

Product Snapshot

VA Interest Rate Reduction Refinance Loan (VA IRRRL)



An Interest Rate Reduction Refinance Loan (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 a lower principal and interest payment than the existing VA loan.

Please visit our website at plazahomemortgage.com to view full Program Guidelines. The information contained in this matrix may not highlight all requirements of these programs and does not reduce or eliminate any requirements set forth in our Guidelines. Guidelines are subject to change without notice.

Eligibility Matrix			
Product Code	Property Type	Credit Score	Loan Amount
VAIRRRL	1-4	550	\$766,550
VAIRRRLR (Plaza Serviced)	Manufactured Housing	550	(\$1,149,825 HI/AK)
VAJIRRRL ¹	1-4	550	\$1,000,000
VAJIRRRLR ¹ (Plaza Serviced)	1-4	660	\$2,000,000
	1-4	700	\$2,500,000

¹ Manufactured Housing: Jumbo loan amounts not allowed.

Product Parameters	
Appraisal	Not required.
Underwriting Method	Manual underwriting is required.
Loan Application	Completed initial 1003 application: <ul style="list-style-type: none"> No income is disclosed Employment or source of income is disclosed but not verified
Max LTV/CLTV	Not applicable.
Occupancy	Primary Residence, Second Home and Investment Property
Eligible Property Types	<ul style="list-style-type: none"> Attached/Detached SFR Attached/Detached PUD Condos 2-4 Units Manufactured Housing
Assets	Asset verification is not required.
Cash-Out Refinance	Cash-out is not allowed. <ul style="list-style-type: none"> Loan proceeds may not pay off debts, including junior liens or liens on other properties. Incidental cash back due to calculation errors is allowed up to a maximum of \$500 to Veteran on the Final HUD-1. In Texas, there may be absolutely no cash to the borrower.
Certificate of Eligibility	A Certificate of Eligibility (COE) is required on all VA IRRRL transactions, except for the following situations: <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.
Credit	<ul style="list-style-type: none"> Mortgage Payment History of 0 x 30 in the last 12 months is required. Mortgage only credit report accepted. Non-traditional credit is not allowed.
Bankruptcy, Foreclosure, Deed in Lieu and Short Sale Seasoning	Must meet VA guidelines and must be seasoned a minimum of 2 years.
Collections, Tax Liens & Judgments	Collections are not required to be paid off. In all cases, outstanding tax liens and judgments must be paid at or before closing.
Energy Efficient Mortgage (EEM)	Eligible
Loan Amount Calculation	The new loan may include: <ul style="list-style-type: none"> .50% VAFF (non-exempt Veterans) Allowable Closing costs, including 1% Origination Fee Discount Points (maximum 2%) Impounds
Net Tangible Benefit	State specific net tangible benefit will be reviewed by underwriter for compliance.

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	<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 If the subject loan is refinancing a modified loan, the seasoning is based on the modification, not the original loan that was subsequently modified If the loan being refinanced was in forbearance, the 6 months consecutive payments start post-forbearance.
Term Increase	The term of the new loan may not exceed the original term by more than 10 years, subject to the maximum term of 30 years and 32 days.
Interest Rate Increase	Fixed Rate to Fixed Rate refinances must reduce the interest rate by at least .50 in rate.
Payment Increase	<p>The P&I payment must be less than that of the existing VA loan unless:</p> <ul style="list-style-type: none"> Refinancing an ARM to a Fixed rate The term of the new loan is less than the term of the existing VA loan <p>If the PITI increases 20% or more, refer to the Program Guidelines for additional requirements</p>
Required VA Disclosures	<ul style="list-style-type: none"> Nearest Living Relative Statement 1802a (pages 1 and 2) signed and dated Counseling Checklist for Military Homebuyers (VA Form 26-0592), if borrower is active duty military Veteran certification as to what branch of military he/she served in (required at time of loan guaranty when no COE is in the file) Federal Collection Policy Notice (VA #26-0503) Borrower to sign reservist status Borrower to sign acknowledgment of VA Funding Fee Debt Questionnaire (VA #26-0551) VA Assumption Notice VA Interest Rate Disclosure VA Interest Rate Reduction Old vs. New Comparison. Certificate of Eligibility (COE)

Product Name	Product Code	Available Term in Months
VA IRRRL 15 Year Fixed	VA150IRRRL	180
VA IRRRL 30 Year Fixed	VA300IRRRL	181-360
VA IRRRL 30 Year Fixed Jumbo	VAJ30IRRRL	181-360
VA IRRRL 15 Year Fixed – Plaza Serviced	VA15IRRRLR	180
VA IRRRL 30 Year Fixed – Plaza Serviced	VA30IRRRLR	181-360
VA IRRRL 30 Year Fixed Jumbo – Plaza Serviced	VAJ30IRRRLR	181-360

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