                             <ul style="list-style-type: none"> <li>Minimum 680 credit score</li> <li>Maximum 80% LTV</li> <li>Refer to appraisal section for additional requirements</li> </ul> </li> </ul>		
<sup>2</sup> LTV Restrictions	<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>			

<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="#">VA Underwriting Guidelines</a></li> <li>Any guidance published on this matrix supersedes any guidance referenced within the VA Underwriting Guidelines.</li> <li>If guidance is not provided on this matrix or within the VA Underwriting Guidelines, please refer to the <a href="#">VA Lenders Handbook</a> and <a href="#">VA Circulars</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> </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>



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<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>All borrowers must have at least one valid credit score and meet the minimum credit score requirements.</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> </ul> </li> <li><b>Note:</b> AVM/BPO is acceptable for LD to LD and <b>AVM (HVE) is acceptable for Non-LD to LD</b> transactions, except on Fixed to ARM refinances.</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 <b>AVM (HVE) is acceptable for Non-LD to LD</b> transactions, except on Fixed to ARM refinances.</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>
<b>Properties Listed for Sale</b>	<ul style="list-style-type: none"> <li>If the subject property is currently listed for sale – the loan is <b>not</b> eligible for a refinance.</li> <li>Property must be taken off the market at least one day prior to application.</li> </ul>
<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> </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.</li> </ul>



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<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> </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>	
	<b>Parties Obligated on Old VA Loan</b>	<b>Parties Obligated on new IRRRL</b>
	Unmarried Veteran	Veteran and new spouse
	Veteran and spouse	Divorced Veteran alone
	Veteran and spouse	Veteran and different spouse
	Veteran alone	Different veteran who has substituted entitlement
	Veteran and spouse	Spouse alone (Veteran died)
	Veteran and non-veteran joint loan obligors	Veteran alone
	Veteran and spouse	Divorced spouse alone
	Unmarried Veteran	Spouse alone (Veteran died)
	Veteran and spouse	Different spouse alone (veteran died)
	Veteran and non-veteran joint loan obligors	Non-Veteran alone
<b>Property Types</b>	<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>	<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>
	<sup>1</sup> Site condominiums in MI are treated as SFR.	
<b>Credit</b>	<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>	
<b>No Cash Back</b>	<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></p> <p>NO EXCEPTIONS: Cash back is not allowed for loans secured by owner-occupied primary residence properties located in the state of Texas.</p>	
<b>Overlay Matrix</b>	<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				
Fixed	Product Description / Terms				Product Description / Terms				
		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%	

