

Interest Rate Reduction Refinance (IRRRL) - Primary Residence			
Units	Loan Amount	Credit Score	Max LTV/CLTV
1 – 4 Units	Standard (non HI): ≤ Conforming Loan Limits Standard (HI): ≤ Conforming Loan Limits	580 : loanDepot to loanDepot refinance	No Max
		620: non-loanDepot to loanDepot refinance	
1 – 4 Units	High Balance:(non HI): \$1 > Conforming Loan Limits - \$1,000,000 High Balance:(HI): \$1 > Conforming Loan Limits - \$1,000,000	580 : loanDepot to loanDepot refinance	No Max
		620: non-loanDepot to loanDepot refinance	
1 Unit	Super Max: \$1,000,001 - \$2,000,000	680	115/125/125%
Second Home and Investment Property			
Units	Loan Amount	Credit Score	Max LTV/CLTV
1 – 4 Units	Standard (non HI): ≤ Conforming Loan Limits Standard (HI): ≤ Conforming Loan Limits	580 : loanDepot to loanDepot refinance	No Max
		620: Non-loanDepot to loanDepot refinance	
1 – 4 Units	High Balance:(non HI): \$1 > Conforming Loan Limits - \$1,000,000 High Balance:(HI): \$1 > Conforming Loan Limits - \$1,000,000	660	90/125/125%
		700	90/125/125%
1 Unit	Super Max: \$1,000,001 - \$2,000,000	700	90/125/125%
<ul style="list-style-type: none"> VA County loan limits do not apply to IRRRLs. VA will guarantee 25 percent of the principal balance on an IRRRL, regardless of whether the loan exceeds the limits for the particular county The maximum loan amount for IRRRLs is determined by completing the IRRRL Worksheet (VA Form 26-8923) Refer to Net Tangible Benefit section for max LTV when discount points are charged 			
Entitlement/Guaranty			
Loan Amount		Maximum Potential Guaranty	
Less than \$45,000		50% of the loan amount	
\$45,001 - \$56,250		\$22,500	
\$56,251 - \$144,000		40% of the loan amount or maximum \$36,000	
\$144,001 - \$424,100		25% of the loan amount or maximum \$106,025	
\$424,101 - \$2,000,000		25% of the loan amount or maximum \$273,656	



***In cases where a surviving spouse is also a veteran, entitlement for the surviving spouse must be used (not the entitlement for the deceased veteran/spouse)

Funding Fee Table

IRRRL

Type of Veteran	Downpayment	% for First Time Use	% for Subsequent Use
All Types	N/A	.50%	.50%

- All VA loans require a VA funding fee. 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. Exceptions are made by VA when we send in for the certificate of eligibility
- 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

Fixed Loan Terms

Program	Term
Standard Fixed Rate IRRRL	10, 15, 20, 25 and 30 Year Fixed
High Balance Fixed Rate IRRRL	10, 15, 20, 25 and 30 Year Fixed
Super Max Fixed Rate IRRRL	10, 15, 20, 25 and 30 Year Fixed

ARM Terms: 30-Year Fully Amortizing ARM, Caps 1/1/5, Index 1-Year CMT, Margin 1.75

Program	Option
Standard ARM IRRRL	3/1 and 5/1 ARMs, amortizing over 30 years
High Balance ARM IRRRL	
Super Max ARM IRRRL	

For additional VA loan program information, access the VA Lender Handbook - aka Web Automated Reference Material System (WARMS) by [clicking here](#)

Subordinate Financing

- Subordinate financing allowed. Max CLTV/HCLTV is 125%

Guidelines

Eligible Borrowers

- An eligible veteran is a person who served on active duty in the Army, Navy, Air Force, Marines, or Coast Guard, and who, (except for a service member on active duty) was discharged or released from active duty under conditions other than dishonorable; or
- Members of the Reserves and National Guard are eligible upon completion of 6 years of service; or
- Unmarried surviving spouses of veterans who died as a result of service or service-connected causes

ARM Qualifying and ARM Caps

- 3/1 and 5/1 ARM qualify at the note rate
- CAPS: 1/1/5



<p>Underwriting</p>	<ul style="list-style-type: none"> • Credit report used to validate FICO and subject property mortgage payment history. • All borrowers must have a valid social security number and at least one valid credit score • Non- traditional credit not allowed • Minimum loan amount \$60,000 • Standard bankruptcy and foreclosure seasoning requirements do not apply. If the VA mortgage being refinanced was included in a bankruptcy, it must have been reaffirmed with a minimum 12 month payment history as measured from loan closing <p>For all VA IRRRL loans , the following requirements must be met:</p> <ul style="list-style-type: none"> • Minimum Seasoning Requirements <ul style="list-style-type: none"> • VA/GNMA requirement applies when current loan that is being paid off is FHA, VA or USDA. The Note date of the refinance loan must be on or the later of: <ul style="list-style-type: none"> ▪ The date that is 210 days after the date on which the 1st payment is made on the loan being refinanced, and; ▪ The date on which the 6th full monthly payment is made on the loan being refinanced • Note: The date on which “the 1st payment is made on” must be verified. • No advance or prepaid payment(s) allowed to meet the 6 full payments requirement • Loan must not be in forbearance <p>Note: The Note date is the date on which legal obligations are established between borrower and lender. Therefore, the date of the Note that is being refinanced must be used to calculate the seasoning period.</p> <ul style="list-style-type: none"> • Mortgage rating of 0x30 is required on the existing VA loan • VA requires the mortgage must be current and due for the month closing
<p>Reserves/Funds to Close</p>	<ul style="list-style-type: none"> • Reserves not required • Funds to close do not have to be documented
<p>Income/DTI Ratios</p>	<ul style="list-style-type: none"> • Income documentation is not required and DTI is not calculated for Non- Credit Qualifying IRRRL’s • 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
<p>AUS Requirements</p>	<ul style="list-style-type: none"> • All IRRRLs must be manually underwritten and not submitted to DU or LPA
<p>Interest Rate/Payment Requirements</p>	<p>For the IRRRL Interest Rate/Payment requirement policy click here.</p>



<p>Veteran's Comparison Statement</p>	<p>The statement must show the interest rate and monthly payments for the new loan vs old loan. The statement must also indicate how long it would take to recoup closing costs (pre-pays and initial escrow not included):</p> <ul style="list-style-type: none"> • Certify that all fees and costs incurred on IRRRLs have a recoupment of no more than 36 months, as determined by the date of the note • In the case of an increased principal and interest payment due to lower term, or changing from ARM to Fixed rate, it is not necessary to show the recoupment in months; however all other fields must be completed
<p>Net Tangible Benefit</p>	<p>IRRRL loans must meet the following NTB requirements:</p> <ul style="list-style-type: none"> • Fixed Rate to Fixed Rate: the new loan must have an interest rate that is not less than 50 basis points (.50 less in interest rate) less than the previous loan • Fixed Rate to ARM: the new loan must have an interest rate that is not less than 200 basis points (2.00 less in interest rate) less than the previous loan <p>AND</p> <ul style="list-style-type: none"> • The lower rate is not produced solely from discount points unless; <ul style="list-style-type: none"> ▪ Such points are paid at closing; and ▪ If discount points are less than or equal to 1 discount point, the LTV ≤ 100% ▪ If discount points are greater than 1 discount point, the LTV ≤ 90% <p>Note: When discount points are charged, an appraisal is required.</p>
<p>Maximum Loan Term</p>	<ul style="list-style-type: none"> • 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
<p>Eligible Property Types</p>	<ul style="list-style-type: none"> • 1-unit attached and detached SFR, PUD, condominium (VA-approved) • 2-4 Units- Standard and High Balance loan amounts up to \$1,000,000
<p>Appraisal Requirements</p>	<p>An appraisal is required when one or more of the following apply:</p> <ul style="list-style-type: none"> • Discount points are charged, • Loan amount exceeds \$1,000,000, and/or • Occupancy is second home or investment property and loan amount exceeds Conforming limits <p>Acceptable appraisal reports:</p> <ul style="list-style-type: none"> • Loan amounts > \$1,000,000: Full (exterior/interior) appraisal • Loan amounts ≤ \$1,000,000: Exterior-only appraisal <p>Note: These appraisals are not ordered through WebLGY or the VA Fee Panel.</p> <ul style="list-style-type: none"> • If the veteran is required to pay for the cost of the appraisal, the cost must be included as part of the recoupment cost. The veteran may only be charged a reasonable and customary amount, and only charged for one appraisal



<p>Ineligible Transactions</p>	<ul style="list-style-type: none"> • Texas 50(a)(6) loans • 2-4 Units with loan amounts greater than \$1,000,000 • Manufactured Homes • Co-ops • Condominiums in projects that are not approved by VA • Properties located in Hawaii Lava Zones 1 & 2 • Hawaiian Home Land Transactions • Energy Efficient Improvements 																																				
<p>Borrower Addition/Removal</p>	<ul style="list-style-type: none"> • Generally, the party or parties obligated on the original loan must be the same on the new loan. The lender should contact VA regarding a proposed IRRRL involving a change in obligors unless the acceptability of the IRRRL is clear. Below are examples where acceptability is made clear: <table border="1" data-bbox="446 667 1554 1213"> <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> <tr> <td>Veteran and spouse</td> <td>Spouse alone (Veteran died)</td> <td>Yes</td> </tr> <tr> <td>Veteran and nonveteran joint loan obligors</td> <td>Veteran alone</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Divorced spouse alone</td> <td>No</td> </tr> <tr> <td>Veteran and spouse</td> <td>Veteran alone</td> <td>No</td> </tr> <tr> <td>Unmarried Veteran</td> <td>Spouse alone (Veteran died)</td> <td>No</td> </tr> <tr> <td>Veteran and spouse</td> <td>Different spouse alone (veteran died)</td> <td>No</td> </tr> <tr> <td>Veteran and non-veteran joint loan obligors</td> <td>Non Veteran alone</td> <td>No</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	Veteran and spouse	Spouse alone (Veteran died)	Yes	Veteran and nonveteran joint loan obligors	Veteran alone	Yes	Veteran and spouse	Divorced spouse alone	No	Veteran and spouse	Veteran 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
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<p>Additional Underwriting Guidelines</p>	<p>Please access loanDepot Wholesale Underwriting Guidelines for a complete set of guidelines. For ease of access, we have included links to popular topics by category:</p> <table border="1" data-bbox="414 1283 1554 1682"> <thead> <tr> <th>Assets</th> <th>Credit</th> <th>Eligibility</th> <th>Income</th> <th>Property</th> <th>Misc. Topics</th> </tr> </thead> <tbody> <tr> <td>Business Assets</td> <td>Contingent Liabilities</td> <td>Continuity of Obligation</td> <td>Employment History</td> <td>Accessory Units</td> <td>Delayed Financing</td> </tr> <tr> <td>Gift Funds</td> <td>Disputed Accounts</td> <td>Multiple Financed Properties</td> <td>Non Borrowing Spouse</td> <td>Hobby Farms</td> <td>Departure Primary Residence</td> </tr> <tr> <td>Gift of Equity</td> <td>Payoff and Paydown of Debt</td> <td>Non Arms Length Transactions</td> <td>Retirement Income</td> <td>Leasehold</td> <td>Non Borrowing Spouse</td> </tr> <tr> <td>Large Deposits</td> <td>Student Loans</td> <td>Non Occupant Co- Borrower</td> <td>Temporary Leave</td> <td>Non Permitted Additions</td> <td>Power of Attorney Transferred</td> </tr> <tr> <td></td> <td></td> <td>Non U.S Citizens</td> <td></td> <td>Property Flips</td> <td>Appraisals</td> </tr> </tbody> </table>	Assets	Credit	Eligibility	Income	Property	Misc. Topics	Business Assets	Contingent Liabilities	Continuity of Obligation	Employment History	Accessory Units	Delayed Financing	Gift Funds	Disputed Accounts	Multiple Financed Properties	Non Borrowing Spouse	Hobby Farms	Departure Primary Residence	Gift of Equity	Payoff and Paydown of Debt	Non Arms Length Transactions	Retirement Income	Leasehold	Non Borrowing Spouse	Large Deposits	Student Loans	Non Occupant Co- Borrower	Temporary Leave	Non Permitted Additions	Power of Attorney Transferred			Non U.S Citizens		Property Flips	Appraisals
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<p>See Also: VA Lenders Handbook Revised: 11/28/2018</p>																																					

