

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
<input type="text"/>	<input type="text"/>	<input type="text"/>	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="checkbox"/>	<input type="text"/>	// <input type="text"/>	// <input type="text"/>

- Complete the HHM Qualified Mortgage Cert found on the Coop

HALLMARK
BUSINESS LENDING

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 6 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 does not increase 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, will not exceed 3 percent of the total new loan amount, 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 refinancing an ARM to a fixed rate 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 (all answers are Yes) ☐ **Loan is eligible**

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

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	63. Original Int Rate _____ %
62. Original Loan Amount	65. Original Term _____ mths

*****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.