

YOUR HOSTS



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**You're
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DISCLAIMER

- This training is for Mortgage Professional Use Only
- Information contained within this training is subject to change



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M O R T G A G E

**VA IRRRL TRAINING
FOR BROKERS**

AGENDA

What is an IRRRL?

VA IRRRL Requirements

Closing Costs

VA IRRRL Worksheet

Cash at Closing

Maximum Loan Amount

VA Form 26-8923

Loan Term / Title & Lien Requirements

Who can an IRRRL be made to?

Requirements for Submission

How to Become an Approved Broker?

What is an IRRRL?

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.

Generally, no appraisal, credit information or underwriting is required on an IRRRL, and any lender may close an IRRRL automatically.



General Requirements

- New loan must have lower interest rate ~OR~ changing from an ARM to Fixed Product
- Certificate of Eligibility is Required
- Obtain Veteran's Statement and Lender's Certification
- Must have clear CAIVRS
- Mortgage only credit pull with scores or soft pull with mortgage history data and scores is required
- Cannot be presently delinquent on mortgage

Credit Underwriting

- Only required when the monthly payment (PITI) will increase 20% or more

Occupancy

- Primary Residence
- Second Home
- Investment Properties

Second Home and Investment Occupancy must include a certification from the Veteran that the subject property was previously owner occupied.



Payment Requirements

The principal and interest payment on an IRRRL must be less than the principal and interest payment on the loan being refinanced unless one of the following exceptions applies:



A significant increase in the veteran's monthly payment may occur with the exceptions above, especially if combined with one or more of the following:



Payment Requirements

If the monthly payment increases by 20 percent or more, we must:

- (1) Determine that the veteran qualifies for the new payment from an underwriting standpoint and
- (2) Include a certification that the veteran qualifies for the new monthly payment which exceeds the previous payment by 20 percent or more.

Closing Costs



The following fees and charges may be included in the IRRRL:

- The VA Funding Fee, and
- Any Allowable Fees and Charges per VA Guidance

There is one limitation.

The borrower may pay any reasonable amount of discount points in cash; however, **only up to two discount points** can be included in the loan amount.

Seasoning

Recoupment of Fees

Net Tangible Benefit

VA IRRRL and Cash Out Worksheet

Borrower: Date:
VA Case Number: Loan Number:

VA Seasoning

Prior VA First Payment Date: *Verify borrower has also made at least 6 payments
Earliest allowable Note date: *210 Days from original 1st payment date

Recoupment of Fees

*Cannot exceed 36 months

PITIA on current loan being refinanced:	<input type="text" value="1,450.00"/>
PITIA on new IRRRL	<input type="text" value="1,325.00"/>
Total amount of allowable fees and charges <i>*excluding prepaids & any lender credit</i>	<input type="text" value="4,500.00"/>
Number of months to recoup fees:	<input type="text" value="36"/>

Net Tangible Benefit

Interest Rate of Prior Loan:	<input type="text" value="6.250%"/>	Program Type:	<input type="text" value="Fixed"/>
Interest Rate of New Loan:	<input type="text" value="5.500%"/>	Program Type:	<input type="text" value="Fixed"/>

Net Tangible Benefit met as interest rate reduction is greater than 0.50%

The loan meets the following net tangible benefits (check all that apply):

- The new loan eliminates monthly mortgage insurance, whether public or private, or monthly guaranty insurance.
- The term of the new loan is shorter than the term of the loan being refinanced.
- The interest rate on the new loan is lower than the interest rate on the loan being refinanced.
- The payment on the new loan is lower than the payment on the loan being refinanced.
- The new loan results in an increase in the borrower's monthly residual income as explained by 38 CFR 36.4340(e).
- The new loan refinances an interim loan to construct, alter, or repair the primary home.
- The new loan amount is equal to or less than 90 percent of the reasonable value of the home.
- The new loan refinances an adjustable rate mortgage to a fixed rate loan.

VA IRRRL Worksheet



Home **Products** Resources Corre



VA | VA IRRRL – Nations Direct Mortgage (myndm.com)

- Conventional
- FHA
- VA**
- Axis DPA
- NonQM Full Doc
- NonQM Bank Statements
- NonQM Express DSCR
- NonQM 1099
- NonQM 2nd

Forms

[VA Appraisal Order Form](#)

[VA Cert Natural Disaster](#)

[26-0503 Federal Collection Policy](#)

[26-0551 Debt Questionnaire](#)

[26-1880 Request for Certificate of Eligibility](#)

[26-8261 Request for Cert of Veteran Status](#)

[26-8937 Verification of VA Benefits](#)

[Nearest Living Relative](#)

[VA Authorized Agent Sponsorship Form](#)

[VA Child Care Statement](#)

[VA IRRRL and Cashout Worksheet](#)

[VA Net Tangible Benefit Form](#)

✓
FICOs starting at 550

✓
100% LTV Cash Out Min FICO 620

Self-E



For Mortgage Professional Use Only

Cash at Closing



Cannot be used to take equity out of the property or pay off debts, other than the VA loan being refinanced



Loan proceeds **may only be applied** to paying off the existing VA loan and to the costs of obtaining or closing the IRRRL

If necessary, the refinancing loan amount must be rounded down to avoid payments of cash to the veteran.

Maximum Loan Amount

Always use VA Form 26-8923, IRRRL Worksheet, to calculate the maximum loan amount.

The maximum loan amount is the existing VA loan balance plus the following:

- Allowable fees and charges (includes up to two discount points), plus
- The VA funding fee.

OMB Approved No. 2900-0386
Respondent Burden: 10 minutes
Expiration Date: 12-31-2024

Department of Veterans Affairs

INTEREST RATE REDUCTION REFINANCING LOAN WORKSHEET

PRIVACY ACT NOTICE: VA will not disclose information collected on this form to any source other than what has been authorized under the Privacy Act of 1974 or Title 38, Code of Federal Regulations 1.576 for routine uses (i.e., to a member of Congress inquiring on behalf of a veteran) as identified in the VA system of records, 55VA26, Loan Guaranty Home, Condominium and Manufactured Home Loan Applicant Records, Specially Adapted Housing Applicant Records, and Vendee Loan Applicant Records - VA, and published in the Federal Register. Your obligation to respond is voluntary; however, failure to complete the form could result in your making a loan in excess of the allowable amount.

RESPONDENT BURDEN: This information is needed to help you determine the appropriate amount of the VA-guaranteed loan you intend to process. Title 38, United States Code, allows us to ask for this information. We estimate that you will need an average of 10 minutes to review the instructions, find the information, and complete this form. VA cannot conduct or sponsor a collection of information unless a valid OMB control number is displayed. You are not required to respond to a collection of information if this number is not displayed. Valid OMB control numbers can be located on the OMB Internet Page www.reginfo.gov/public/doc/PIAMain. If desired, 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

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 <input type="text"/> % DISCOUNT BASED ON LINE 4	+
6.	ADD <input type="text"/> % ORIGINATION FEE BASED ON LINE 4	+
7.	ADD <input type="text"/> % 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 <input type="text"/> % 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 <input type="text"/> % 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 (Sign in ink)


VA FORM 26-8923
DEC 2021

SUPERSEDES VA FORM 26-8923, JUL 2021, WHICH WILL NOT BE USED.

Please note:

We do not offer VA IRRRL's to veterans who are currently delinquent on their home loan.

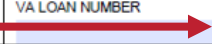
Completing VA Form 26-8923

 Department of Veterans Affairs

INTEREST RATE REDUCTION REFINANCING LOAN WORKSHEET

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NOTE - Submit this form when requesting guaranty on an Interest Rate Reduction Refinancing Loan 

SECTION I - INITIAL COMPUTATION		
LINE NO.	ITEM	AMOUNT
1.	EXISTING VA LOAN BALANCE (PLUS COST OF ENERGY EFFICIENT IMPROVEMENTS)	\$ 265,789.07
2.	SUBTRACT ANY CASH PAYMENT FROM VETERAN	-
3.	TOTAL	265,789.07

This payoff statement reflects the payoff figures as of the date of the statement only. Issuance of this statement does not suspend the contract requirements to make the mortgage payments when due. A late charge of \$ 65.61 will be assessed if payment is not received within the grace days stated within the terms of the note. The late charge should be added to the payoff total if the payoff amount is sent after that time.

These figures are payable to February 16, 2024.
 This loan is due for the February 01, 2024 payment.

Current first unpaid principal balance	263,278.34
Interest at 6.25000% on first principal balance	2,073.77
Escrow/impound overdraft	406.96
Recording Fees	30.00
Special Delivery Fee	.00

* * TOTAL AMOUNT TO PAY LOAN IN FULL * * \$ 265,789.07

Completing VA Form 26-8923

SECTION II - PRELIMINARY LOAN AMOUNT		
4.	ENTER TOTAL FROM LINE 3	\$ 265,789.07
5.	ADD 0.66 % DISCOUNT BASED ON LINE 4	1,754.21
6.	ADD % ORIGINATION FEE BASED ON LINE 4	+
7.	ADD 0.50 % FUNDING FEE BASED ON LINE 4	1,328.95
8.	ADD OTHER ALLOWABLE CLOSING COSTS AND PREPAIDS	+ 6,414.00
9.	TOTAL	\$ 275,286.22

This will not match LE because it is based off of the payoff, not the new loan amount

Closing Cost Details

Loan Costs

A. Origination Charges	\$5,222
0.663% of Loan Amount (Points)	\$1,803
ADMINISTRATIVE FEE	\$699
LOAN ORIGINATION	\$2,720

Completing VA Form 26-8923

SECTION II - PRELIMINARY LOAN AMOUNT		
4.	ENTER TOTAL FROM LINE 3	\$ 265,789.07
5.	ADD 0.66 % DISCOUNT BASED ON LINE 4	+ 1,754.21
6.	ADD % ORIGINATION FEE BASED ON LINE 4	+
7.	ADD 0.50 % FUNDING FEE BASED ON LINE 4	+ 1,328.95
8.	ADD OTHER ALLOWABLE CLOSING COSTS AND PREPAIDS	+ 6,414.00
9.	TOTAL	\$ 275,286.22

Closing Cost Details

Loan Costs

A. Origination Charges	\$5,222
0.663% of Loan Amount (Points)	\$1,803
ADMINISTRATIVE FEE	\$699
LOAN ORIGINATION	\$2,720
B. Services You Cannot Shop For	\$872
APPRAISAL FEE	\$780
CREDIT REPORT	\$92
C. Services You Can Shop For	\$1,100
TITLE – CLOSING PROTECTION LETTER (BORROWER)	\$25
TITLE – ENDORSEMENTS	\$100
TITLE – LENDERS TITLE INSURANCE	\$560
TITLE – SETTLEMENT FEE	\$390
TITLE – TAX CERT	\$25

Completing VA Form 26-8923

SECTION II - PRELIMINARY LOAN AMOUNT		
4.	ENTER TOTAL FROM LINE 3	\$ 265,789.07
5.	ADD 0.66 % DISCOUNT BASED ON LINE 4	+ 1,754.21
6.	ADD % ORIGINATION FEE BASED ON LINE 4	+
7.	ADD 0.50 % FUNDING FEE BASED ON LINE 4	+ 1,328.95
8.	ADD OTHER ALLOWABLE CLOSING COSTS AND PREPAIDS	+ 6,414.00
9.	TOTAL	\$ 275,286.22
SECTION III - FINAL COMPUTATION		
10.	ENTER TOTAL FROM LINE 9	\$ 275,286.22
11.	ADD 0.66 % DISCOUNT BASED ON LINE 10	+ 1,816.89
12.	SUBTOTAL	= 277,103.11
13.	SUBTRACT AMOUNT SHOWN ON LINE 5	→ 1,754.21
14.	SUBTOTAL	= 275,348.90
15.	SUBTRACT AMOUNT SHOWN ON LINE 7	→ 1,328.95
16.	SUBTOTAL	= 274,019.96
17.	ADD 0.50 % FUNDING FEE BASED ON LINE 16	+ 1,370.10
18.	TOTAL - MAXIMUM LOAN AMOUNT	\$ → 275,390.06*

Loan Term Title & Lien Requirements

Maximum Loan Term

Original term of the VA loan being refinanced plus 10 years.

NOT TO EXCEED 30 years and 32 days

Title/Lien Requirements

Must replace the existing VA loan as the first lien on the same property.

Any second lien-holder would have to agree to a subordinate to the first lien holder.

The veteran (or surviving co-obligor spouse) must still own the property.

Who can an IRRRL be made to?

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

Documents Required for Submission

- 1003 with no income, no employment
- Mortgage Statement
- Payoff Statement
- Copy of Note from Initial VA Loan
- Mortgage only credit report
- ID & SS Card
- Preliminary Title Report, CPL, and Wire Instructions
- Homeowners Insurance

Signed & Completed Forms:

- VA 26-1880 – Certificate of Eligibility
- VA 26-8978 – Rights of VA Loan Borrowers*
- VA IRRRL Comparison Statement*
- Nearest Living Relative

**Documents included in disclosure package*

How to Become an Approved Broker?

Our Website: myndm.com



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Your Better, Smarter Wholesale Partner.

[Become an Approved Broker](#)



How to Become an Approved Broker?

Our Website: myndm.com

Get Approved

STEP 01

Please complete these two forms, so we can create your logins.
Once this is completed, you will be able to start submitting.

[Compensation Form](#)

[Contact Form](#)

Send Forms once complete to:

ApprovalDesk@myndm.com

If your company wishes to partner, we welcome you to complete our application by clicking on the button below. Thank you for considering Nations Direct Mortgage.

[Broker Package](#)

[Branch Addition Form](#)

[Express DSCR Addendum](#)

[Annual Recertification Agreement](#)



Thank You