



## VA Refinance Product Profile: Wholesale

NewRez overlays are identified with yellow highlighting

VA TYPE 1 AND TYPE 1 CASH-OUT REFINANCE ELIGIBILITY MATRIX						
Excludes Manufactured Housing						
Units	Occupancy	Loan Amount	Credit Score	LTV <sup>1</sup>	CLTV <sup>1</sup>	DTI
1-4	Primary residence	\$1,500,000	700	90%	90%	Per AUS
		\$1,000,000	620	90%	90%	Per AUS

<sup>1</sup>LTV/CLTV includes financed VA Funding Fee, if applicable

VA INTEREST RATE REDUCTION REFINANCE LOANS (IRRRL)							
Excludes Manufactured Housing							
Units	Occupancy	Loan Amount <sup>1</sup>	Credit Score	LTV <sup>2</sup>	CLTV <sup>2</sup>	NCQ	CQ
						DTI	
<b>Portfolio</b>							
1-4	Primary Residence	NA	580	Per VA	Per VA	NA	55% <sup>3</sup>
	Non-owner Occupied		620	100%	100%		
<b>Non-Portfolio</b>							
1-4	Primary Residence	NA	600	Per VA	Per VA	NA	50% <sup>3</sup>
	Non-owner Occupied		640	100%	100%		

<sup>1</sup> Base loan amount  
<sup>2</sup> LTV/CLTV will be based off the original loan balance  
<sup>3</sup> DTI

- Portfolio credit qualified: > 41% up to 55% when residual income exceeds 120% or significant documented compensating factors exist
- Non-Portfolio credit qualified: >41% up to 50% when residual income exceeds 120% or significant documented compensating factors exist

Properties in West Virginia must be credit qualified

MANUFACTURED HOUSING						
VA TYPE 1 AND TYPE 2 CASH-OUT REFINANCE ELIGIBILITY MATRIX						
Units	Occupancy	Loan Amount	Credit Score	LTV <sup>1</sup>	CLTV <sup>1</sup>	DTI
1	Primary residence	\$1,000,000	640	90%	90%	50% <sup>2</sup>

<sup>1</sup> LTV/CLTV includes financed VA Funding Fee, if applicable  
<sup>2</sup> DTI >41% up to 50% when residual income exceeds 120% or significant documented compensating factors exist

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Units	Occupancy	Loan Amount	Credit Score	LTV	CLTV	NCQ	CQ
						DTI	
<b>Portfolio</b>							
1	Primary residence	\$1,000,000	620	Per VA	Per VA	NA <sup>1</sup>	55% <sup>2</sup>
<b>Non-Portfolio</b>							
1	Primary residence	\$1,000,000	640	Per VA	Per VA	NA <sup>1</sup>	50% <sup>2</sup>
<p>LTV/CLTV will be based off the original loan balance</p> <p><sup>1</sup> Maximum 50% DTI if credit qualified when residual income exceeds 120% or significant documented compensating factors exist</p> <p><sup>2</sup> DTI</p> <ul style="list-style-type: none"> <li>Portfolio credit qualified: &gt; 41% up to 55% when residual income exceeds 120% or significant documented compensating factors exist</li> <li>Non-Portfolio credit qualified: &gt;41% up to 50% when residual income exceeds 120% or significant documented compensating factors exist</li> </ul> <p>Properties in West Virginia must be credit qualified</p>							

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35. Principal Curtailment
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39. Version History

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	IRRRL		CASH-OUT REFINANCE		
<b>1. Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed Rate: 10- to 30-year terms in annual increments</li> <li>ARMs: 30-year term</li> </ul>				
<b>2. Loan Products</b>	<b>Product</b>	<b>Product Description</b>	<b>Product</b>	<b>Product Description</b>	
	4200VA10FRMIRL	4200 VA10YrFixed IRRRL	4200VA10FRM	4200 VA 10 Yr Fixed	
	4200VA15FRMIR	4200 VA15YrFixed IRRRL	4200VA15FRM	4200 VA 15 Yr Fixed	
	4200VA20FRMIRL	4200 VA20YrFixed IRRRL	4200VA20FRM	4200 VA 20 Yr Fixed	
	4200VA25FRMIRL	4200 VA25YrFixed IRRRL	4200VA25FRM	4200 VA 25 Yr Fixed	
	4200VA30FRMIRL	4200 VA30YrFixed IRRRL	4200VA30FRM	4200 VA 30 Yr Fixed	
	4200VA5/1ARMIRRL	4200 VA 5/1 ARM IRRRL	4200VA5/1ARM	4200 VA 5/1 ARM	
	4200VA10FRMIRLHB	4200 VA 10 Yr Fixed IRRRL High-Balance	4200VA10FRMHB	4200 VA 10 Yr Fixed High-Balance	
	4200VA15FRMIRLHB	4200 VA 15 Yr Fixed IRRRL High-Balance	4200VA15FRMHB	4200 VA 15 Yr Fixed High-Balance	
	4200VA20FRMIRLHB	4200 VA 20 Yr Fixed IRRRL High-Balance	4200VA20FRMHB	4200 VA 20 Yr Fixed High-Balance	
	4200VA25FRMIRLHB	4200 VA 25 Yr Fixed IRRRL High-Balance	4200VA25FRMHB	4200 VA 25 Yr Fixed High-Balance	
	4200VA30FRMIRLHB	4200 VA 30 Yr Fixed IRRRL High-Balance	4200VA30FRMHB	4200 VA 30 Yr Fixed High-Balance	
			4200VA5/1ARMHB	4200 VA 5/1 ARM High-Balance	
<b>3. ARM Adjustments</b>	Index	One Year Treasury Bill per the Wall Street Journal			
	Margin	2.00%			
	Life Floor	5%			
	Interest Rate Caps	<b>Product</b>	<b>First</b>	<b>Subsequent</b>	<b>Lifetime</b>
		5/1	1%	1%	5%
	Change Date	5/1	The first Change Date is the 61 <sup>st</sup> payment due date. Subsequent Change Dates are every twelve months thereafter		
Conversion Option	Not available				
<b>4. Temporary Buydown</b>	Not permitted				
<b>5. QM Rebuttable Presumption</b>	All VA loans are considered Safe Harbor loans				
<b>6. Seasoning</b>	<ul style="list-style-type: none"> <li>Borrower must have made at least six consecutive monthly payments on the loan being refinanced (the borrower may not pre-pay the current loan to meet the requirement) <ul style="list-style-type: none"> <li>Any interruption in the monthly payments (e.g. forbearance) before the initial six months of seasoning will require the Veteran to reset the minimum loan seasoning time frame. Six consecutive monthly mortgage payments paid within the month due is required after the last missed payment to meet the statutory seasoning requirement; and</li> </ul> </li> </ul>				

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	<ul style="list-style-type: none"> <li>The Note date of the new refinance loan occurs no earlier than 210 days after the date on which the first monthly payment was due on the mortgage being refinanced</li> </ul>	
<b>7. Net Tangible Benefit (NTB)</b>	<ul style="list-style-type: none"> <li>A Net Tangible Benefit Worksheet must be completed on ALL refinance transactions regardless of AUS score. Refer to the <a href="#">NewRez Net Tangible Benefit Worksheet</a></li> <li>Recoupment of fees and incurred costs must occur within 36 months of the note date for all IRRRL and Type 1 Cash-out VA to VA refinances. In order to calculate the recoupment period of fees, the monthly P&amp;I payment must decrease on the new mortgage.</li> <li>If the monthly P&amp;I payment is increasing due to reduced term or other eligible reason, the recoupment calculation will not be possible and will require all closing costs and discount points (excluding prepaids, escrow and VA Funding Fees) to be covered by the lender and not charged to the Veteran.</li> </ul>	
	IRRRL	NTB
	Fixed Rate to Fixed Rate	<ul style="list-style-type: none"> <li>The new loan must have an interest rate that is at least 50 basis points less in interest rate compared to the interest rate on the loan being refinanced</li> <li>Recoupment of fees and incurred costs (excludes funding fee, escrows and prepaids) must occur within 36 months of the Note date</li> </ul> <p>Example: Interest rate for loan being refinanced is 4.5%. New loan must be no more than 4%.</p>
	Fixed Rate to ARM	<ul style="list-style-type: none"> <li>The new loan must have an interest rate that is at least 200 basis points less in interest rate than the interest rate on the loan being refinanced</li> <li>Recoupment of fees and incurred costs (excludes funding fee, escrows and prepaids) must occur within 36 months of the Note date</li> </ul> <p>Example: Interest rate for loan being refinanced is 6.5%. New loan must be no more than 4.5%</p> <p>The payment of <b>any</b> discount points requires an appraisal and a maximum LTV of 90% or 100%, depending on the amount of discount points paid:</p> <ul style="list-style-type: none"> <li>Less than or equal to 1% in discount points paid permits LTV maximum of 100% of the appraised value</li> <li>Greater than 1% in discount points paid permits LTV maximum of 90% of the appraised value</li> </ul> <p>Acceptable Appraisals</p> <ol style="list-style-type: none"> <li>Exterior-Only Inspection Residential Appraisal Report (Form 2055)</li> <li>Uniform Residential Appraisal Report (Form 1004)</li> <li>Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Form 1075)</li> </ol>

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	<p>4. Individual Condominium Unit Appraisal Report (Form 1073)</p> <p>NewRez will require the Veteran to pay for the appraisal. The cost must be included as part of the recoupment cost. The Veteran may only be charged a reasonable and customary amount, and only charged for one appraisal.</p>	
	ARM to ARM	<ul style="list-style-type: none"> <li>Reduction in interest rate is not required</li> <li>Recoupment of fees and incurred costs (excludes funding fee, escrows and prepaids) must occur within 36 months of the Note date</li> </ul>
	ARM to Fixed Rate	<ul style="list-style-type: none"> <li>Reduction in interest rate is not required</li> <li>Recoupment of fees and incurred costs (excludes funding fee, escrows and prepaids) must occur within 36 months of the Note date</li> </ul>
	<b>Cash-out Refi</b>	<b>NTB</b>
	Must meet at least one of the eight net tangible benefits	<ol style="list-style-type: none"> <li>The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance;</li> <li>The term of the new loan is shorter than the term of the loan being refinanced;</li> <li>The interest rate on the new loan is lower than the interest rate on the loan being refinanced*;</li> <li>The payment on the new loan is lower than the payment on the loan being refinanced;</li> <li>The new loan results in an increase in the borrower's monthly residual income;</li> <li>The new loan refinances an interim loan to construct, alter, or repair the home;</li> <li>The new loan amount is equal to or less than 90% of the reasonable value of the home; or</li> <li>The new loan refinances an adjustable rate loan to a fixed rate loan.</li> </ol> <p>Refer to the <a href="#">Net Tangible Benefit Worksheet</a> for additional requirements on the above benefits</p>
	Fixed Rate to Fixed Rate	<p>Type 1 VA to VA:</p> <ul style="list-style-type: none"> <li>The new loan must have an interest rate that is at least 50 basis points less in interest rate compared to the interest rate on the loan being refinanced</li> <li>Recoupment of fees and incurred costs (excludes escrows and prepaids) must occur within 36 months of the Note date</li> </ul> <p>Type 1 non-VA to VA and all Type 2:</p> <ul style="list-style-type: none"> <li>The new loan must have an interest rate that is at least 25 basis points less in interest rate compared to the interest rate on the loan being refinanced</li> </ul>

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		Example: (.50) Interest rate for loan being refinanced is 4.5%. New loan must be no more than 4%			
	Fixed Rate to ARM	<p>Type 1 VA to VA:</p> <ul style="list-style-type: none"> <li>The new loan must have an interest rate that is at least 200 basis points less in interest rate than the interest rate on the loan being refinanced</li> <li>A maximum LTV of 90% is required if the borrower pays greater than 1% in discount points</li> <li>Recoupment of fees and incurred costs (excludes escrows and prepaids) must occur within 36 months of the Note date</li> </ul> <p>Type 1 non-VA to VA and all Type 2:</p> <ul style="list-style-type: none"> <li>The new loan must have an interest rate that is at least 100 basis points less in interest rate than the interest rate on the loan being refinanced</li> </ul> <p>Example: (2.00) Interest rate for loan being refinanced is 6.5%. New loan must be no more than 4.5%</p>			
<b>8. Power of Attorney</b>	Permitted				
<b>9. Eligible AUS Decision</b>	Not applicable	<ul style="list-style-type: none"> <li>Accept/Eligible</li> <li>Approve/Eligible</li> </ul>			
<b>10. Ineligible AUS Decisions</b>	Not applicable	<ul style="list-style-type: none"> <li>Approve/Ineligible</li> <li>Refer with Caution</li> <li>Caution</li> </ul>			
<b>11. Manual Underwrite</b>	All loans must be manually underwritten	<b>Not permitted</b>			
<b>12. Qualifying Rate</b>	Note rate				
<b>13. Residual Income</b>	<b>Loan Amounts \$79,999 and Below</b>				
	<b>Family Size</b>	<b>Northeast</b>	<b>Midwest</b>	<b>South</b>	<b>West</b>
	1	\$390	\$382	\$382	\$425
	2	\$654	\$641	\$641	\$713
	3	\$788	\$772	\$772	\$859
	4	\$888	\$868	\$868	\$967
	5	\$921	\$902	\$902	\$1004
	Above 5	Add \$75 for each additional member up to a family of seven			
	<b>Loan Amounts \$80,000 and Above</b>				
	1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823	

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	3	\$909	\$889	\$889	\$990	
	4	\$1025	\$1003	\$1003	\$1117	
	5	\$1062	\$1039	\$1039	\$1158	
	Above 5	Add \$80 for each additional member up to a family of seven				
<b>14. Types of Financing</b>	<ul style="list-style-type: none"> <li>Non-credit Qualifying IRRRL</li> <li>Credit Qualifying IRRRL (PITI increases by 20%)</li> </ul>		<ul style="list-style-type: none"> <li>Cash-out Refi               <ul style="list-style-type: none"> <li>Type 1 Cash-out Refi</li> <li>Type 2 Cash-out Refi</li> </ul> </li> </ul>			
<b>15. Eligible Subordinate Financing</b>	<ul style="list-style-type: none"> <li>Existing subordinate financing</li> <li>No satisfaction of subordinate liens (subordination fees cannot be included in loan amount)</li> </ul>		<ul style="list-style-type: none"> <li>Type 1 Cash-out Refinance: existing secondary financing must be subordinated</li> <li>Type 2 Cash-out Refinance: existing secondary financing may be subordinated</li> </ul>			
<b>16. Ineligible Subordinate Financing</b>	New subordinate financing					
<b>17. Texas Owner Occupied Properties</b>	<ul style="list-style-type: none"> <li>If the first mortgage or second lien is subject to Texas Section 50(a)(6), VA financing not permitted</li> <li>A copy of the current mortgage or note is required to determine the previous terms are not subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust)</li> <li>Eligible transactions not subject to 50(a)(6); the borrower may not receive cash back at closing</li> </ul>		<ul style="list-style-type: none"> <li>If the first mortgage or second lien is subject to Texas Section 50(a)(6), VA financing not permitted</li> <li>A copy of the current mortgage or note is required to determine whether the terms are subject to Texas Section 50(a)(6) (also known as Home Equity Deed of Trust, Home Equity Installment Contract or Residential Home Loan Deed of Trust)</li> <li>An existing Texas Section 50(a)(6) loan (either first or second mortgage) may be refinanced as a Texas non-Home Equity Section 50(a)(4) loan secured by a lien against the homestead</li> </ul>			
	<b>Texas 50 (f)(2) Determination (Cash-out Refinance Program only; not eligible for IRRRL)</b>					
	<b>New loan amount pays off existing lien and...</b>		<b>Existing lien is non-50(a)(6), the new lien is...</b>	<b>Existing lien is 50(a)(6), the new lien is...</b>		
	Provides even \$1 cash to borrower		Texas 50 (a)(6)	Texas 50 (a)(6)		
	Pays off/down existing 50(a)(6) lien with no cash to borrower		Texas 50 (a)(6)	Texas 50(f)(2)		
	Pays off/down existing 50(a)(6) lien with cash to borrower		Texas 50 (a)(6)	Texas 50 (a)(6)		
	New lien is < existing UPB (no new funds)		Non-Texas 50 (a)(6)	Texas 50(f)(2)		
	Funds, prepaids and/or closing costs		Non-Texas 50 (a)(6)	Texas 50(f)(2)		
Pays off/down purchase money second		Non-Texas 50 (a)(6)	Texas 50(f)(2)			

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	Pays off/down existing Secured Home Improvement loan (mechanic's lien)	Non-Texas 50 (a)(6)	Texas 50(f)(2)
	Provides funds to satisfy a court-ordered divorce equity buyout (owelty lien)	Non-Texas 50 (a)(6)	Texas 50 (a)(6)
	Borrower may elect to have loan remain a Texas 50(a)(6). Refer to Texas 50(a)(6) product profile		
<b>18. Guaranty/ Entitlement</b>	<ul style="list-style-type: none"> <li>Guaranty automatic</li> <li>Certificate of Eligibility is required</li> </ul>	<ul style="list-style-type: none"> <li>Veteran must have enough entitlement to provide 25% VA Guaranty of total loan amount or contribute to a combination of VA Guaranty plus down payment and/or equity that covers 25% of the Sales Price or Appraised Value, whichever is less</li> <li>Veteran must provide evidence of available entitlement. Certificate of Eligibility must be dated within six months of the application</li> <li>VA Mortgages must have at least 25% VA Loan Guaranty and/or down payment or equity, based on the Sales Price or Appraised Value, whichever is less to meet Ginnie Mae requirements</li> </ul>	
<b>19. VA Funding Fee</b>	VA funding fee .50% applies unless Veteran is exempt	<ul style="list-style-type: none"> <li>VA funding fee may be partially financed and partially paid in cash when restricted by the LTV</li> <li>Apply the appropriate funding fee unless the Veteran is exempt</li> <li>The higher subsequent use fee does not apply if the Veteran's only prior use of entitlement was for a manufactured home <u>NOT classified</u> as real estate</li> </ul>	
		<b>Veteran</b>	<b>First Time Use Expires 12/31/21</b>
			<b>Subsequent Use Expires 13/31/21</b>
		Active Duty	2.30%
		Reserves National Guard	3.60%
<b>20. Occupancy</b>	<ul style="list-style-type: none"> <li>Primary residence</li> <li>Second homes</li> <li>Non-owner occupied</li> </ul>	Primary residence	

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	For second homes and non-owner occupied properties, the Veteran must certify that the property was previously occupied as the primary residence (VA Form 26-1820)	
<b>21. Eligible Property Types</b>	<ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• Condos               <ul style="list-style-type: none"> <li>◦ Must be VA approved (not applicable to VA IRRRL)</li> <li>◦ Michigan Site condos do not require project approval</li> </ul> </li> <li>• Leasehold estates</li> <li>• Manufactured housing               <ul style="list-style-type: none"> <li>◦ Multi-wide</li> </ul> </li> <li>• Modular homes</li> <li>• PUDs</li> </ul>	
<b>22. Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Condo hotels</li> <li>• Co-ops</li> <li>• The following manufactured housing               <ul style="list-style-type: none"> <li>◦ Leasehold estate</li> <li>◦ Newly constructed units</li> <li>◦ Singlewide units</li> <li>◦ Newly constructed units</li> <li>◦ Unit in a condo project</li> <li>◦ Unit in a mobile home park</li> <li>◦ Unit less than 600 square feet</li> <li>◦ Unit located in HI</li> <li>◦ Unit on site being used as storage</li> <li>◦ Unit with mixed-use</li> </ul> </li> </ul>	
<b>23. Ineligible States</b>	<ul style="list-style-type: none"> <li>• Alaska</li> </ul>	
<b>24. Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>• Must be a qualified Veteran or spouse</li> <li>• Inter vivos revocable trust (living trust)</li> <li>• The borrowers obligated on the original VA loan must be the same borrowers on the new loan and the Veteran must still own the property. A change of obligors is permitted in the following cases:</li> </ul>	
	<b>Existing Loan</b>	<b>New Loan</b>
	Unmarried Vet	Veteran & new spouse
	<b>Yes/No</b>	Yes
		<ul style="list-style-type: none"> <li>• Must be a qualified Veteran or spouse</li> <li>• Inter vivos revocable trust (living trust)</li> </ul>

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	Vet	Different Veteran who has substituted their entitlement	Yes	
	Vet & Spouse	Divorced Veteran only	Yes	
	Vet & Spouse	Veteran & different spouse	Yes	
	Vet & Spouse	Spouse only (deceased Veteran)	Yes	
	Vet & Spouse	Divorced spouse only	No	
	Unmarried Vet	Spouse only (deceased Veteran)	No	
	When there has been a change in obligor, the following is required: <ul style="list-style-type: none"> <li>Review mortgage payment history</li> <li>Surviving spouse or divorce, provide:               <ul style="list-style-type: none"> <li>Divorce decree or death certificate, and</li> <li>Statement from the obligor(s) on the ability to make payments on the new loan</li> </ul> </li> <li>For the addition of a different spouse, obtain a statement on the change in number of dependents, as applicable</li> </ul>			
NewRez will not purchase loans from Principal/Owners of NewRez Third Party Originators				
<b>25. Non-Occupant Co-Borrower</b>	All borrowers must occupy the subject property for primary residence			All borrowers must occupy the subject property
<b>26. Credit</b>	<ul style="list-style-type: none"> <li>Credit report required</li> <li>Non-traditional credit not permitted</li> </ul>			<ul style="list-style-type: none"> <li>All borrowers must have a credit score</li> <li>Non-traditional credit not permitted</li> </ul>
<b>27. Housing Payment History</b>	<ul style="list-style-type: none"> <li>Applies only to the first lien on the subject property</li> <li>Loan must be current at the time of application and closing</li> <li>Borrower must have made at least six consecutive payments on the existing mortgage, beginning with the payment made on the first payment due date</li> <li>Housing Payment History               <ul style="list-style-type: none"> <li>Portfolio: 0x30x6</li> </ul> </li> </ul>			<ul style="list-style-type: none"> <li>Housing Payment History: Follow AUS</li> <li>Inclusive of all liens regardless of lien position</li> <li>Applies to all mortgages on all financed properties</li> <li>All loans must be current at time of application and closing</li> <li>Borrower must have made at least six consecutive payments on the mortgage being refinanced, beginning with the payment made on the first payment due date</li> </ul>

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## VA Refinance Product Profile: Wholesale

NewRez overlays are identified with yellow highlighting

	IRRRL	CASH-OUT REFINANCE
	<ul style="list-style-type: none"> <li>o Non-Portfolio: 0x30x12</li> <li>o Manufactured home: 0x30x12</li> <li>• Forbearance               <ul style="list-style-type: none"> <li>o Must have exited forbearance and made one payment within the month due prior to application</li> <li>o Missed mortgage payments per the forbearance plan are not considered delinquent</li> <li>o Any interruption in the monthly payments before the initial six months seasoning requires the timeframe to be reset.</li> <li>o Any deferred mortgage payments or late payment under CARES Act may be included in the loan amount</li> </ul> </li> <li>• If the PITI increases by 20% or more, Veteran must qualify for the new monthly payment</li> </ul>	<ul style="list-style-type: none"> <li>• Forbearance               <ul style="list-style-type: none"> <li>• Must have exited forbearance</li> <li>• Any interruption in the monthly payments before the initial six months seasoning requires the timeframe to be reset.</li> <li>• Six consecutive mortgage payments must be made prior to application</li> </ul> </li> </ul>
<b>28. Assets</b>	<ul style="list-style-type: none"> <li>• Asset verification not required</li> <li>• If the PITI increases by 20% or more, Veteran must qualify for the new monthly payment               <ul style="list-style-type: none"> <li>o Must have sufficient liquid assets to close</li> <li>o Non-liquid funds must be liquidated and deposited into a bank account if used for closing costs and reserves with supporting documentation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Must have sufficient liquid assets to close and for reserves</li> <li>• Non-liquid funds must be liquidated and deposited into a bank account if used for closing costs and reserves with supporting documentation</li> </ul>
<b>29. Reserves</b>	Not required	<ul style="list-style-type: none"> <li>• 1-unit: none</li> <li>• 2-4 units               <ul style="list-style-type: none"> <li>o Rental income not used to qualify: none</li> <li>o Rental income used to qualify: Six months</li> </ul> </li> <li>• Three months reserves if borrower owns other real estate. Reserves are based on PITI of REO property</li> <li>• Reserves not required if rental income not used to qualify</li> </ul>
<b>30. Employment/Income</b>	<ul style="list-style-type: none"> <li>• Income documentation not required</li> <li>• Colorado               <ul style="list-style-type: none"> <li>• Income must be stated on the application</li> <li>• Verification or analysis of income not required</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Standard income documentation required</li> <li>• Verbal VOE required</li> </ul>

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	IRRRL	CASH-OUT REFINANCE
	<ul style="list-style-type: none"> <li>If the PITI increases by 20% or more, Veteran must qualify for the new monthly payment; standard income documentation required</li> </ul>	
<b>31. IRS Form 4506-C</b>	<ul style="list-style-type: none"> <li>4506-C not required</li> <li>If the PITI increases by 20% or more, Veteran must qualify for the new monthly payment; follow Cash-out Refi requirements</li> </ul>	<ul style="list-style-type: none"> <li>Prior to Underwriting               <ul style="list-style-type: none"> <li>Signed 4506-C for each borrower whose income must be documented with tax returns and used for qualification (self-employment, rental income, etc.)</li> </ul> </li> <li>Prior to Closing               <ul style="list-style-type: none"> <li>4506-C for the business tax return transcript(s) must be signed prior to closing when the business returns are used for qualification</li> </ul> </li> <li>At Closing               <ul style="list-style-type: none"> <li>4506-C for each borrower whose income is used to qualify (regardless of income type) must be signed at closing</li> </ul> </li> </ul>
<b>32. Tax Transcripts</b>	Tax return and W-2 transcripts must be obtained when: <ul style="list-style-type: none"> <li>Handwritten paystubs are used as verification of income</li> <li>There is a non-arm's length transaction</li> <li>Income is documented with tax returns (self-employment, rental income, dividend/interest, etc.)</li> <li>At the underwriter's discretion</li> </ul>	
<b>33. Maximum Financed Properties</b>	No restrictions	
<b>34. Appraisals</b>	<ul style="list-style-type: none"> <li>Appraisal report is not required when discount points are not charged               <ul style="list-style-type: none"> <li>See Net Tangible Benefit for appraisal requirements when discount points are charged</li> <li>VA Approved/Vee Fee Panel appraiser must not be used if an appraisal is obtained</li> </ul> </li> <li>Properties located in a FEMA disaster area do not require a damage inspection report</li> </ul>	<ul style="list-style-type: none"> <li>A new appraisal completed by a VA approved or VA fee panel appraiser required</li> <li>VA LAPP Underwriter will issue the NOV</li> </ul>
<b>35. Principal Curtailment</b>	The amount of the curtailment cannot exceed \$500 unless due to an excess Premium Pricing Credit	NA
<b>36. Escrow Waivers</b>	Not permitted	

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## VA Refinance Product Profile: Wholesale

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	IRRRL	CASH-OUT REFINANCE
<b>37. Disclosures</b>	<ul style="list-style-type: none"> <li>Two IRRRL Loan Comparison &amp; Recoup Statements are required.</li> <li>Initial disclosure with application package to be based on Loan Estimate and Final disclosure to be based on Closing Disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Two VA Cash-out Refinance disclosures are required</li> <li>Initial disclosure with application and one at closing that compare terms of the refinance loan with loan being refinanced and amount of home equity being removed. See <a href="#">VA Circular 26-19-05</a> for details</li> <li>Veteran must sign (wet sign or e-sign) to certify receipt of disclosures</li> </ul>
<b>38. Ineligible Programs</b>	<ul style="list-style-type: none"> <li>Energy Efficient Mortgages (EEM)</li> <li>Farm Residence Loans</li> <li>HFA Programs</li> <li>HPML Loans</li> <li>High Cost Loans</li> <li>Rehabilitations loans</li> <li>Specially Adapted Housing</li> <li>Supplemental Loans</li> </ul>	

<b>39. Version History</b>		
Section	Update	Date
Eligibility Matrices	Manufactured Housing not permitted in Hawaii	February 1, 2021
Ineligible States	Hawaii removed from Ineligible State list. Lending permitted in Hawaii	February 1, 2021
Eligibility Matrices	Revised minimum credit score and maximum DTI requirements	March 1, 2021
Eligibility Matrices	Added guidance when DTI exceeds 41% when residual income exceeds 120% or significant documented compensating factors exist	March 31, 2021
Texas Owner Occupied Properties	Added Texas 50(f)(2) eligibility	March 31, 2021
Housing Payment History	Added clarification when a manual downgrade is required	March 31, 2021
<b>Loan Terms</b>	<ul style="list-style-type: none"> <li><b>Fixed Rate: 10- to 30-year terms in annual increments</b></li> <li><b>Removed Custom Loan Term information</b></li> </ul>	<b>April 15, 2021</b>

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