



VA IRRRL MANUAL UNDERWRITING MATRIX					
TRANSACTION	PROPERTY TYPE	OCCUPANCY	MAX LTV/CLTV ²	MAX LOAN AMOUNT	MINIMUM FICO
VA IRRRL	1-4 UNITS	PRINCIPAL RESIDENCE	110	≤ \$1.00 MM	580
			110%	> \$1.00 MM ≤ \$1.50 MM	640
		NON-OWNER ¹	100%	≤ \$1.00 MM	600

¹Non-owner occupied VA IRRRL must have previously been occupied as primary residence (supporting documentation required).
²LTV is determined prior to adding the VA funding fee.

Loan Limits – Please reference [FHFA Conforming loan limits](#).

For guidance not covered in this document, please reference VA lender handbook https://www.benefits.va.gov/warms/pam26_7.asp.

TOPIC	OVERLAY
BASIC GUIDELINES	Overlays in this matrix apply to US Department of Veterans Affairs (VA) conforming guidelines . Refer to the VA lender handbook for additional guidance. Information in this matrix is subject to change without notice.
Application/URLA - Minimum Requirements	<ul style="list-style-type: none"> • Non-Credit Qualifying: <ul style="list-style-type: none"> ○ Fully completed loan application excluding the income section and asset section (unless funds are required) • Credit Qualifying: <ul style="list-style-type: none"> ○ Fully completed loan application is required
Appraisal /Property Valuation Requirements	<ul style="list-style-type: none"> • No appraisal is required unless refinancing a Fixed Rate to an ARM and discount points are added to the principal balance of the loan
Cash Back at Closing	<ul style="list-style-type: none"> • Borrower should receive no cash back at closing • Cash back to borrower allowed for minor adjustments at closing, not to exceed \$500
Certificate of Eligibility	<ul style="list-style-type: none"> • Not required • If borrower is exempt from paying the VA funding evidence of funding fee exemption is required <ul style="list-style-type: none"> ○ Screen print of funding fee status at the time the VA LIN is requested is acceptable
Condominiums	<ul style="list-style-type: none"> • Condo approval issued by VA is not required
Credit Requirements	<p>Non-Credit Qualifying</p> <ul style="list-style-type: none"> • Mortgage only tri-merge credit report with minimum one credit score is required • 0 x30 mortgage payment history required in the last 6 months • Income/credit verification is not required when the following seven (7) conditions are met: (continued)

TOPIC	OVERLAY
Credit Requirements <i>(continued)</i>	<ul style="list-style-type: none"> ○ Current payment on the existing loan being refinanced is not 30 or more days past due ○ Proposed IRRRL principal balance, (excluding fees and charges allowed by VA) is not more than the outstanding balance on the existing VA loan ○ Total points and fees do not exceed 3% of the total proposed loan amount ○ Interest rate on the proposed IRRRL is lower than the rate on the existing loan being refinanced unless the borrower is refinancing from an adjustable rate to a fixed rate ○ Propose IRRRL payment is subject to a fully amortized payment schedule ○ Terms of the proposed IRRRL do not require a balloon payment ○ Proposed IRRRL and existing VA loan adhere to all other VA requirements <ul style="list-style-type: none"> ● IRRRLs that do not meet all seven (7) requirements are still eligible for credit qualifying IRRRL ● If the P&I payment increases 20% or more (standard VA guideline) loan is ineligible for non-credit qualifying IRRRL and must followed credit qualifying requirements. Lender certification is also required. <p>Credit Qualifying</p> <ul style="list-style-type: none"> ● Tri-merge full credit report with minimum of one credit score is required ● 0x30 mortgage payment history required in the last 12 months ● Income and DTI to be verified in accordance with VA’s manual underwriting requirements <ul style="list-style-type: none"> ○ DTI 41% maximum; or ○ DTI > 41% to 50% maximum if residual income is > 120% of VA residual income requirements ● Loan must also meet safe harbor, seasoning and net tangible benefit requirements
Electronic Signatures/eSigning	<ul style="list-style-type: none"> ● eSigning is allowed for most documents. ● eSigning is not allowed for items below: (or any Loans with POA) <ul style="list-style-type: none"> ○ Note ○ Note Rider(s) ○ Notice of Right to Cancel ○ Security Instrument ○ Security Instrument Rider(s) ○ COVID-19 Temporary Attestation
Escrow Account	Escrow Account required; no escrow waiver allowed.



VA IRRRL GUIDELINES WITH OVERLAYS

TOPIC	OVERLAY
Ineligible Programs	<ul style="list-style-type: none"> • Energy Efficient Mortgages (EEM) • Property with PACE Lien • Property with resale restrictions (age restrictions are acceptable) • Texas 50(a)6 transactions
Ineligible Properties	<ul style="list-style-type: none"> • Commercial enterprises such as Assisted Living, Boarding House, Bed and Breakfast, etc. • Condotels • Co-Ops • Geodesic Domes • Indian Leased Land • Land Trusts • Properties currently in litigation • Properties located in Lava Zone 1 and 2 • Resale type Deed Restrictions (age restriction are acceptable) • Single-wide Manufactured Home • Solar Panels that affect first lien position • Timeshares • Unimproved Land • Unique Properties • Working Farms or Ranches
Minimum Loan Amount	\$75,000
Maximum Loan Amount Calculation/Loan Term	<ul style="list-style-type: none"> • Maximum new loan amount is the existing VA loan balance plus the following: <ul style="list-style-type: none"> ○ Allowable fees and charges (including up to two discount points) ○ Any late fees ○ VA Funding Fee • New loan may not include delinquent payments due on the existing VA mortgage • 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)
Mortgage Credit Certificate (MCC)	Not permitted
Net Tangible Benefit (NTB)	<p>All IRRRLs must evidence a net tangible benefit defined as follows:</p> <ul style="list-style-type: none"> • The proposed interest rate must be lower than the existing interest rate: <i>(continued)</i>

TOPIC	OVERLAY
Net Tangible Benefit (NTB) <i>(continued)</i>	<ul style="list-style-type: none"> ○ 0.5% rate reduction required for Fixed to Fixed ○ 2.0% rate reduction required for Fixed to ARM <ul style="list-style-type: none"> ▪ If discount points are utilized to reduce the interest rate, the LTV calculation is determined as follows: <ul style="list-style-type: none"> ◆ ≤ 1.000 discount point requires a ≤ 100% LTV ◆ > 1.000 discount points requires a ≤ 90% LTV ○ ARM to Fixed and ARM to ARM are exempt from rate reduction requirement ● Fee recoupment must be ≤ 36 months after the date the loan closed <ul style="list-style-type: none"> ○ No more than 2.000 discount points can be charged ○ Recoupment is calculated by dividing all fees, expenses, and closing costs—whether included in the loan or paid outside the loan or paid outside of closing (i.e. an appraisal fee)—by the reduction of the monthly PI payment <ul style="list-style-type: none"> ▪ Borrower can only be charged for one appraisal/valuation product ○ The VA funding fee, escrow, and prepaid expenses, such as insurance, taxes, special assessments, and homeowners’ association (HOA) fees, are excluded from the fee recoupment calculation
Non-Occupant Co-Borrower	Ineligible
Non-Permanent Resident Aliens	<p>These borrowers accepted under the following conditions:</p> <ul style="list-style-type: none"> ● Acceptable visa evidence provided ● Borrower eligible to work in the U.S., as evidenced by EAD issued by the USCIS ● Borrower has valid Social Security Number (SSN) ● Borrower satisfies the same requirements, terms, and conditions as those for U.S. citizen ● DACA: Category C33 work status under deferred action, DACA borrowers allowed with proper documentation. <ul style="list-style-type: none"> ○ EAD must be current; if expiring within 1 year, evidence of history of renewals ○ Income source must be stable with two-year work history ● Diplomatic Immunity: Borrowers with Diplomatic Immunity are ineligible
Occupancy	<ul style="list-style-type: none"> ● Owner Occupied <ul style="list-style-type: none"> ○ Utility bill required on non-credit qualifying loans to evidence occupancy ● Investment <ul style="list-style-type: none"> ○ Borrower must evidence subject property was previously occupied the property as a primary residence
Power of Attorney (POA)	<ul style="list-style-type: none"> ● A POA may not be eSigned and must be specific to the transaction ● In addition, all the following is required: <ul style="list-style-type: none"> ○ Alive and Well Statement from commanding officer (if active duty) ○ Underwriter must be able to validate the Veteran applied for the mortgage (lender certification is required) <i>(continued)</i>

TOPIC	OVERLAY
Power of Attorney (POA) <i>(continued)</i>	<ul style="list-style-type: none"> ○ Specific POA is required; a Military POA may be used in cases where borrower is actively deployed
Recently Listed Properties	Property must be off the market at least one day prior to mortgage application date.
Reserve Requirements	<ul style="list-style-type: none"> ● Reserves are not required
Seasoning Requirements	<p>Seasoning requirements are applicable to all VA IRRRL refinances regardless of the type of loan paid.</p> <ul style="list-style-type: none"> ● The new note date must be: <ul style="list-style-type: none"> ○ 210 days or more past the due date of the first monthly payment of the mortgage being refinanced, and ○ After the date on which six (6) consecutive monthly payments have been made on the mortgage being refinanced ● For modified loans, the note date of the new loan must <ul style="list-style-type: none"> ○ 210 days or more past the due date of the first modified monthly payment of the mortgage being refinanced, and ○ After the date on which six (6) consecutive modified monthly payments have been made on the mortgage being refinanced ● The following documents must be provided to evidence seasoning requirements are met: <ul style="list-style-type: none"> ○ Existing Note confirming the first payment due date for the mortgage being refinanced ○ Credit report, credit report supplement or payment history verifying all payments were made in the required time period <p>NOTE: Mortgage payments cannot be made in advance to meet the six consecutive payment requirements.</p>
Social Security Number (SSN)	All borrowers must have a valid SSN.
Subordinate Financing	<ul style="list-style-type: none"> ● Existing subordinate financing must be re-subordinated to the VA IRRRL ● New subordinate financing is not allowed ● No liens other than the existing VA loan may be paid off with proceeds of the IRRRL
Tax Transcripts	<ul style="list-style-type: none"> ● Required when tax returns are used to qualify borrower income ● Not required for non-credit qualifying IRRRL transactions
Temporary Buydowns	Ineligible
Underwriting Requirements	<ul style="list-style-type: none"> ● The following documents must be provided to evidence seasoning requirements and current interest rate: <ul style="list-style-type: none"> ○ Existing Note (confirming both the rate and the first payment due date for the mortgage being refinanced) ○ Credit report, credit report supplement or payment history verifying all payments were made in the required time period
VA Funding Fee	Funding Fee percentage (%) for first time and subsequent use is 0.50



VA IRRRL GUIDELINES WITH OVERLAYS

TOPIC	OVERLAY
Vesting	<ul style="list-style-type: none"> • Joint loans are allowed, and borrowers may be removed in accordance with VA guidelines • Only the Veteran and spouse, if applicable, can take title to the subject property. No other individuals are allowed to be added to title. • Unless otherwise outlined in the VA Lenders Handbook Chapter Six, parties obligated on the original loan must be the same on the new loan (and the veteran must still own the property)
Verbal Verification of Employment (VVOE) Requirements	<ul style="list-style-type: none"> • Verbal verification of employment is required on all loans whether or not income is required to be documented

TOPIC	OVERLAY
MANUFACTURED HOME GUIDELINES	Overlays in this matrix apply to US Department of Veterans Affairs (VA) conforming guidelines . Refer to the VA lender handbook for additional guidance. Information in this matrix is subject to change without notice.
Standards (09/14/2015)	<p>Appraiser must notify mortgagee and report any deficiency of MPR or MPS if a manufactured home does not comply with the following:</p> <ul style="list-style-type: none"> • Floor area must be \geq 400 sq ft • Constructed on or after June 15, 1976, in conformance with the federal MHCSS, as evidenced by an affixed HUD Certification Label in accordance with 24 CFR §3280.11 (Manufactured Homes produced prior to June 15, 1976 are ineligible for insured financing.) • Manufactured home and site exist together as a real estate entity in accordance with state law (but need o be treated as real estate for taxation purposes) • Manufactured home was moved from the factory or dealer directly to the site • Manufactured home was designed to be used as a dwelling with a permanent foundation built to comply with PFGMH • Finished grade elevation beneath the manufactured home (or, if basement used, the grade beneath the basement floor) is at or above the 100-year return frequency flood elevation • Structure is designed for occupancy as a principal residence by a single family • Lease, if applicable, meets the requirements of Valuation of Leasehold Interest
Flood Zone	<ul style="list-style-type: none"> • Manufactured homes in a flood zone are ineligible
Foundation: Existing Construction	<ul style="list-style-type: none"> • Existing construction allowed, new construction is ineligible • Definition: Existing construction for manufactured housing refers to a manufactured home that has been permanently installed on a site for one year or more prior to the case number assignment date. <ul style="list-style-type: none"> ○ Preliminary title report must evidence subject is permanently affixed <p style="text-align: right;"><i>(continued)</i></p>

TOPIC	OVERLAY
Foundation: Existing Construction <i>(continued)</i>	<ul style="list-style-type: none"> • Standard: If the perimeter enclosure is non-load-bearing skirting comprised of lightweight material, the entire surface area of the skirting must be permanently attached to backing made of concrete, masonry, treated wood, or a product with similar strength and durability. <ul style="list-style-type: none"> ○ Skirting: Skirting refers to a non-structural enclosure of a foundation crawl space that is typically, but not always, a lightweight material such as vinyl or metal attached to the side of the structure and extending to the ground (generally not installed below frost depth). ○ Perimeter Enclosure (MPR/MPS Item): The space beneath the manufactured home must be properly enclosed; the perimeter enclosure must be a continuous wall that is adequately secured to the perimeter of the unit and allows for proper ventilation of the crawl space. • Required Analysis and Reporting: If the manufactured home foundation does not meet the requirements for Existing Construction, the appraiser must notify the mortgagee and report the deficiency in the MPR or MMPS.
HUD Data Plate	<ul style="list-style-type: none"> • Standard HUD Data Plate Requirements: Manufactured homes have a data plate affixed in a permanent manner, typically adjacent to the electric service panel, the utility room, or within a cabinet in the kitchen. • Required Analysis and Reporting: The appraiser must report the information on the data plate within the appraisal, including the manufacturer name, serial number, model, and date of manufacture, as well as wind, roof load, and thermal zone maps. • Missing Data Plate (of Appraiser Cannot Locate): If the data plate is missing or the appraiser is unable to locate it, the appraiser must report this in the appraisal and is not required to secure the data plate information from another source. <ul style="list-style-type: none"> ○ If the data plate is missing or appraiser cannot locate it, LSM requires an IBTS report.
IBTS Report/HUD Certification FHA	<ul style="list-style-type: none"> • HUD Certification Label Standard: The manufactured home must have an affixed HUD Certification Label located at one end of each section of the house, approximately one foot up from the floor and one foot in from the roadside, or as near that location on a permanent part of the exterior of the house, as practicable. Etched on the HUD Certification Label is the certification label number, as referred to as the HUD label number. Label numbers are not required to be sequential on a multi-section house. • Required Analysis and Reporting: The appraiser must report the HUD label number for all sections, or report that the HUD Certification Label is missing or that the appraiser was unable to locate it.
Ineligible Features	<ul style="list-style-type: none"> • The following are not allowed in relation to a manufactured home: <ul style="list-style-type: none"> ○ Located in a co-op, condo, or PUD project ○ Located in a flood zone ○ Manufactured home with a leasehold ○ Manufactured home with an ADU or other structure <p style="text-align: right;"><i>(continued)</i></p>

TOPIC	OVERLAY
Ineligible Features <i>(continued)</i>	<ul style="list-style-type: none"> ○ New construction ○ EEMs are not allowed for manufactured homes ○ Graduated Payment Mortgage (GPM)
Manufactured Home Additions	<ul style="list-style-type: none"> ● Any addition to the original structure (i.e. patio, deck, carport, rooms, etc.) requires a structural engineer report. <ul style="list-style-type: none"> ○ If the appraiser observes additions or structural changes to the original manufactured home, the appraiser must condition the appraisal upon inspection by the state or local jurisdiction administrative agency that inspects manufactured housing for compliance (or a licensed structural engineer may report on the structural integrity of the manufactured dwelling and the addition if the state does not employ inspectors).