



VA IRRRL Loan Checklist and Stacking Order:

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| <ul style="list-style-type: none">• VA Loan Comparison Worksheet completed and signed by Veteran• VA Case Number and prior loan validation for IRRRL only (not LAPP)• Satisfactory CAIVRS• Typed Loan Application 1003, with addendums (VA Form 26-1802a)• Verbal VOE• Loan Application 1003, with addendums (VA Form 26-1802a – pages 1 & 2), signed by all listed.• 2yr Employment and Residency history listed on 1003. *Income must be stated in Colorado.• Tri-Merge Credit Report within ordered within 30 days of submission• Current Mortgage Statement for loan being paid off• Copy of current VA mortgage note/Mortgage Statement to be paid off• Preliminary Title Report / 24 month chain of title / Wire Instructions Closing Protection Letter from Title• Hazard Insurance policy• LDP/GSA for all parties• All Required VA Initial Disclosures, fully executed in all areas, must be the same date as the initial application. Including but not limited to:<ul style="list-style-type: none">○ VA Debt Questionnaire○ Federal Collection Policy○ Counseling Checklist for Military Homebuyers if Active or Reservist○ Name of Nearest Relative○ Rights of VA Loan Borrower○ VA Loan Comparison Worksheet completed and signed by Veteran | <ul style="list-style-type: none">• Interest Rate Reduction Refinance Loan Worksheet (VA Form 26-8923) NOTE: This form must be used to calculate the maximum loan amount; the maximum loan amount is the existing VA loan balance(s) plus the following:<ul style="list-style-type: none">○ Including any late payments* and late charges, plus○ Allowable fees and charges (includes up to two discount points), plus○ The cost of any energy efficiency improvements, and○ The VA Funding Fee*Any IRRRL that includes delinquent payments in the loan amount must be submitted for prior approval, even when a lender has automatic authority• AVM required and must be used to determine value (NO EXCEPTIONS) below 620• Prior loan validation printout from webLGY application on VA Information Portal• VA Request for Determination of Eligibility (VA 26-1880)-COE (only if simultaneous restoration of eligibility)• VA Verification of Benefit-Related Indebtedness (VA 26-8937)• VA Interest Rate & Discount Disclosure Statement• HUD/VA Addendum to URLA (VA 26-1802a)• VA Federal Debt Policy Notice (VA 26-0503)• VA Assumability Disclosure (VA 26-8978)• VA Rate Reduction Certification• Copy of Note being refinanced• Payoff demand for previous VA loan being refinanced• Current Payment Coupon• Photo ID and Social Security Card (all parties)• Verbal VOE required at time of underwriting |
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Important VA IRRRL Notes:

The maximum loan term is the original term of the VA loan being refinanced plus 10 years, but not to exceed 30 years and 32 days. (EXAMPLE: old loan was made with a 15 year term; term of the new loan cannot exceed 25 years)

- The principal and interest payment on the IRRRL must be less than the principal and interest payment on the loan being refinanced unless one of the following exceptions apply:
 - The IRRRL is refinancing an ARM;
 - The term of the IRRRL is shorter than the term of the loan being refinanced; or
 - Energy efficient improvements are included in the IRRRL
- A significant increase in the veteran's monthly payment may occur with any of the Following 3 exceptions, especially if combined with one or more:
 - financing of closing costs;
 - Financing of up to two discount points; or
 - financing of the funding fee and/or higher interest rate when an ARM is being refinanced
- IF the monthly payment (PITI) increases by 20% or more, the lender must:
 - Determine that the veteran qualifies for the new payment from an underwriting standpoint; such as determine whether the veteran can support the proposed shelter expense and other recurring monthly obligations in light of income established as stable and reliable; and include a certification that the veteran qualifies for the new monthly payment which exceeds the previous payment by 20% or more
- The IRRRL must replace the existing VA loan as the first lien on the same property. Any second lien-holder would have to agree to subordinate to the first lien holder
- Veteran cannot pay off liens other than existing VA loan from IRRRL proceeds
- Veteran or surviving co-obligor spouse must still own the property
- Generally, the party(ies) obligated on the original loan must be the same on the new loan unless divorce or deceased.
- At time of loan application, the veteran/borrower must have made at least 6 payments on the VA guaranteed mortgage being refinanced with no late payments
- Borrower/Veteran cannot be in bankruptcy
- Collections/Charge-offs not required to be paid off unless they affect lien position
- Outstanding judgments and liens must be paid if they affect title
- Underwriter must verify that borrower is employed and has income at time of application
- Signed and Dated IRS 4506T will be requested prior to closing – do not order transcripts
- Veteran MUST sign a statement (VA Loan Comparison worksheet) acknowledging the effect of the refinancing loan on the veteran's loan payments and interest rate; the statement must show the interest rate and monthly payments for the new loan versus the old loan. The statement must also include how long it would take to recoup ALL closing costs (both those included in the loan and those paid outside of closing)