



a Mortgage Boutique is a division of
first community mortgage

VA IRRRL



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the basics



An IRRRL is a VA-guaranteed loan made to refinance an existing VA guaranteed loan, generally at a lower interest rate than the existing VA loan, and with lower principal and interest payments than the existing VA loan.

- Lowering interest rate/principal and interest payment from original loan. Exceptions to this rule:
 - current loan is an ARM
 - new loan term shorter than existing loan term (30 year to a 20 year)

****Note if the new PITI increases by 20% or more the following requirements apply:**

- Lender to determine veteran qualifies for new payment.
Documentation required-credit qualifying
- Underwriter certifies veteran qualifies with new monthly payment

documentation



1. At least six full months must have passed since the first payment due date of the Mortgage that is being refinanced; verified 6 payments (not prepaid) and at least 210 Days must have passed from the Closing Date of the Mortgage that is being refinanced
2. Value determined off stated value as submitted
3. Clear CAIVRS
4. Verification of borrower(s) social security number
5. Initial VA IRRRL Comparison completed within 3 day of initial signed 1003
6. 1 month bank statement to verify funds to close –Large deposits not required to be sourced
7. VA IRRRL case number from VA Portal
8. Copy of note and/or mortgage coupon to determine net tangible benefit
9. Verbal VOE for all borrowers

documentation



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Credit qualifying:

1. Credit report with minimum score of 580
2. Income documented per manual guidelines

Non-Credit qualifying:

1. Mortgage only credit or VOM. If using VOM must have evidence chain of custody.

net tangible benefit



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The recoupment period is calculated by dividing all fees, expenses, and closing costs by the reduction of the monthly PI payment, but the VA funding fee, escrow, and prepaid expenses are excluded

Note: funding fee on all IRRRLs = .50%

net tangible benefit



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*fixed rate to fixed rate must be at least .50% reduction
AND fees must be recouped in 36 months or less.

*Note:

If new P&I payment will be the same or higher than current P&I (reduction in term, etc), we cannot charge the veteran any fees or closing costs (other than property taxes, escrow set up, etc). All closing costs will have to be paid by AMB in the rate.

“Calculating Statutory Recoupment. Fee recoupment is calculated by dividing all fees, expenses, and closing costs, whether included in the loan or paid outside of closing (i.e., appraisal fee, pest inspections, credit report, etc., as applicable), by the reduction of the monthly PI payment. The VA funding fee, escrow, and prepaid expenses, such as, insurance, taxes, special assessments, and homeowners’ association (HOA) fees, are excluded from the statutory fee recoupment calculations. Lender credits may be used to offset allowable fees and charges.

(a) For an IRRRL that results in a lower monthly principal and interest (PI) payment, the recoupment period of fees, closing costs, and expenses (other than taxes, amounts held in escrow, and fees paid under chapter 37 (e.g., VA funding fee collected under 38 U.S.C. § 3729)), incurred by the Veteran, does not exceed 36 months from the date of the loan closing.

(b) For an IRRRL that results in the same or higher monthly PI payment, the Veteran has incurred no fees, closing costs, or expenses (other than taxes, amounts held in escrow, and fees paid under chapter 37 (e.g., VA funding fee collected under 38 U.S.C. § 3729)).

eligibility



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Maximum Loan Term is ORIGINAL term

Loan term = VA loan refinanced plus 10 years not to
exceed 30 years and 32 days.

Example: old loan is 15 year term new loan cannot exceed 25 years.

eligibility



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Who can obtain VA IRRRL

*original parties on previous
loan to be on current loan

| Parties Obligated on Old VA Loan | | Parties to be Obligated on new IRRRL | Is IRRRL Possible? |
|----------------------------------|--|---|--------------------|
| 1 | Unmarried veteran | Veteran and new spouse | Yes |
| 2 | Veteran and spouse | Divorced veteran alone | Yes |
| 3 | Veteran and spouse | Veteran and different spouse | Yes |
| 4 | Veteran alone | Different veteran who has substituted entitlement | Yes |
| 5 | Veteran and spouse | Spouse alone (veteran died) | Yes |
| 6 | Veteran and nonveteran joint loan obligors | Veteran alone | Yes |
| 7 | Veteran and spouse | Divorced spouse alone | No |
| 8 | Unmarried veteran | Spouse alone (veteran died) | No |
| 9 | Veteran and spouse | Different spouse alone (veteran died) | No |
| 10 | Veteran and nonveteran joint loan obligors | Nonveteran alone | No |



calculating loan amount

Example:

| | |
|--|----------------------|
| These figures are payable to April 04, 2021. | |
| This loan is due for the April 01, 2021 payment. | |
| Current first unpaid principal balance | 331,442.21 |
| Interest at 3.25000% on first principal balance | 1,003.41 |
| Recording Fees | .00 |
| Special Delivery Fee | 20.00 |
| * * TOTAL AMOUNT TO PAY LOAN IN FULL * * | \$ 332,465.62 |

you can call 1-800-827-1000 to get information on where to send comments or suggestions about this form.

| | | |
|--|---|-----------------------------------|
| NOTE - Submit this form when requesting guaranty on an Interest Rate Reduction Refinancing Loan. | | VA LOAN NUMBER 20-20-6-0823296 |
| SECTION I - INITIAL COMPUTATION | | |
| LINE NO. | ITEM | AMOUNT |
| 1. | EXISTING VA LOAN BALANCE (PLUS COST OF ENERGY EFFICIENT IMPROVEMENTS) | \$ 332,465.62 |
| 2. | SUBTRACT ANY CASH PAYMENT FROM VETERAN | - |
| 3. | TOTAL | \$ 332,465.62 |
| SECTION II - PRELIMINARY LOAN AMOUNT | | |
| 4. | ENTER TOTAL FROM LINE 3 | \$ 332,465.62 |
| 5. | ADD _____ % DISCOUNT BASED ON LINE 4 | + |
| 6. | ADD _____ % ORIGINATION FEE BASED ON LINE 4 | + |
| 7. | ADD _____ % FUNDING FEE BASED ON LINE 4 | + |
| 8. | ADD OTHER ALLOWABLE CLOSING COSTS AND PREPAIDS | + 6,000.00 |
| 9. | TOTAL | \$ 338,465.62 |
| SECTION III - FINAL COMPUTATION | | |
| 10. | ENTER TOTAL FROM LINE 9 | \$ 338,465.62 |
| 11. | ADD _____ % DISCOUNT BASED ON LINE 10 | + |
| 12. | SUBTOTAL | = 338,465.62 |
| 13. | SUBTRACT AMOUNT SHOWN ON LINE 5 | - |
| 14. | SUBTOTAL | = 338,465.62 |
| 15. | SUBTRACT AMOUNT SHOWN ON LINE 7 | - |
| 16. | SUBTOTAL | = 338,465.62 |
| 17. | ADD _____ % FUNDING FEE BASED ON LINE 16 | + |
| 18. | TOTAL - MAXIMUM LOAN AMOUNT | = _____ * |



calculating loan amount

Maximum Loan Amount

Existing loan balance *any late payment and charges (note any IRRRL that includes late payments in the loan amount must be submitted to VA for prior approval) *allowable fees and charges (includes up to 2 discount points) *cost for energy efficiency improvements *VA Funding fee

Max LTV 105%

| | | |
|---|---|---|
| NOTE - Submit this form when requesting guaranty on an Interest Rate Reduction Refinancing Loan. | | VA LOAN NUMBER |
| SECTION I - INITIAL COMPUTATION | | |
| LINE NO. | ITEM | AMOUNT |
| 1. | EXISTING VA LOAN BALANCE (PLUS COST OF ENERGY EFFICIENT IMPROVEMENTS) | \$ |
| 2. | SUBTRACT ANY CASH PAYMENT FROM VETERAN | - |
| 3. | TOTAL | \$ |
| SECTION II - PRELIMINARY LOAN AMOUNT | | |
| 4. | ENTER TOTAL FROM LINE 3 | \$ |
| 5. | ADD _____ % DISCOUNT BASED ON LINE 4 | + |
| 6. | ADD _____ % ORIGATION FEE BASED ON LINE 4 | + |
| 7. | ADD _____ % FUNDING FEE BASED ON LINE 4 | + |
| 8. | ADD OTHER ALLOWABLE CLOSING COSTS AND PREPAIDS | + |
| 9. | TOTAL | \$ |
| SECTION III - FINAL COMPUTATION | | |
| 10. | ENTER TOTAL FROM LINE 9 | \$ |
| 11. | ADD _____ % DISCOUNT BASED ON LINE 10 | + |
| 12. | SUBTOTAL | = |
| 13. | SUBTRACT AMOUNT SHOWN ON LINE 5 | - |
| 14. | SUBTOTAL | = |
| 15. | SUBTRACT AMOUNT SHOWN ON LINE 7 | - |
| 16. | SUBTOTAL | = |
| 17. | ADD _____ % FUNDING FEE BASED ON LINE 16 | + |
| 18. | TOTAL - MAXIMUM LOAN AMOUNT | \$ * |
| NOTE: * MAXIMUM LOAN AMOUNT MAY BE ROUNDED OFF, BUT MUST ALWAYS BE ROUNDED DOWN TO AVOID CASH TO THE VETERAN. ROUND-OFF AMOUNTS OF LESS THAN \$50 DO NOT REQUIRE RECOMPUTATION. | | |
| DATE | NAME OF LENDER | SIGNATURE AND TITLE OF OFFICER OF LENDER (Name in full) |

fees



Customary closing cost

VA Funding Fee Any allowable charges including lender's flat charge
Only two discounts points can be included in the loan amount

****max cash back \$500.00 principal reduction allowed up to \$1,000.00****

at AMB



We are 100% about our Broker Partner Relationships!

Offering a straightforward approach designed to simplify the process and close loans fast!

Zero Admin or Lender Fees on VA IRRRLs!!

- Streamline paperwork, faster approvals, & quick closing!
- No appraisal and for non-credit qualifying no minimum credit score
- No upfront Payoff demand required!! Submit with a copy of the Note

Aggressive Pricing LLPAs for Loan amounts

- Odd Year Amortization Available on VA IRRRLs!
- VA Conforming & VA Jumbos offering great rates -contact your AE! VA IRRRLs up to \$3,000,000!

helpful links



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- amortgageboutique.com
- [Max loan amount \(VA Form\)](#).
- [Net tangible benefit and Recoupment worksheet](#)
- [Check list Non-Credit Qualifying VA IRRRL](#)
- [Check list Credit Qualifying VA IRRRL](#)