



## VA IRRRL Product Profile

Overlays to VA are Underlined. Items indicated as Non-Del are specific to Non-Delegated loans.

Maximum LTV/TLTV and Credit Requirements		
Occupancy	Maximum LTV/CLTV	Minimum FICO
Owner-occupied	<u>105%</u>	<u>600</u>
Second Home/Investment		
*LTV based upon Base Loan Amount (Loan amount prior to financed funding fee)		
Appraisals		
<ul style="list-style-type: none"> <li>• <u>Not Required. Appraised value to be original loan amount on current VA mortgage</u></li> </ul>		
Assignment of Mortgages		
<p><u>All loans must be registered with MERS at the time of delivery to Windsor Mortgage, and the Seller must initiate a MERS transfer of beneficial rights and transfer of servicing rights to Plains Commerce Bank (#1005210) within 24 hours of purchase.</u></p>		
Borrowers		
<ul style="list-style-type: none"> <li>• Resident Alien is permitted as long as the primary borrower is a veteran.</li> <li>• No more than 4 natural persons are allowed on the loan application</li> <li>• COEs are not required</li> <li>• Joint loans are allowed in accordance with VA's requirements.</li> <li>• A loan involving a veteran and their spouse will not be treated as a "joint loan" if the spouse:               <ul style="list-style-type: none"> <li>○ Is not a veteran</li> <li>○ Is a veteran who will not be using their entitlement on the loan.</li> </ul> </li> <li>• Borrowers may be removed in accordance with VA guidelines.</li> <li>• <u>Non-Del: Windsor employees are ineligible.</u></li> </ul>		
Buydowns		
<u>No Temp buydowns</u>		
Condominiums		
Condo approval is not required.		
Credit		
<ul style="list-style-type: none"> <li>• <u>Must have a subject mortgage history of 0 x 30 for the last 3 payments</u></li> <li>• In order to meet Ginnie Mae and VA seasoning requirements, the new note date must be one or after the later of:               <ul style="list-style-type: none"> <li>○ The date that is 210 days after the date on which the first monthly payment was due on the mortgage being refinanced</li> <li>○ The date on which 6 full monthly payments have been made on the mortgage being refinanced.</li> </ul> </li> </ul>		

## Disaster Policy

- Windsor Mortgage may require a post-disaster inspection when the appraisal occurred before the incident end date of the disaster. See Windsor Mortgage disaster policy located in the Seller's Guide for full details.
- None-Delegated: Disaster inspections may not be completed by the Lender. Acceptable inspection providers include, but are not limited to, an appraiser or a post-disaster inspection company.

## Documentation

- A soft inquiry on a single bureau credit report, must include the credit score(s) and any public records
- Tax transcripts and the 4506-C are not required for non-credit qualifying IRRRL transactions.

## Eligible Mortgage Products – Existing Loan

VA to VA refinance

## Eligible Mortgage Products – New Loan

- Fixed Rate: 10, 15, 20, 25, and 30-year terms. High Balance allowed on all terms.
- CMT ARM: 5/1 (1/1/5 caps). High Balance allowed on ARMS. 7/1 ARMs are no longer allowed.
- EEM is not eligible

## Employment/Income Verification

The following Income and Employment documentation are required at a minimum:

- Salaried/Hourly borrowers require a Verbal VOE
- Self-employed borrowers require verification of the business through a third-party source

## Escrow Accounts

An impound account for the collection of taxes and insurance (or additional escrow items) is required.

## Exclusionary Lists

All borrowers must be screened by CAIVRS to determine there have been no late payments or Federal debt obligations.

## Fee Recoupment

- 36 months Maximum Recoupment Period from note date.
- See VA circular 26-19-22 for recoupment calculation requirements. A comparison statement form showing 36 months or less recoupment is acceptable. If the comparison shows more than 36 months, provide evidence the statutory recoupment calculation results in 36 months or less.
  - Comparison statement calculation: include all fees, expenses, and closing costs (including taxes, amounts held in escrow, and fees paid under Chapter 37, such as the VA funding fee), whether included in the loan or paid outside of closing.
  - Statutory calculation: Exclude the VA funding fee, escrow, and prepaid expenses, such as insurance, taxes, special assessments, and homeowners' association (HOA) fees, from the recoupment calculations
- All VA IRRRL transactions require 36-month recoupment. Transactions that do not meet recoupment requirements are ineligible. This includes payment increases due to changing from ARM to fixed rate and term reduction.
  - IRRRLs with P&I increases may be eligible if the borrower(s) incur 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 USC 3729)).

## Funding Fee

The Funding Fee may be financed in the loan. Maximum LTV. Based on Base Loan Amount (Loan amount prior to financed funding fee).

- The following Veterans are exempt from paying the funding fee:
  - Veterans receiving VA compensation for service-connected disabilities
  - Veterans who would be entitled to receive compensation for service-connected disabilities if they did not receive retirement pay
  - Veterans who VA rates as eligible to receive compensation as a result of pre-discharge disability exam and rating
  - Veterans entitled to receive compensation but who are not presently in receipt of the compensation because they are on active duty
  - Surviving spouses of veterans who died in service or from service-connected disabilities, whether or not such surviving spouses are veterans with their own entitlement and whether or not they are using their own entitlement.
    - The surviving spouse must receive Dependency and Indemnity Compensation (DIC) before the loan closing takes place.
  - Members of the armed forces who are serving on active duty and provide, on or before the date of the loan closing, certificate or military order having been awarded the Purple Heart

## High Cost / High Priced

- Windsor will not purchase High-Cost Loans.
- Higher-priced Priced Mortgage Loans (HPML) transactions are eligible for purchase. HPML guidelines require:
- Must meet all applicable state and/or federal compliance requirements.

## Loan Limits

- The base loan amount cannot exceed \$2 mill. Base loan amounts of \$1 million to 1,499,999 must have a min FICO of 680. Base loan amounts of 1.5 million to 2 million must have a minimum FICO of 700
- Minimum loan amount of \$50,000

## Loan Purpose

- Interest Rate Reduction Refinance Loan (IRRRL)
- The borrower should receive no cash back at closing. However, cash back to the borrower can never exceed \$500. Credit Qualifying is allowed. When credit qualifying, all existing Windsor VA overlays are still in effect, including but not limited to credit history and tax transcripts for income validation.

## Net Tangible Benefit

A Net Tangible Benefit based on the borrower's current interest rate and payment is required for the VA IRRRL.

- The interest rate must bear a lower interest rate than the loan it is refinancing:
  - Fixed to Fixed requires a 0.5% reduction
  - Fixed to ARM requires a 2.0% reduction
  - ARM to Fixed and ARM to ARM are exempt from rate reduction
  - To ensure compliance, a copy of the note from the refinanced loan must be provided
- When refinancing from Fixed Rate to ARM and Discount Points are used to reduce the interest rate, an LTV calculation is required based on the following:
  - Less than or equal to one discount point requires an LTV of 100% or less
  - Greater than one discount point requires an LTV of 90% or less
  - Note: this is not required when refinancing from ARM to Fixed Rate or Fixed Rate to Fixed Rate
- LTV is calculated by dividing the base loan amount (loan amount prior to the financed funding fee) by the value. The value may be determined via:
  - Exterior-Only Inspection Residential Appraisal Report (Fannie Mae 2055)
  - Uniform Residential Appraisal Report (Fannie Mae 1004)
  - Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Fannie Mae 1075)
  - Individual Condominium Unit Appraisal Report (Fannie Mae 1073)
  - Previous Loan Amount

## Occupancy

- Owner-occupied
- Second Home/Investment
  - Veteran must certify that they previously occupied the property as their home.

## Payment History

See the Credit section for requirements.

## Payment Decrease/Increase Requirements

The principal and interest payment on the IRRRL may be less than the loan being refinanced. See the Fee Recoupment section for requirements.

## Property: Eligible Types

- Single Family Residence
- 2-4 Unit
- PUDs
- Low-rise and High-rise Condominiums

## Property: Ineligible Types

In addition to the ineligible property types identified in the VA Lender's Handbook, the following property types are ineligible:

- Mobile Homes
- Working Farms and Ranches
- Cooperatives
- Unimproved Land and property are currently in litigation
- Condotels
- Hotel Condominiums
- Timeshares
- Geodesic Domes
- Manufactured Housing (any size, any age)
- Commercial Enterprises (e.g., Bed and Breakfast, Boarding House, Hotel)

## Property: Maximum Number

No limit.

## Qualifying

- For Credit Qualifying:
  - The fixed rate qualifies at the Note rate.
  - 5/1 ARMs qualify at the Note rate.
- DTI ratios are not calculated unless the transaction is credit-qualifying

## Ratios

DTI ratios are not calculated unless the transaction is credit-qualifying.

## Recently Listed Properties

- The listing must have expired or been withdrawn on or before the application date.

## Reserves / Funds to Close

Reserves are not required. The source of funds to close is not required on an IRRRL.

## State Restrictions

- Texas 50 (a)(6) refinance mortgages are ineligible
- *Please refer to the Windsor Seasoned Loan Policy located in the Windsor Seller Guide for requirements and loan-level price adjustments.*

## Title Insurance

Required

## Underwriting Method

Manual underwriting only

Seller shall deliver loans that were originated in accordance with the Federal Housing Administration Handbook, unless otherwise noted in the Windsor Seller's Guide.

Windsor Mortgage does not discriminate in any aspect of a credit transaction on the basis of sex, gender identity or expression, sexual orientation, marital status, familial status, race, color, ethnicity, religion, national origin, age, handicap or disability status, income derived from public assistance, military status or the good faith exercise of rights under the Consumer Credit Protection Act.

### Document History

Revision Date	Revision Made	Requested By	Approved By	Upload Request Date
09.18.24	Added manufactured home to list of ineligible property types	TJ Miller	TJ miller	09.19.24
11.12.24	Removed verbiage under Credit regarding all borrowers being required to provide a tri-merge credit report and that non-traditional credit would not be allowed. Revised documentation section to remove reference to a tri merge credit report being required. Added statement under documentation that a soft pull credit report is allowed, provided it includes credit scores and public records	TJ Miller	TJ Miller	11.13.24
11.15.24	Revised Credit Score to 600	Kevin Nelson	TJ Miller	11.15.24