

IRRRL	<p>Please reference VA circular(s) 26-19-22 for the full guidance on IRRRL requirements.</p> <p>To calculate correct loan amount use VA form 26-8923 IRRRL Worksheet.</p> <p>Seasoning must be met to proceed on any IRRRL loan as follows:</p> <ul style="list-style-type: none"> • A minimum of 6 monthly payments must have been made on the original loan that is being refinanced as evidenced by the credit report or credit supplement and must be prior to application date AND • 210 days after the first monthly payment is made
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	<p>Minimum Credit Score required is 640</p> <p>Max LTV/CLTV per VA Guidelines</p> <p>Mortgage only credit report with scores is needed</p> <p>Benefit To Borrower A significant benefit to the veteran must be documented to proceed with the IRRRL</p> <p>Assets If funds are required for closing, most recent bank statement is only required if the cash to close exceeds 1% of the loan amount. If it does not exceed 1%, then assets will not be required and should not be listed on the 1003.</p> <p>Current Employment Wage earner: Verbal VOE required</p> <p>Self Employed: Most recent year's filed Federal tax returns and evidence of good standing</p> <p>Mortgage history: 0x30 in last 24 months</p> <p>No appraisal or AVM is required.</p> <p>Subordinate financing allowed per VA. Subordinate fees may not be financed into the IRRRL.</p> <p>Loan not to be ran through DU/LP. Findings not needed.</p> <p><i>Termite Inspection</i>- - Termite inspections are only required on an IRRRL if the property is located in these states:</p> <ul style="list-style-type: none"> • Arkansas • Louisiana • Nebraska • Oklahoma • Texas • Utah <p>Recoupment of Closing Costs Calculation This will be required on all IRRRL's to confirm that the VA guidance is met in terms of the recoupment period not exceeding 36 months. The calculation to be used is:</p> $\frac{\text{Fees} + \text{Expenses} + \text{Closing Costs}}{\text{Reduction of Monthly PI Payment}} - \text{Lender credit}$ <p>The Fees, Expenses and Closing Costs to be Recouped will follow this chart:</p> <table border="1"> <tr> <td style="background-color: #cccccc;">Included FECC</td> <td style="background-color: #cccccc;">Excluded FECC</td> </tr> </table>	Included FECC	Excluded FECC
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- Allowable fees and charges
 - Included in the loan amount
 - Paid outside of closing
- Credit Report (if required)
- VA Funding Fee
- Appraisal Fee (If applicable and the lender requires Veteran to pay)
- Reasonable discount points
 - Included in the loan amount
 - Paid outside of closing

Note: Lender credit may be used to offset allowable fees and charges (including discount points)

- Per diem interest
- Escrow
- Prepaid expenses
 - Insurance
 - Taxes (including delinquent taxes)
 - Special Assessments
 - Homeowners Association (HOA) fees

Note: This is not an all-inclusive list of prepaid expenses

The Veteran may only be charged a reasonable and customary amount, and only charged for one appraisal.

Calculating the Monthly PI Reduction

For purposes of calculating the recoupment period, VA allows lenders to exclude taxes, amounts held in escrow and certain fees paid.

A form that outlines the recoupment calculations is available on our website at www.fsbtpo.com. This form is required on all VA IRRRLS.