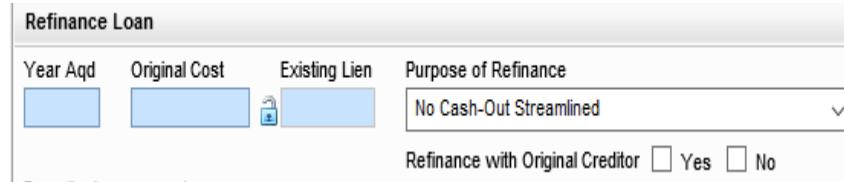


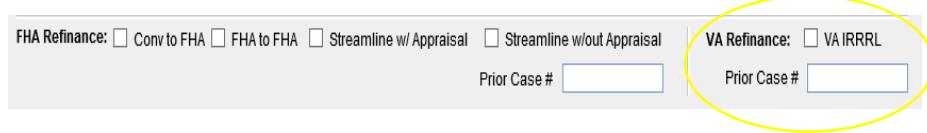
## **VA IRRRL**

- Start a new loan in Encompass using the Loan Template set for VA IRRRL refinance Transaction
- On page 1 of the 1003, in the Refinance Loan section choose No Cash Out-Streamline



Refinance Loan			
Year Aqd	Original Cost	Existing Lien	Purpose of Refinance No Cash-Out Streamlined
Refinance with Original Creditor <input type="checkbox"/> Yes <input type="checkbox"/> No			

- No income, asset or liabilities to be disclosed on 1003, however still include the employment history on page 1 of the application. **No pay stubs, bank statements or w-2's are required (unless using w-2 to verify social security number)**
- In the Third Party Screen, under Loan Info/Contacts, Complete the VA Refinance section to include the prior Case #



FHA Refinance: <input type="checkbox"/> Conv to FHA <input type="checkbox"/> FHA to FHA <input type="checkbox"/> Streamline w/ Appraisal <input type="checkbox"/> Streamline w/out Appraisal	VA Refinance: <input type="checkbox"/> VA IRRRL
Prior Case # <input type="text"/>	Prior Case # <input type="text"/>

- Still in the Third Party Screen, use the FHA/VA Tab to request CAIVRS



CAIVRS Request				Callback Date *
Request	Date Requested	Date Ordered	Date Completed	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

- Complete the HHM Qualified Mortgage Cert found on the Coop

Business Lending VA IRRRL Qualified Mortgage Certification

Borrower Name(s): \_\_\_\_\_ Loan #: \_\_\_\_\_

**SEASONING REQUIREMENT**  
The loan being refinanced was originated at least 6 months before the closing date of the new loan  Yes  No

**MORTGAGE PAYMENT HISTORY**  
Veteran has 0 x 30 mortgage payment history during the 6 months preceding the closing date of the new loan  Yes  No

**RECOUPMENT PERIOD**

1. Monthly PI of previous loan	\$ _____
2. Monthly PI of proposed loan	\$ _____
3. Monthly decrease (1 minus 2)	\$ _____
4. Net Total Settlement Costs (VA Funding Fee, discount fee, origination fee and VA allowable closing costs and prepaids)	\$ _____
5. Recoupment Period (4 divided by 3)	months _____

The recoupment period is less than 36 months  Yes  No

**Additional Safe Harbor requirements:**

- The veteran is not 30 days or more past due on the loan being refinanced.
- The new loan is not more than 125% of the principal balance outstanding on the prior loan except to the extent of fees and charges allowed by VA.
- Total points and fees payable in connection with the new loan are in accordance with 12 CFR 1026.32, with the exception of VA fees, which are not subject to the point and fee limit, and are in compliance with VA's allowable fees and charges found at 38 CFR 36.4313.
- The interest rate on the new loan is lower than the interest rate on the existing loan, unless the borrower is re-financing a VA guaranteed loan, under guidelines that VA has established.
- The new loan is subject to a payment schedule that will fully amortize the loan in accordance with VA regulations.
- Both the existing loan and the new loan satisfy all other VA requirements.

Additional Safe Harbor requirements have been met  Yes  No

Loan meets SAFE HARBOR requirements  Loan is eligible  
(all answers are Yes)

Loan meets REBUTTABLE PRESUMPTION requirements  Loan is not eligible  
(any answer is No)

Authorized Representative \_\_\_\_\_ Date \_\_\_\_\_

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- Go To VA Loan Summary and complete the For IRRRLS Only Section

**For IRRRLS Only**

61. Paid In Full VA Loan Number	<input type="text"/>	63. Original Int Rate	<input type="text"/> %
62. Original Loan Amount	<input type="text"/>	65. Original Term	<input type="text"/> mths

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**\*\*\*If this field is not completed, the VA Rate Reduction Certificate will not go out with the disclosures to the borrower.**

- Complete 1003 and VA forms as usual, omitting income, assets and liabilities.

### Additional Underwriting Procedures for VA IRRRLS

- Need a Tri-merged credit report with credit score that meet's investor requirements. It must provide proof that subject property mortgage has been paid as agreed for past 12 months (at minimum). Only import the mortgage trade line.
- Need proof of borrower's social security number
- DO NOT need to verify funds to close
- Borrower MUST sign and date 4506T (some investors require and others do not-check investor guidelines) **BUT** no tax transcripts are required.