



VA Matrix

revised 5/3/2022

<p>Refinance – Cash Out</p>	<p>All VA Cash Out loans must include the VA Cash out Net Tangible Benefit and Lender Certification form.</p> <p>COE must confirm benefit allows for max financing. If max financing not allowed per COE, limited to 90% regardless of credit score.</p> <p>Ineligible: Manufactured Homes Refer/Eligible findings</p>
	<p>Loan seasoning must be met to proceed with a refinance loan when a VA loan is to be paid off.</p> <p>VA will not guarantee a refinance loan if the loan being refinanced has not been properly seasoned. This requirement applies to all cash out loan types. A loan is considered seasoned on the later of the date that is:</p> <ul style="list-style-type: none"> • 210 days after the first monthly payment is made, and • 6 monthly payments have been made on the loan <p><u>Cash Out Refinances will be allowed as follows:</u> 640 Credit Score or higher max LTV 100%</p> <p>Must be an Approve/Eligible AUS finding.</p> <p>LTV Calculation for Cash Out Loans: divide the total loan amount (including VA Funding Fee, if applicable) by the reasonable value on the NOV (Notice of Value) of the property determined by the appraiser.</p> <p>Types of Cash Out Loans: <i>Type I Cash Out Refinance</i> – a refinancing loan in which the loan amount (including VA funding fee) does not exceed the payoff amount of the loan being refinanced. <i>Type II Cash Out Refinance</i> – a refinancing loan in which the loan amount (including the VA funding fee) exceeds the payoff amount of the loan being refinanced.</p> <p>Appraisal</p> <ul style="list-style-type: none"> ➢ A new appraisal completed by a VA approved or VA fee panel Appraiser is always required. ➢ VA LAPP approved Underwriting Consultant will issue the Notice of Value ➢ Copy of the signed Notice of Value must remain in the loan file <p>Cash-Out</p> <ul style="list-style-type: none"> ➢ Subject property must have an existing lien ➢ Seasoning must be met and documented ➢ New loan amount may include the following. <ul style="list-style-type: none"> • Payoff of existing liens • Reasonable discount points • Allowable fees and charges (other than funding fee) • Cash back to the borrower <ul style="list-style-type: none"> ○ Cash back greater than \$150,000 is eligible and requirements are as follows: <ul style="list-style-type: none"> ✓ FSB's Credit Management review is required ✓ Minimum credit score 720 or program minimum, whichever is higher ✓ Reduce maximum LTV by 10% or maximum of 70% LTV whichever is less

	<p>5) The total the Veteran will have paid after making all payments (principal and interest), and the mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced</p> <p>6) LTV of the refinancing loan vs the loan being refinanced</p> <ul style="list-style-type: none"> • An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of the home equity may affect the Veteran <p>Fee Recoupment This requirement only applies to Type I Cash Out refinancing loans made to refinance an existing VA loan. The recoupment period of all fees, closing costs, expenses (other than taxes, escrow, insurance and like assessments) and incurred costs must not exceed 36 months from the date of loan closing. The lender must certify the recoupment period to VA to obtain a Loan Guaranty Certificate.</p> <p>Recoupment Calculation Divide all fees, closing costs, expenses and incurred costs (excluding taxes, escrow, insurance and like assessments), by the reduction of the monthly principal and interest payment as a result of the refinance. If the loan being refinanced has been modified, the principal and interest reduction must be computed/compared to the modified principal and interest monthly payment</p>
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