



VA IRRRL Program Guidelines

Correspondent

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Summary	VA Interest Rate Reduction Refinance Loan (IRRRL), conforming balance and Jumbo Fixed Rate. All VA loans must be eligible for Guaranty.																			
Products	<table border="1"> <thead> <tr> <th>Product Name</th> <th>Product Code</th> </tr> </thead> <tbody> <tr> <td>VA 15 Year Fixed</td> <td>VA150IRRRL</td> </tr> <tr> <td>VA 30 Year Fixed</td> <td>VA300IRRRL</td> </tr> <tr> <td>VA 30 Year Fixed Jumbo</td> <td>VAJ30IRRRL</td> </tr> </tbody> </table>			Product Name	Product Code	VA 15 Year Fixed	VA150IRRRL	VA 30 Year Fixed	VA300IRRRL	VA 30 Year Fixed Jumbo	VAJ30IRRRL									
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Eligibility Matrix	<table border="1"> <thead> <tr> <th>Product Code</th> <th>Property Type</th> <th>Credit Score</th> <th>Loan Amount</th> </tr> </thead> <tbody> <tr> <td rowspan="2">VAIRRRL</td> <td>1-4</td> <td>580</td> <td>\$548,250</td> </tr> <tr> <td>Manufactured Housing</td> <td>640</td> <td>(\$822,375 AK/HI)</td> </tr> <tr> <td rowspan="2">VAJIRRRL¹</td> <td rowspan="2">1-4</td> <td>580</td> <td>\$1,000,000</td> </tr> <tr> <td>660</td> <td>\$1,500,000</td> </tr> </tbody> </table> <p>¹: Manufactured Housing:</p> <ul style="list-style-type: none"> • Minimum 640 credit score • Jumbo loan amounts not allowed 			Product Code	Property Type	Credit Score	Loan Amount	VAIRRRL	1-4	580	\$548,250	Manufactured Housing	640	(\$822,375 AK/HI)	VAJIRRRL ¹	1-4	580	\$1,000,000	660	\$1,500,000
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4506-C / Tax Transcripts	<ul style="list-style-type: none"> • 4506-C is not required unless the borrower is qualifying due to a PITIA increase of 20% or more. • Refer to Plaza's Delegated Correspondent Credit Overlay Matrix for tax transcript requirements. 																			
Appraisal	Not required.																			
Borrower Eligibility	<p>The borrower must be an eligible Veteran.</p> <p>Ineligible Borrowers:</p> <ul style="list-style-type: none"> • Partnerships • Corporations • Guardianships • Life Estates • LLCs • Non-Revocable Inter Vivos Trusts • Foreign nationals • Borrowers with diplomatic immunity <p>Social Security Number:</p> <ul style="list-style-type: none"> • Each borrower on the loan transaction must have a valid Social Security number. • ITIN (IRS Tax Identification Numbers) are not allowed. <p>Certificate of Eligibility: A Certificate of Eligibility (COE) is required on all VA IRRRL transactions, except for the following situations:</p> <ul style="list-style-type: none"> • Veteran has already been determined to be exempt as evidenced on the IRRRL case assignment. • Entitlement encumbered on the loan being refinanced belongs to a surviving spouse of a Veteran. • Entitlement encumbered on the loan being refinanced belongs to a Veteran who has since passed away and the IRRRL borrower is a spouse who was also a co-borrower on the loan being refinanced. 																			

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	<p>Veteran: If the veteran is <i>not</i> exempt from the VA Funding Fee, the veteran must provide a signed certification confirming if they have a claim for compensation pending with the Department of VA.</p> <p>Active Duty Service Members: Must provide a signed certification confirming if they have a pre-discharge claim pending.</p> <p>If there is a pending claim, a corrected COE must be pulled no earlier than 3 days before the loan closes to validate exemption status at time of closing. Refer to VA Circular 26-19-17.</p>
Credit	<p>Qualifying Credit Score:</p> <ul style="list-style-type: none"> • A tri-merge credit report is required. • 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. • Each borrower must have at least one credit score. <p>Credit Report: When a full credit report is not obtained, a mortgage only credit report with credit scores and key factors must be provided. If unable to obtain a mortgage only credit report with credit scores and key factors, a full credit report will be required.</p> <p>Housing Payment History: Mortgage Payment History of 0 x 30 in the last 12 months is required.</p> <ul style="list-style-type: none"> • For loans that are seasoned less than 12 months, the existing loan may not have any mortgage lates of 30 days or greater since the inception of the loan and, 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. <p>*Any IRRRL that includes delinquent payments in the loan amount must be submitted to the VA for prior approval, even when a lender has automatic authority.</p>
Disaster Policy	Refer to Plaza's Natural Disaster Policy for requirements.
Down Payment / Equity Requirement	The 25% minimum VA guaranty/entitlement is considered satisfied for IRRRLs regardless of the dollar amount of guaranty being transferred from the previous loan.
Eligible Fees	VA regulations limit the fees that the veteran can pay to obtain a loan. If the veteran was charged an ineligible fee(s), the fee must be refunded and the loan file must contain adequate documentation that the fee was refunded to the veteran.
Energy Efficient Mortgages	Allowed per VA Guidelines.
Escrow Accounts	An Escrow/impound account is required for property taxes and insurance on all VA loans.
Geographic Restrictions	<p>Hawaii:</p> <ul style="list-style-type: none"> • Properties in Lava Zones 1 and 2 are ineligible. • Manufactured housing not eligible. <p>Iowa: An attorney's opinion of title is acceptable in lieu of a title policy, or a title policy may be ordered through the Title Guaranty Division (TGD) of the Iowa Financial Authority.</p> <p>Kansas: Properties located in the State of Kansas require the lender to obtain the market value. This can be satisfied with a tax assessor's statement of value.</p> <p>Montana: Lot size of the property may not exceed 40 acres.</p> <p>Rhode Island: Manufactured housing not eligible.</p> <p>West Virginia: Delegated deliveries only.</p>
Income & Employment	<p>Income:</p> <ul style="list-style-type: none"> • Income is not documented • The loan application should not reference income • Exception: When the PITIA will increase 20% or more it must be determined that the borrower has stable and reliable income to support the proposed payment along with other recurring monthly obligations.

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Ineligible	<ul style="list-style-type: none"> • Temporary Buydowns • Borrower is a principal of the title company and/or settlement agent for the subject transaction. 												
Loan Limits	<table border="1"> <thead> <tr> <th>Program</th> <th>Units</th> <th>Contiguous U.S.</th> <th>Alaska and Hawaii</th> </tr> </thead> <tbody> <tr> <td>Conforming</td> <td>1-4</td> <td>\$548,250</td> <td>\$822,375</td> </tr> <tr> <td>Jumbo</td> <td>1-4</td> <td>\$1,500,000</td> <td>\$1,500,000</td> </tr> </tbody> </table>	Program	Units	Contiguous U.S.	Alaska and Hawaii	Conforming	1-4	\$548,250	\$822,375	Jumbo	1-4	\$1,500,000	\$1,500,000
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Conforming	1-4	\$548,250	\$822,375										
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Manufactured Housing	<ul style="list-style-type: none"> • Minimum 640 credit score • Must be classified as Real Property • The Manufactured Home must have been built on or after June 15, 1976 • Double-wide minimum width • Leasehold properties are ineligible • Condo or co-op projects comprised of manufactured homes are ineligible • The manufactured home may not have been previously installed or occupied at another location • All manufactured homes must meet VA guidelines, restrictions in these Program Guidelines, and Plaza's Manufactured Housing Guidelines. • Manufactured housing not eligible in states of Hawaii and Rhode Island. • Manufactured Homes located within a Special Flood Hazard Area are not eligible unless a FEMA National Flood Insurance Program (NFIP) Elevation Certificate (FEMA Form 086-0-33) prepared by a licensed engineer or surveyor stating that the finished grade beneath the Manufactured Home is at or above the 100-year return frequency flood elevation is provided, and flood insurance under the NFIP is obtained. 												
Maximum Loans	A maximum of four Plaza loans is permitted to one borrower.												
Occupancy	<ul style="list-style-type: none"> • Primary Residences • Second Home • Investment Property <p>For second home and investment property transactions:</p> <ul style="list-style-type: none"> • 1 unit properties only • Conforming loan amounts only • Manufactured Housing not allowed • Documentation must be provided evidencing the veteran previously occupied the subject property as their primary residence. • There can be no history of late payments on the subject property or on the borrower's primary residence. 												
Property Eligibility	<p>Ineligible Properties:</p> <ul style="list-style-type: none"> • Cooperatives • Condotels • Geodesic dome homes • Geothermal homes • Commercial Properties • Mobile homes • Non-warrantable condos • Timeshares • Working Farms, Ranches, Orchards • VA Indian Leasehold properties • Properties with C6 quality rating • Properties with C5 or C6 condition rating • Properties secured with PACE obligations or PACE like assessments 												
Qualifying Ratios	<ul style="list-style-type: none"> • If the PITIA does not increase by 20% or more: Not calculated. • If the PITIA increases by 20% or more: 41%. 												
Repair Escrows	Per VA guidelines. Escrow holdbacks are not allowed on manufactured housing.												

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Special Requirements	<ul style="list-style-type: none"> • VA Net Tangible Benefit requirements must be met. Refer to VA Circular 26-19-22. • Fee Recoupment: <ul style="list-style-type: none"> ○ For an IRRRL that results in a lower monthly principal and interest (P&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. ○ For an IRRRL that results in the same or higher monthly P&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). • Seasoning (if the loan to be paid off is a government loan): <ul style="list-style-type: none"> ○ The due date of the first monthly payment of the loan being refinanced must be 210 days or more prior to the closing date of the refinance loan; and ○ Six consecutive monthly payments must have been made on the loan being refinanced. • Interest Rate Decrease: Fixed Rate to Fixed Rate refinances must reduce the interest rate by at least .50 in rate.
Subordinate Financing	<ul style="list-style-type: none"> • Loans with existing subordinate financing are eligible. • New subordinate financing is not allowed. • Properties with Property Assessed Clean Energy (PACE) obligations are ineligible. <ul style="list-style-type: none"> ○ PACE liens may not be subordinated.
Texas Home Equity	<ul style="list-style-type: none"> • In Texas, there may be absolutely no cash to the borrower. • If the first mortgage is subject to Texas 50(a)(6), VA financing is not permitted. • If an existing second lien is subject to Texas 50(a)(6), VA financing is not permitted.
Transactions	VA Interest Rate Reduction Refinance Loan (IRRRL).
Underwriting Method	<p>All loans must be manually underwritten. Automated underwriting is not allowed.</p> <ul style="list-style-type: none"> • The state specific (if applicable) and multi state net tangible benefit test must be satisfied in order to be eligible.
VA Loan Guaranty	The 25% minimum VA guaranty/entitlement is considered satisfied for IRRRLs regardless of the dollar amount of guaranty being transferred from the previous loan.

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