



## VA IRRRL Product Matrix

This overlay summary is provided as a resource to be used in conjunction with the [VA Lender's Handbook Pamphlet 26-7](#), and to identify areas in which HomeXpress Mortgage Corp. has additional requirements or restrictions in addition to standard VA guidelines. **This matrix does not replace the full requirements in [VA LENDER'S HANDBOOK PAMPHLET 26-7](#).**

CONFORMING LOAN LIMITS				
Property Type	LTV/ CLTV <sup>1</sup>	Credit Score	DTI	Loan Amount
1-4 Units & Manufactured	125% <sup>2</sup> /125%	550	50% <sup>3</sup>	\$726,200
JUMBO LOAN LIMITS				
Property Type	LTV/ CLTV <sup>1</sup>	Credit Score	DTI	Loan Amount
1-4 Units	105% <sup>2</sup> /105%	550	45% <sup>3</sup>	\$1,000,000
		660		\$2,000,000
		700		\$2,500,000
Topic	Requirement			
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>Eligible borrowers               <ul style="list-style-type: none"> <li>Veteran</li> <li>Active-duty service-members</li> <li>The spouse of a veteran or active-duty service member as a co-applicant</li> <li>Surviving spouse</li> </ul> </li> <li>The primary applicant must be the veteran whose entitlement is being used for guaranty regardless of income.</li> <li>The following are ineligible borrowers               <ul style="list-style-type: none"> <li>Non-veterans, or active-duty service-member</li> <li>The spouse of a veteran or active-duty service-member without the veteran as an applicant</li> <li>Guardianships</li> <li>Life Estates</li> <li>LLCs</li> <li>Non-Revocable Inter Vivos Trusts</li> <li>Foreign nationals</li> <li>Borrowers with diplomatic immunity</li> </ul> </li> <li>Each borrower on the loan transaction must have a valid Social Security number; ITIN (IRS Tax Identification Numbers) are not allowed.</li> <li><b>Certificate of Eligibility:</b> A Certificate of Eligibility (COE) is not required on VA IRRRL transactions.</li> </ul>			
<b>Credit</b>	<p><b>Qualifying Credit Score:</b></p> <ul style="list-style-type: none"> <li>A tri-merge credit report is required on all loans.</li> <li>The qualifying score is the lower of two or the middle of three scores. The lowest qualifying score of all applicants is used to qualify.</li> </ul> <p><b>Minimum Credit Score:</b></p> <ul style="list-style-type: none"> <li>550</li> </ul> <p><b>Credit Report Requirements:</b></p> <ul style="list-style-type: none"> <li>Follow <a href="#">VA Lenders Handbook, Pamphlet 26-7</a>, for full requirements</li> <li>A mortgage only credit report, with credit scores is acceptable</li> </ul> <p>Soft pull credit is acceptable for non-credit qualifying transactions only but must contain credit scores</p>			
<b>Escrow Accounts</b>	<ul style="list-style-type: none"> <li>Escrow accounts are required for the collection of property taxes, hazard insurance and flood insurance where applicable.</li> </ul>			

<sup>1</sup> CLTV is for existing subordinate financing only, new subordinate financing is not eligible

<sup>2</sup> LTV is calculated using the original principal balance on the existing VA guaranteed mortgage

<sup>3</sup> DTI only calculated/limited when credit qualification is required per [VA Lenders Handbook, Pamphlet 26-7](#).

	<ul style="list-style-type: none"> <li>Flood insurance premiums where applicable must always be impounded/escrowed</li> </ul>
<b>Fee Limitations</b>	<p>The veteran can pay a maximum of:</p> <ul style="list-style-type: none"> <li>reasonable and customary amounts for any or all of the “Itemized Fees and Charges” designated by VA, plus</li> <li>a one percent flat charge by the lender, plus</li> <li>reasonable discount points</li> </ul>
<b>Funding Fee</b>	<ul style="list-style-type: none"> <li>Each veteran must pay the respective funding fee based on the VA funding fee schedule, unless exempt</li> <li>The funding fee may be financed in whole, or paid in cash at closing</li> <li>The LTV for refinances is calculated based on the total loan amount including any financed funding fee</li> </ul>
<b>Geographic Restrictions</b>	<ul style="list-style-type: none"> <li><b>Texas:</b> Cash out (A6) transactions are not permitted, ALL refinances in TX must result in \$0 cash back to borrower. NO exception.</li> <li><b>Nevada:</b> Purchase transaction loans secured by properties located in Fallon, Nevada and serviced by the City of Fallon Municipal Water System include a veteran-signed “Purchaser Acknowledgement and Release” form. For additional information, contact the local VA office.</li> </ul>
<b>Guaranty</b>	Regardless of the loan amount, the VA guaranty plus the Veteran’s down payment and/or equity must always be at least 25% of the lesser of the sales price or Notice of Value (NOV). The calculator assists in calculating any required down payment from the borrower on purchase or refinance transactions.
<b>Housing History</b>	<ul style="list-style-type: none"> <li>Mortgage Payment History of 0 x 30 in the last 12 months is required.</li> <li>For loans that are seasoned less than 12 months: <ul style="list-style-type: none"> <li>the existing loan may not have any mortgage lates of 30 days or greater since the inception of the loan, and</li> <li>there may be no 30 day or greater lates on any mortgage loan associated with the borrower or property in the most recent 12 months.</li> </ul> </li> </ul>
<b>Income &amp; Employment</b>	<ul style="list-style-type: none"> <li>The URLA must include current employment, or retired/disabled status, but no income should be disclosed. Exception: When credit qualification is required, income must be documented, and it must be determined that the borrower has stable and reliable income per the VA Lenders HB.</li> </ul>
<b>Ineligible Transactions</b>	<p>HomeXpress will not accept transactions including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>Refinances where six payments have not been made on the loan being refinanced</li> <li>Refinances where the note date is less than 210 days from the first monthly payment on the loan being refinanced</li> <li>Buydowns</li> <li>Energy Efficient Mortgages</li> <li>Repair Escrow</li> <li>Adjustable-Rate Mortgages (ARM)</li> <li>Loans closed in conjunction with any Housing Finance Agency (HFA) down payment assistance or grant programs</li> <li>One-time close construction</li> <li>Borrower may not act as an interested party to a sales transaction for the subject if the builder and/or property seller is a company owned by the borrower or where the borrower is a principal agent, sales agent, loan originator, mortgage broker or partner for the builder or property seller.</li> <li>Borrower is a principal of the title company and/or settlement agent for the subject transaction.</li> </ul>
<b>Manufactured Housing</b>	<ul style="list-style-type: none"> <li>Conforming Loan Limits only</li> <li>Owner occupied properties only</li> <li>Must be classified as Real Property</li> <li>The Manufactured Home must have been built on or after June 15, 1976</li> <li>Double-wide minimum width</li> <li>Leasehold properties are ineligible</li> <li>Condo projects comprised of manufactured homes are ineligible</li> <li>The manufactured home may not have been previously installed or occupied at another location</li> </ul> <p>All manufactured housing must meet VA guidelines, and any restrictions in these Program Guideline</p>
<b>Maximum Loan Amount</b>	<ul style="list-style-type: none"> <li>UW to complete the <a href="#">VA Interest Rate Reduction Refinancing Loan Worksheet 26-8923</a>. Loan amount must be reconfirmed at time of CD balancing for doc request.</li> </ul>
<b>Maximum Loan Term</b>	Existing loan term + 10 years not to exceed 30 years + 32 days.
<b>Max # loans</b>	<ul style="list-style-type: none"> <li>A maximum of four Government or GSE loans are permitted to one borrower with HomeXpress.</li> <li>Non-QM or Jumbo programs are not included in this restriction</li> </ul>

<b>Net Tangible Benefit</b>	<ul style="list-style-type: none"> <li>• <b>VA Net Tangible Benefit</b> requirements must be met. Refer to VA Circular 26-19-22.</li> <li>• <b>Fee Recoupment:</b> <ul style="list-style-type: none"> <li>• For an IRRRL that results in a lower monthly principal and interest (P&amp;I) payment, the recoupment period of fees, closing costs, and expenses (other than taxes, amounts held in escrow, and fees paid under chapter 37), incurred by the Veteran, must not exceed 36 months from the date of the loan closing.</li> <li>• For an IRRRL that results in the same or higher monthly P&amp;I payment, verify that the Veteran has incurred no fees, closing costs, or expenses (other than taxes, amounts held in escrow, and fees paid under chapter 37).</li> </ul> </li> <li>• <b>Interest Rate Decrease:</b> Fixed Rate to Fixed Rate refinances must reduce the interest rate by at least .50 in rate.</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Owner Occupied</li> <li>• Investment Property</li> </ul> <p><b>For investment property transactions:</b></p> <ul style="list-style-type: none"> <li>• 1 unit properties only</li> <li>• Conforming loan amounts only</li> <li>• Manufactured Housing not allowed</li> <li>• Documentation must be provided evidencing the veteran previously occupied the subject property as their primary residence.</li> <li>• There can be no history of late payments on the subject property or on the borrower's primary residence.</li> </ul>
<b>PACE Obligations</b>	<ul style="list-style-type: none"> <li>• Loan transactions secured by properties with PACE obligations or PACE-like assessments are not eligible. The obligation must be satisfied prior to or at closing.</li> </ul>
<b>Property Eligibility</b>	<p><b>Ineligible Properties:</b></p> <ul style="list-style-type: none"> <li>• Commercial property</li> <li>• Cooperatives</li> <li>• Condotels</li> <li>• Geothermal homes</li> <li>• Geodesic Domes</li> <li>• Mobile homes</li> <li>• Non-warrantable condos</li> <li>• Timeshares</li> <li>• Working farms, ranches, orchards</li> <li>• Properties with C6 quality rating</li> <li>• Properties with C5 or C6 condition rating</li> <li>• Properties secured with PACE obligations or PACE like assessments</li> <li>• Manufactured homes in condo project or on leased land</li> </ul>
<b>Qualifying Ratios</b>	<p><b>Credit Qualifying Transactions</b></p> <ul style="list-style-type: none"> <li>• The maximum DTI is 41%, but may exceed 41% up to 50% with acceptable compensating factors.</li> </ul>
<b>Seasoning</b>	<p>The note date of the refinance loan must be on or after the later of:</p> <ul style="list-style-type: none"> <li>• The date on which the borrower has made at least six consecutive monthly payments on the loan being refinanced; and</li> <li>• The date that is 210 days after the first payment due date of the loan being refinanced</li> <li>• If the subject loan is refinancing a modified loan, the seasoning is based on the modification, not the original loan that was subsequently modified</li> </ul>
<b>Subordinate Financing</b>	<ul style="list-style-type: none"> <li>• Existing subordinate financing is acceptable</li> <li>• New subordinate financing is not permitted</li> </ul>
<b>Tax Transcripts</b>	<p>IRS tax transcripts are required for credit qualifying transactions in the following circumstances listed below:</p> <ul style="list-style-type: none"> <li>• Borrower(s) is employed by a family member</li> <li>• Tax returns are required documentation based on the borrower's source of income</li> </ul>
<b>Underwriting Method</b>	<ul style="list-style-type: none"> <li>• All loans must be manually underwritten</li> </ul>