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# Create New Loan - VA IRRRL in Blueprint/H2O

*Wholesale Origination*

*User Guide*

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Users must have a general understanding of Conventional loan origination since this guide is specifically focusing on VA data entry, calculations, and requirements.



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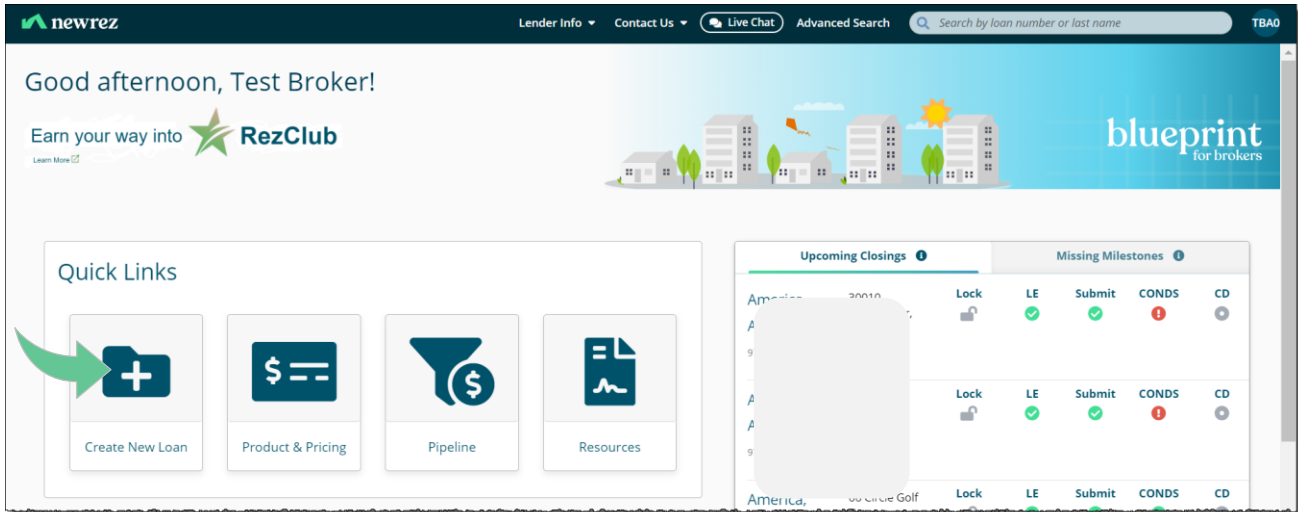
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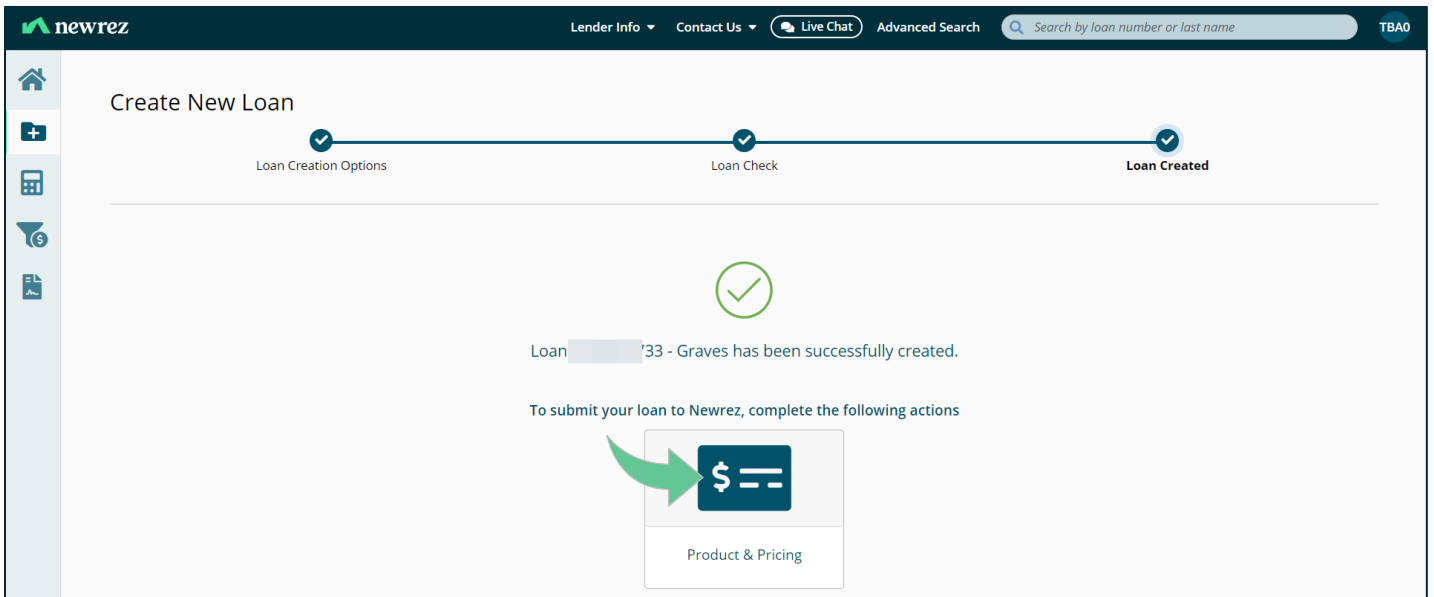
# About this Guide

This guide will ensure Originators have knowledge of accurate data entry specific to the VA fields in Blueprint & H2O, understand how Blueprint/H2O will provide data calculation warnings to prevent inaccurate disclosures and ensure all VA requirements are met. Overall, we will see efficiency gains, improve the customer experience, and preserve relationships with VA and GNMA.

Log in to Blueprint. Click **Create New Loan** and follow the instructions.



Once you have successfully completed the loan creation process, select Product & Pricing.



# VA IRRRL in Blueprint

This section of the guide will identify all VA fields within the product & pricing and loan application screens of Blueprint, instruct how to complete them and supply the why, where necessary.

## Product & Pricing

Step	Action
------	--------

### 1. Loan Type

Under Loan Type, check the box to the right of “VA.”

The screenshot shows a loan application form with the following details:
 

- Loan Channel:** Wholesale, CL1
- Compensation Type:** Lender Paid
- Include Lender Fee in Price:**
- Loan Purpose:** Refinance
- Document Type:** Full
- Existing Servicing Borrower:**
- Lien Position:** 1st, 2nd
- Additional Pricing Attributes:** Select attribute(s)
- Loan Type:**
  - Conventional
  - FHA
  - VA
  - USDA/Rural Housing
- Is VA Funding Fee Exempt:**
- VA Funding Fee %:** 0.500
- Amortization Type:**
  - Fixed
  - ARM
- Amortization Term:**
  - 40 Year
  - 30 Year
  - 25 Year
  - 20 Year

### 2. Document Type

Loan Purpose is Refinance. Under “Document Type,” use the drop-down menu to select “Streamline.”

The screenshot shows a close-up of the loan application form with the following details:
 

- Loan Channel:** Wholesale, CL1
- Loan Purpose:** Refinance
- Existing Servicing Borrower:**
- Document Type:** A dropdown menu is open, showing options: Full, Select, Full, and Streamline. The 'Streamline' option is highlighted with a green box.
- Refinance Purpose/Type:** (partially visible)



VA IRRRL Fields in Product & Pricing, Continued


Step	Action
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**3. VA Funding Fee**

If the Veteran is Exempt, select the white box above “Is VA Funding Fee Exempt,” If not exempt, enter the funding fee percent.

**4. Refinance Purpose**

Use the drop-down menu to select “No C/O Rate/Term.”

 **Note: Complete all other red asterisk fields business as usual and Assign/Lock the product.**

**5. Borrower Criteria**

If the borrower is a Portfolio customer and wants to do a true non-credit qualifying loan, you will need to select “Existing Servicing Borrower,” “Existing Servicing Property,” “Non-Traditional Credit” and “Non-Credit Qualifying” for the correct price/product to return.



VA IRRRL Fields in Product & Pricing, Continued

Step

Action

**5 Borrower Criteria**

**Cont.** If the borrower is a non-portfolio customer and wants to do a true non-credit qualifying loan, you will need to select “Non-Traditional Credit” and “Non-Credit Qualifying.”

**6. Pricing and Product Assignment**

Eligible products will appear. To price the loan you can select the “More Rates” button. To Lock the loan select “Lock.” If you lock the loan the product code will automatically assign to the loan. If you are not locking the loan, select “Assign” to assign the loan product and pricing.



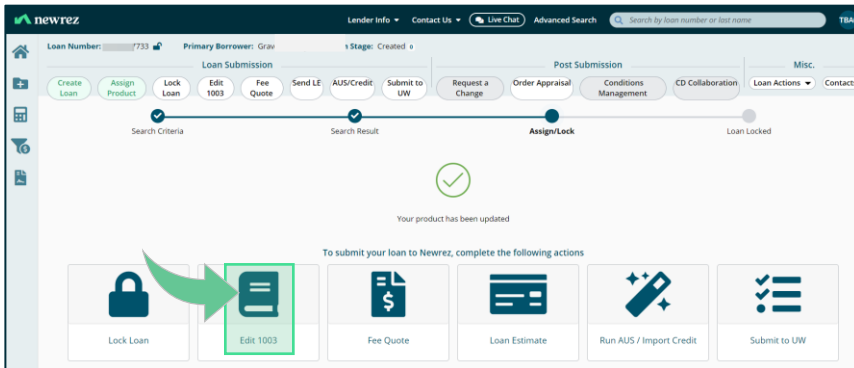
## VA IRRRL Fields in Blueprint

This section of the guide will identify all VA fields within the loan application screens of Blueprint, instruct how to complete them and supply the why, where necessary.

Step	Action
------	--------

### 1. Edit 1003

Select “Edit 1003” to open the loan application in Blueprint.



### 2. Dependents

Under Borrower Info, enter the number of dependents separated by a comma no space. Number of dependents is the borrower’s household members, including spouse even if not on the loan.

**Note:** On a Credit Qualifying IRRRL, to exclude the dependent for residual income purposes, you will need to document their income supporting at least \$2,000 a month of their own income.

### 3.

**Note:** Army Post Office (APO) or foreign addresses are not permitted. Enter an address the borrower uses for any state side correspondence (such as parents, child/relative, close friend) and indicate in Submission notes that it is an APO/Overseas address along with the actual address.





## VA IRRRL Fields in Blueprint, Continued

Step	Action
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### 4. Childcare Expense

**Credit Qualifying IRRRL only:** When the Veteran has childcare expenses, VA requires the childcare expense, for any child under the age of 12, to be included in the liabilities. If this is applicable, navigate to “Assets & Other Liabilities” and click on “**Add Other Liabilities and Expenses.**”

1003 ✔ Assets & Other Liabilities

Add Liability

Other Liabilities and Expenses

Liability of Expense Type	In the Name of	Months Left	Omit from Total Payment	Monthly Payment
<span style="border: 1px solid #ccc; padding: 2px;">Add Other Liabilities and Expenses</span>				

Use the drop-down menu under “Liability and Expense Type” to select “**Other Expense Type.**”

Liabilities

This list does *not* include real estate liabilities. To view those details, navigate to the Real Estate section.

Account Number	Creditor Name	Account Type	In the Name Of	Shared With	Months Left	Monthly Payment	Unpaid Balance
	HAWKS	Revolving	Son	--	1	\$44.00	\$43.00
	vez	Other Liability	Son	--	220	\$1,250.00	\$173,450.00

Other Expense Type

Liability of Expense Type	In the Name of	Months Left	Omit from Total Payment	Monthly Payment
Other Expense Type	Son		<input type="checkbox"/>	

This action will then open a free form field. Type in “**Child Care**” and complete all other fields as applicable.

Other Liabilities and Expenses

Liability of Expense Type	In the Name of	Months Left	Omit from Total Payment	Monthly Payment
Other Expense Type	Son		<input type="checkbox"/>	
Child Care				

Add Other Liabilities and Expenses




## VA IRRRL Fields in Blueprint, Continued

Step	Action
------	--------

### 5. Military Service

In the Military Service section of the 1003, select **“Yes”** under **“Did you (or your deceased spouse) ever serve, or are you currently serving, in the United States Armed Forces?”**

When yes is selected, the military question fields will appear. Check all the boxes that apply. Borrower must supply these details.

 **Note: Ask your Account Executive about sending a Challenge Coin, as shown below, to your Veteran(s) on any loan that closes with us.**



### 6. Addendum

In the VA Addendum section, use the drop-down menu under Military Status to elect **“In Service”** or **“Not in Service.”**

Select **“Yes”** or **“No”** under Is the Borrower a Retired Veteran.



VA IRRRL Fields in Blueprint, Continued

Step	Action
------	--------

6. **Addendum, Contined**

Cont.

- A. Monthly maintenance/utilities: Credit Qualifying IRRRL Only:** Should be calculated by multiplying \$0.14 cents per square foot.
- B. Entitlement Amount:** The Entitlement Amount should be derived from the Certificate of Eligibility (COE).
- C. Federal Income Tax, State Income Tax and Social Security: Credit Qualifying IRRRL Only:** VA requires this to be determined by the tax rates of the family size, not necessarily what the borrower may have deducted from pay based on personal choice for withholding. This affects residual income. At time of Origination if you are aware of these monthly deductions they can be entered here however, the Underwriter will do a calculation based on qualifying income and will enter the qualifying deductions at time of Underwrite.

The screenshot shows the 'Addendum' section of a form. At the top, there is a radio button for 'VA'. Below this, there are two main sections. The first section contains a 'Military Status' dropdown menu set to 'Not in Service' and a 'Is the Borrower a Retired Veteran?' toggle with 'Yes' selected. The second section contains three input fields: 'Monthly Maintenance/Utilities' with a value of '\$150.00', 'Entitlement Amount' with a value of '\$36,000.00', and a section for 'Sonny Graves' with three sub-fields: 'Federal Income Tax', 'State Income Tax', and 'Social Security', all of which are currently empty.

7.  **Note: All other VA fields must be completed in H2O.**

**Loan Actions**

In the upper right corner, under Loan Actions, select **“Open Loan in H2O.”**

The screenshot shows a 'Misc.' section of a form with a 'Loan Actions' dropdown menu. The dropdown is open, showing a list of options: 'Open Loan in H2O', 'Upload Docs', 'Cancel Loan', 'Key Dates', and 'Loan Summary'. A green arrow points to the 'Open Loan in H2O' option. There is also a 'Save All' button visible in the bottom right of the dropdown menu.



## VA IRRRL Fields in H2O

This section of the guide will identify all VA fields within the loan application screens of H2O, instruct how to complete them and supply the why, where necessary.

Step	Action
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### 1. Document Type\*

On the 1003 > Loan Summary screen under the Loan Details section, ensure the Document Type is “Streamline.” To update if needed, use the drop-down to the right of Document Type to select “Streamline.”

 **Note:** \*Your VA Streamline fields will NOT appear if this is not selected.

### 2. Total Loan Amt

On the 1003 > Loan Summary screen under the Calculations section, select the “Total Loan Amt” button.

This will open the MIP/PMI Calculation pop-up window. All fields must be completed accurately. See next pages for instructions on completing these 14 fields, identified below.

MI Features	
MI Payment Type:	Borrower Paid

VA Funding Fee	
<input type="checkbox"/> Is VA Funding Fee Exempt?	
Govt Refinance Type	Interest Rate Reduct
Has Borrower had a VA Loan?	No
Is the Borrower in the Reserves?	No
Is Borrower a Retired Veteran?	Yes
Military Status	Not in Service
Branch Of Service	Air Force
Type Of Ownership	Joint 2+ Veterans
Base Loan Amount	\$175,000
VA Funding Fee(%/\$)	0.500 \$875.00
Amount Paid in Cash	-\$2,887.00
Amount MIP/FF Financed	\$3,762
Total Loan Amount	\$178,762.00



VA IRRRL Fields in H2O, Continued

Step	Action
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**3. MIP/PMI Calculation**

Use the following instructions to accurately complete the MIP/PMI Calculator screen, VA Funding Fee section.

**a. Funding Fee Exempt?**

Review the Certificate of Eligibility (COE) to confirm if the Veteran is Exempt. If exempt that box must be checked.

**VA Funding Fee**

Is VA Funding Fee Exempt?

**b. Government Refinance Type**

Use the drop-down menu to select, **“Interest Rate Reduction Refinance Loan”** = VA IRRRL

-Select- ▼

-Select-

Full Documentation

Interest Rate Reduction Refinance Loan

**c. Has Borrower had a VA Loan**

Select **“Yes”** or **“No.”** Review the COE for prior loan entitlement charged or the Credit Report may also supply information, as shown below:

-Select- ▼

-Select-

Yes

No

CALIBER HOME LOANS, IN	MTG	05/21
2	360M	11/20
		05/21
Late Grid: CC	Grid Start Date:	04/2021
HIGH CREDIT AMOUNT IS ORIGINAL LOAN AMOUNT		
THIS IS AN ACCOUNT IN GOOD STANDING		
OPEN ACCOUNT		
VA REAL ESTATE LOAN		



*Note: Seasoning is required on all loans refinanced into a VA loan. Also, prior loan can affect the funding fee.*

**d. Is the Borrower in the Reserves**

Select **“Yes”** or **“No.”** This field can affect the VA Funding Fee and, the data details here transfer to disclosures.

-Select- ▼

-Select-

Yes

No

**e. Is the Borrower a Retired Veteran**

Select **“Yes”** or **“No.”** This field can affect the VA Funding Fee, and the data details here transfer to disclosures.

-Select- ▼

-Select-

Yes

No

This can also affect the required residual as a retired Veteran can use military facilities and reduce residual by 5%.



VA IRRRL Fields in H2O, Continued

Step	Action
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3. MIP/PMI Calculation, Cont.  
Cont.

f. **Military Status** Select the applicable status

“In Service” = Active duty  
“Not in Service” = Not in active duty



**Note: These fields could affect the residual income calculation.**

g. **Branch of Service** Use the drop-down to select the branch of service the Veteran is/was in.



**Note: “Other” should be used when the other 4 are not applicable. For example: US Space Force (branch of US Armed Forces) This field does print out on disclosures.**

h. **Type of Ownership** **Joint 2+ Veterans** = More than one veteran using entitlement on the VA loan. (A veteran that isn’t using entitlement can be the co-borrower but is considered a non-veteran for purposes of the VA Joint Loan.)

**Joint Veteran & Non-Veteran** = One Veteran on the loan and must be the Primary borrower regardless of income with another non-Veteran that is not a Spouse.

**Sole Ownership** = Only one Veteran or Veteran and Spouse.



**Note: You may have a non-borrowing person on title that makes the loan a Joint Loan for VA purposes. Title ownership causes an undivided interest on title and by definition, this constitutes a joint loan.**

i. **Base Loan Amount** The loan amount originally requested will auto populate.

j. **VA Funding Fee (%/\$)** At time of origination, padlock must be locked so the system will auto populate once “ReCalculate” is selected.

Under special circumstances the padlock may be unlocked if the funding fee is based on just the Veteran’s portion of the loan, i.e., joint loan. If you are unsure if this applies to your loan reach out to your Account Executive.



**Note: Funding fee varies based on first time use of entitlement, subsequent use of entitlement or IRRRL. See [Appendix A Funding Fee Matrix](#) for further details.**



VA IRRRL Fields in H2O, Continued

Step	Action
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**3. MIP/PMI Calculation, Cont. Cont.**

**k. Amount Paid in Cash** Enter the amount of the funding fee the borrower is paying in cash, not being financed into the loan.



**Note:** The amount paid in cash must be added to the “Amount Paid in Cash – Split” section below the VA Funding Fee section. Also users must unlock the Amount MIP/FF Financed field and manually enter the correct financed amount.

Base Loan Amount		\$320,000
VA Funding Fee(%/(\$))	1.400	\$4,480.00
Amount Paid in Cash		\$1,000.00
Amount MIP/FF Financed		\$3,480
Total Loan Amount		\$323,480.00

Paid By	Fee %	Fee Amount
Borrower	0.000	\$1,000.00
Seller	0.000	\$0.00
Lender	0.000	\$0.00
Lender	0.000	\$0.00
Total Fee	0.000	\$0.00

**l. Amount MIP/FF Financed** This will auto populate once “ReCalculate” is selected. This is the amount being financed into the loan.

**m. Total Loan Amount** This will auto populate, if padlock is locked, once “ReCalculate” is selected. This will total the base loan amount plus financed funding fee.

**n. ReCalculate** Click on “**ReCalculate.**” This function calculates the VA Funding Fee percentage/amount, Amount MIP/FF Financed and Total Loan Amount. Once complete, click “Close” to exit the MIP/PMI Calculation pop-up window.

Base Loan Amount		\$400,000
VA Funding Fee(%/(\$))	0.000	\$0.00
Amount Paid in Cash		\$0.00
Amount MIP/FF Financed		\$0
Total Loan Amount		\$400,000.00

Paid By	Fee %	Fee Amount
Borrower	0.000	\$0.00
Seller	0.000	\$0.00
Lender	0.000	\$0.00
Lender	0.000	\$0.00
Total Fee	0.000	\$0.00



## VA IRRRL Fields in H2O, Continued

Step	Action
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### 4. VA Calculator

The VA Calculator displays loan data that determines if a VA refinance loan meets requirements for Seasoning, Recoupment, Rate Reduction, Maximum Loan Amount, and Maximum Discount Points. This function is discussed in detail within [Appendix B - VA Calculator](#) section of this guide.

#### Calculations

Appraised Value:	<input type="text" value="\$425,000"/>	
Sales Contract Price:	<input type="text" value="\$0"/>	
Down Payment:	<input type="text" value="\$0"/>	Percent: <input type="text"/> %
Base Loan Amount:	<input type="text" value="\$175,000"/>	
<b>Total Loan Amt</b>	<input type="text" value="\$178,762"/>	
Interest Rate:	<input type="text" value="6.250"/> %	
P&I:	<input type="text" value="\$1,532.75"/>	
<b>Housing Exp.</b>	<input type="text" value="\$2,012.75"/>	
Sub Financing:	<input type="text" value="\$0"/>	<input type="radio"/> Existing <input checked="" type="radio"/> New
	<input type="checkbox"/> Second is Heloc	
<b>Income</b>	<input type="text" value="\$8,500.00"/>	
Top (Total Prim Exp/Inc):	<input type="text" value="23.679"/> %	
Bottom (Total Pymt./Inc):	<input type="text" value="24.197"/> %	
LTV/CLTV:	<input type="text" value="41.177"/> <input type="text" value="41.177"/>	
Lowest Middle FICO:	<input type="text"/>	
FICO at Approval:	<input type="text"/>	





VA IRRRL Fields in H2O, Continued

Step	Action
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**5. Property & Borrower > Property Information**

This section below is available for all refinance loan types; some data fields will populate to VA addendum.

 **Note: Fields 1 through 8 are not VA specific but should be completed on all refinance loans if the information is available.**

**Complete this section if this is a refinance loan**

**Complete this section if this is a refinance loan**

Date Lot Acquired: <span style="border: 1px solid #ccc; padding: 2px;">1</span> <input type="text"/>	Amt Existing Liens: <span style="border: 1px solid #ccc; padding: 2px;">3</span> <input type="text" value="\$0"/>	Improvements been made? <span style="border: 1px solid #ccc; padding: 2px;">6</span> <input type="checkbox"/>
Original Cost: <span style="border: 1px solid #ccc; padding: 2px;">2</span> <input type="text" value="\$0"/>	Purpose: <span style="border: 1px solid #ccc; padding: 2px;">4</span> <input type="text" value="C/O: Debt Consol"/>	Improvement Costs: <span style="border: 1px solid #ccc; padding: 2px;">7</span> <input type="text" value="\$0"/>
Describe Improvements: <span style="border: 1px solid #ccc; padding: 2px;">8</span> <input style="width: 100%; height: 30px;" type="text"/>	C/O Amount: <span style="border: 1px solid #ccc; padding: 2px;">5</span> <input type="text" value="\$318,831.51"/>	


  

Servicing Loan Number: <span style="border: 1px solid #ccc; padding: 2px;">9</span> <input type="text"/>	Original Term: <span style="border: 1px solid #ccc; padding: 2px;">12</span> <input type="text"/>	Original Loan or Modification First Payment Due Date: <span style="border: 1px solid #ccc; padding: 2px;">15</span> <input type="text"/>
Previous Loan Number: <span style="border: 1px solid #ccc; padding: 2px;">10</span> <input type="text"/>	Remaining Term: <span style="border: 1px solid #ccc; padding: 2px;">13</span> <input type="text"/>	Last Payment Date: <span style="border: 1px solid #ccc; padding: 2px;">16</span> <input type="text"/>
Original Loan Type: <span style="border: 1px solid #ccc; padding: 2px;">11</span> <input type="text" value="Conventional"/>	Escrow Balance: <span style="border: 1px solid #ccc; padding: 2px;">14</span> <input type="text"/>	Next Due Date: <span style="border: 1px solid #ccc; padding: 2px;">17</span> <input type="text"/>

Note: Original loan is the current loan being refinanced

- |          |                                |   |
|----------|--------------------------------|---|
| <b>1</b> | <b>Original Loan Amount</b>    | Enter the current loan’s original loan amount. This is the first lien you are refinancing.          |
| <b>2</b> | <b>Original Loan Rate</b>      | Enter the current loan’s original loan interest rate.   |
| <b>3</b> | <b>Amt of Existing Liens</b>   | Total amount of all liens on the current subject property.  |
| <b>4</b> | <b>Purpose</b>                 | This field carries over from the Loan Details section of the Loan Summary screen.                   |
| <b>5</b> | <b>Cash Out Amount</b>         | This field carries over from the Details of Transaction screen. Amount will be zero if no cash out. |
| <b>6</b> | <b>Improvements been made?</b> | Check this box if improvements have already been made to the subject property.                      |
| <b>7</b> | <b>Improvement Costs</b>       | Enter the total amount of improvement costs, if improvements have been made.                        |

VA IRRRL Fields in H2O, Continued

Step	Action	
5. Cont.	8	<b>Description of Improvements</b> Type in a high-level description of all improvements made.
	9	<b>Servicing Loan Number</b> View only field. If Newrez is servicing the loan this field will auto-populate.
	10	<b>Previous Loan Number</b> View only field. If Newrez is servicing the loan this field will auto-populate.
	11	<b>Original Loan Type</b> Use the drop-down menu to select the type of loan you are refinancing.
	12	<b>Original Term</b> Enter the original term in months. For example, 30 years is 360 months. This field will feed to the VA Addendum screen.
	13	<b>Remaining Term</b> View only field. If Newrez is servicing the loan this field will auto-populate.
	14	<b>Escrow Balance</b> View only field. If Newrez is servicing the loan this field will auto-populate.
	15	<b>Original Loan or Modification Due Date</b> Enter the date of the original loan's first payment due date.  <b>Note: If loan was modified, use the first payment due date for the modification.</b>
	16	<b>Last Payment Date</b> View only field. If Newrez is servicing the loan this field will auto-populate.
17	<b>Next Due Date</b> View only field. If Newrez is servicing the loan this field will auto-populate.	



VA IRRRL Fields in H2O, Continued

Step	Action
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6. Property & Borrower > Property Information, Continued.

**Tangible Net Benefit**

VA Requirement for Tangible Net Benefit on a Cash Out will tie into the Addendum screen where further information will also be required. This is to ensure the loan meets VA’s Net Tangible Benefit requirements.



**Note: On page 2, Section 2A of the VA Circular link below, there is a list of 8 Net Tangible Benefits. At least one is required on a Cash Out loan. Click the link to review.**

[https://www.benefits.va.gov/homeloans/documents/circulars/26\\_18\\_30.pdf](https://www.benefits.va.gov/homeloans/documents/circulars/26_18_30.pdf)

**Tangible Net Benefit**

Original Loan Amount:	1	<input type="text" value="\$0.00"/>	7	Original Loan Monthly Payment (P&I):	<input type="text" value="\$0.00"/>
Original Loan Rate:	2	<input type="text"/>	8	Original Loan – Borrowers:	<input type="text"/>
Original Loan LTV:	3	<input type="text"/>	9	Original Loan Note date:	<input type="text"/>
Original Loan DTI:	4	<input type="text"/>	10	Original Loan Prepay Provision:	<input type="text" value="Select..."/>
Original Loan – Loan Number:	5	<input type="text"/>	11	Original Loan Purpose:	<input type="text" value="Select..."/>
Original Receipt of Cash:	6	<input type="text" value="Select..."/>	12	Bonafide Financial Need:	<input type="text" value="Select..."/>

Explanation of Net Benefit:

13




**Note: Original loan is the loan being refinanced.**

1	<b>Original Loan Amount</b>	Enter the current loan’s original loan amount. This is the first lien you are refinancing.
2	<b>Original Loan Rate</b>	Enter the current loan’s original loan interest rate.
3	<b>Original LTV</b>	Enter the current loan’s original loan to value (If unknown, leave blank).
4	<b>Original Loan DTI</b>	Enter the current loan’s original debt to income (If unknown, leave blank).
5	<b>Original Loan Number</b>	Enter the current loan number of the loan being refinanced. (If loan you are refinancing a VA loan, enter that loan’s LIN).
6	<b>Original Receipt of Cash</b>	Use the drop-down to select Yes or No. (If unknown do not choose a drop-down option).
7	<b>Original Loan Monthly Payment (P&amp;I)</b>	This is just Principal and Interest only. Do not include Taxes, Insurance, HOA, etc. (The P&I can be found on the note and/or mortgage statement, etc.).



VA IRRRL Fields in H2O, Continued

Step	Action
6. Cont.	8 <b>Original Loan Borrowers</b> This is not a numerical field and should list all borrower's full names as listed on the current note/mortgage loan.
	9 <b>Original Loan Note Date</b> Enter the current loan's note date in MM/DD/YYYY format. (Credit report does not provide full date).  <b>Note: If the loan was modified, use the first payment due date for the modification.</b>
	10 <b>Original Loan Prepay Provision</b> Use the drop-down menu to select Yes or No.
	11 <b>Original Loan Purpose</b> Use the drop-down menu to select Refinance or Purchase.
	12 <b>Bonafide Financial Need</b> Use the drop-down menu to select Yes or No.
	13 <b>Explanation of Net Benefit</b> This field may be used to explain the benefit this loan provides for the borrower(s).



VA IRRRL Fields in H2O, Continued

Step	Action
------	--------

**7. Emp, Inc & Housing > Military Income**

**Credit Qualifying IRRRL Only:** When the borrower(s) is receiving non-retirement military income, the military income box should be checked.

Once selected the Military Entitlements button will appear.

Monthly Base Income:	\$20,131.15
Military Entitlements	\$0.00
Monthly Income	\$20,131.15
Business Owned Percentage:	%

When selected, the military income window will open. All applicable fields must be complete.

**8. Emp, Inc & Housing > Other Income**

**Credit Qualifying IRRRL Only:** If a Veteran is receiving VA disability income, use the “Other Income” section to enter the income. Click on the blue button with the white plus sign.

- Use the drop-down menu to select “VA Benefits Non Educational”
- Enter the monthly dollar amount
- Click the black disc to save



## VA IRRRL Fields in H2O, Continued

Step	Action
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### 9. Addendum

#### VA

Several fields auto-populate from previous data entry within the 1003. See instructions below to complete each field.

The screenshot shows a VA addendum form with the following fields and callouts:

- 1: Gov. Refinance Type (Full Documentation)
- 2: Has Borrower previously had a VA Loan? (No)
- 3: Is the Borrower in the Reserves? (No)
- 4: Is the Borrower a Retired Veteran? (Yes)
- 5: Military Status (Not in Service)
- 6: Branch of Service (Air Force)
- 7: Type of Ownership (Sole Ownership)
- 8: Borrower/Co-Borr. are Married: (checkbox)
- 9: First Time Home Buyer? (Yes)
- 10: Entitlement Code
- 11: Entitlement Amount (\$0.00)
- 12: Is Approximate Annual Assessment Applicable? (No)
- 13: Is Total Unpaid Special Assessment Applicable? (No)
- 14: Is Annual Maintenance Assessment Applicable? (No)
- 15: Does this Loan have Energy Improvements? (No)
- 16: Size of Household (3)
- 17: Property Square Feet
- 18: Proposed P&I Payment (\$1,475.23)
- 19: Real Estate Taxes (\$427.86)
- 20: Hazard Insurance (\$15.00)
- 21: Special Assessments (\$0.00)
- 22: HOA / Assessment (\$0.00)
- 23: Monthly Maintenance/Utilities (\$0.00)
- 24: Total Monthly Shelter Payments (\$1,918.09)
- 25: Nearest Living Relative

#### 1-7 MIP/FF fields

These fields auto-populate from the MIP/FF Calculations screen. Corrections can be made here and will flow back over to the MIP/FF Calculations screen.

#### 8 Borrower/Co-Borr. Are Married:

Confirm this box is checked, if applicable.

#### 9 First Time Homebuyer?

Confirm this information is accurate. This field populates from the borrower screen and cannot be updated here.

#### 10 Entitlement Code

Enter the entitlement code located on the Certificate of Eligibility (COE).


The screenshot shows a VA Certificate of Eligibility (COE) form with the following information:

- VA Department of Veterans Affairs
- REFERENCE NUMBER: [REDACTED]
- NAME OF VETERAN: [REDACTED]
- ENTITLEMENT CODE: 04
- BRANCH OF SERVICE: Air Force

A green arrow points to the Entitlement Code field.



VA IRRRL Fields in H2O, Continued

Step	Action
<b>9. VA, Cont.</b> <b>Cont.</b>	
<b>11 Entitlement Amount</b>	The Entitlement Amount should be derived from the COE.
<b>12 Is Appropriate Annual Assessment Applicable?</b>	Click the radio button to the left of yes or no, as applicable. This is typically found on the appraisal. Look for things such as special assessment, HOA, taxes, etc.
<b>13 Is Total Unpaid Special Assessment Applicable?</b>	Click the radio button to the left of yes or no, as applicable. This is typically found on the appraisal.
<b>14 Is Annual Maintenance Assessment Applicable?</b>	Click the radio button to the left of yes or no, as applicable. This is typically found on the appraisal.
<b>15 Does the loan have any Energy Improvements?</b>	Click the radio button to the left of yes or no, as applicable.
<b>16 Size of Household</b>	Total number of people that occupy the household. i.e. Veteran is married, spouse is not on the loan and they have one child. Size of Household is 3.
<b>17 Property Square Foot</b>	The number entered here calculates the Monthly Maintenance/Utilities amount by multiplying \$0.14 cents per square feet. This affects the residual income and should be from the appraisal as documented by the appraiser.   <b>Note: To estimate the square footage prior to receipt of appraisal, use Zillow.com, Tax records, etc.</b>
<b>18 - Proposed Housing</b> <b>22</b>	Steps 18 – 22 auto-populate from the Proposed Housing section of the 1003. Real Estate Taxes, Hazard and HOA can be updated here by clicking on the blue button.
<b>23 Monthly Maintenance/Utilities</b>	This field auto-populates based on the Property Square Foot field entered on step 17 by multiplying \$0.14 cents per square foot.



VA IRRRL Fields in H2O, Continued

Step	Action
------	--------

**9. VA, Cont.**  
**Cont.**

24	<b>Total Monthly Shelter Payments</b>	This field auto-populates the total from steps 18 – 23.
25	<b>Nearest Living Relative</b>	No Longer Required.

**10. If Land Acquired Separate**

If you are aware that the land was acquired by a separate transaction at time of origination this section should be completed. If unsure, leave blank.

<b>If Land Acquired by Separate Transaction Complete following Items:</b>	<input type="radio"/> Yes <input type="radio"/> No
---	--

If Yes, the following fields will open to complete.

<b>If Land Acquired by Separate Transaction Complete following Items:</b>	<input checked="" type="radio"/> Yes <input type="radio"/> No
Date Acquired: <input type="text"/>	Purchase Price(if acquired other than by Purchase, state 'None') <input type="text" value="\$0.00"/>

**11. Certificate of Reasonable**

Select “Yes” or “No,” as applicable.

<b>COMPLETE WHERE AUTHORIZED BY CERTIFICATE OF REASONABLE</b> Is any construction, repairs, alterations, or improvements upon which the reasonable value of the property is predicated and which were not inspected and approved subsequent to completion by a compliance inspector designated by the Secretary have been completed properly.	<input type="radio"/> Yes <input type="radio"/> No
--	--







VA IRRRL Fields in H2O, Continued

Step Action

12. VA Refinance Information

VA Refinance Information	VA Calculator
Prior Loan type: <input type="text" value="Select..."/>	<input type="text" value="\$0.00"/>
Original Loan - VA Loan Number: <input type="text"/>	<input type="text" value="\$0.00"/>
Original Term: <input type="text"/>	<input type="text"/>
Original Loan - Interest Rate: <input type="text"/>	<input type="text" value="No"/>

Review the VA Calculator to ensure VA requirements are met. See [Appendix B – VA Calculator](#) for further details.

- 1 **Prior Loan Type** Use the drop-down menu to select the Prior Loan Type if not already populated from previous data entry.
- 2 **Original Loan – VA Loan Number** This field will auto-populate from previous data entry. Please confirm accuracy.   
 *Note: If current loan is a VA loan, then the LIN should be entered.*
- 3 **Original Term** This field will auto-populate from previous data entry. Please confirm accuracy.
- 4 **Original Loan – Interest Rate** This field will auto-populate from previous data entry. Please confirm accuracy.
- 5 **Original Loan – Loan Amount** This field will auto-populate from previous data entry. Please confirm accuracy.
- 6 **Original Loan – Monthly Payment (P&I)** This field will auto-populate from previous data entry. Please confirm accuracy.
- 7 **Original Loan Borrowers** This field will auto-populate from previous data entry.   
 *Note: This is not a numeric field. All names of borrower(s) currently on the loan should be entered.*
- 8 **Was the loan being refinanced modified?** Use the drop-down menu to select Yes or No.



VA IRRRL Fields in H2O, Continued

Step	Action
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**13. VA IRRRL Information**

**VA IRRRL Information**

Original Loan - Payment been 30 days late in the past 6 months:  1

Original Note Date (mm/dd/yyyy):  2

Original Loan - Payment been 30 days past Due:  3

Have 6 Consecutive Payments Been Made Without a 30 Day Late?  4

Due Date of Last Missed Payment (mm/dd/yyyy):  5

Original Loan - Outstanding Loan Amount:  6

Original Loan PITI:  7

Confirm VA IRRRL Information:  8

Original Loan or Modification First Payment Due Date:  9

Note: Original loan is the current loan being refinanced

**1 Original Loan – Payment been 30 days late in the past 6 months**

Use the drop-down to select “Yes” or “No.”

**Note: The most recent 6 months’ pay history must have a 0x30x6 and there can be only 1 30-day late 1x30x7-12.**

**2 Original Note Date (mm/dd/yyyy):**

Enter the current loan’s note date in MM/DD/YYYY format. Credit report does not provide full date.

**Note: If the loan was modified, use the first payment due date for the modification.**

**3 Original Loan - Payment been 30 days past Due:**

Use the drop-down menu to select “Yes” or “No.” This field is specific to any 30-day late for the life of the mortgage.

**4 Have 6 Consecutive Payments Been Made Without a 30 Day Late?**

Use the drop-down menu to select “Yes” or “No.”

**Note: Review all documentation and data to ensure 6 consecutive payments have been made as shown below in the credit history.**

Remarks	Payment History				
REAL ESTATE MORTGAGE; VA MORTGAGE	08-18	111 111 21111111			
Additional Dates	Max Diq Date	Max Diq MOP	Max Diq Amount	Last Diq Date	Last Diq MOP
Last Activity Date 08-18; Last Payment Date 08-18	5-15	30 DAYS LATE-1	\$77	5-15	30 DAYS LATE-1



## VA IRRRL Fields in H2O, Continued

Step	Action
13. Cont.	5 <b>Due Date of Last Missed Payment (mm/dd/yyyy):</b> If the prior drop-down is marked yes, this field will open and allow a date to be entered.
	6 <b>Original Loan - Outstanding Loan Amount:</b> If a payoff is available, enter the original loan's payoff amount.
	7 <b>Original Loan PITI:</b> Enter the original loan's full PITI which includes Taxes, Insurance, etc.
	8 <b>Confirm VA IRRRL Information:</b> This field is greyed out and unavailable. The underwriter will check this box once all VA IRRRL information has been verified.
	9 <b>Original Loan or Modification First Payment Due Date:</b> This field will auto-populate from previous data entry. Please confirm accuracy.

## 14. FHA/VA Addendum


### Part I - Identifying Information

#### Title will be vested in

Validate vesting is correct. Use the drop-down menu to adjust vesting if applicable.

19. VA Only:  
Title will be vested in:  Other:

*(Note: The dropdown menu options are: Veteran, Veteran & Spouse, Other)*

 **Note: This could affect a down payment requirement if someone other than the Veteran's spouse is on title.**

#### Purpose of Loan

Purpose of Loan must be complete. Use the drop-down menu to select the applicable type.

20. Purpose of Loan:

- Purchase Existing Home (Previously Occupied)
- Finance Improvements to Existing Property
- Refinance (Refi.)
- Purchase New Condo. Unit
- Purchase Existing Condo. Unit
- Purchase Existing Home Not Previously Occupied
- Construct Home (proceeds to be paid out during construction)
- Finance Co-op Purchase
- Purchase Permanently Sited Manufactured Home
- Purchase Permanently Sited Manufactured Home & Lot
- Refi. Permanently Sited Manufactured Home to Buy Lot
- Refi. Permanently Sited Manufactured Home/Lot Loan



VA IRRRL Fields in H2O, Continued

Step	Action
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**15. Part II - Lender/Mortgagee Certification**

**Duly Authorized Agents**


Complete this section as applicable.

**Duly Authorized Agents (VA Loans Only)**

F. The names and functions of any duly authorized agents who developed on behalf of the lender any of the information or supporting credit data submitted are as follows:

Name & Address


Function (e.g., obtained information on the Uniform Residential Loan Application, ordered credit report, verifications of employment, deposits, etc.)


 **Note: This information discloses the names of the authorized agents who supplied the loan application, credit reports, etc. to us as the authorized lender.**

**16. Part V - Borrower Certification**

**Question 23**

Question 23 is the only VA specific question. Select Yes or No.

or group of concentrated rental properties involving eight or more dwelling units in which you have any financial interest? Yes No

23. Have you ever had a VA home loan?  Yes  No



VA IRRRL Fields in H2O, Continued

Step	Action
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**17. 25. The undersigned Borrower(s) Certify that:**

**Occupancy: VA Only** (2) a – f is VA Only. Select one of the applicable radio buttons to the left of the applicable occupancy type.

(3) Mark the applicable box for appraised value. Most of the time the first radio button is marked “The reasonable value of the property as determined by VA.”

(2)

**Occupancy: VA Only**

(a) I now actually occupy the above-described property as my home or intend to move into and occupy said property as my home within a reasonable period of time or intend to reoccupy it after the completion of major alterations, repairs or Improvements.

(b) My spouse is on active military duty and in his or her absence, I occupy or intend to occupy the property securing this loan as my home.

(c) I previously occupied the property securing this loan as my home. (for interest rate reductions)

(d) While my spouse was on active military duty and unable to occupy the property securing this loan, I previously occupied the property that is securing this loan as my home. (for interest rate reduction loans).  
**Note:** If box **2b** or **2d** is checked, the veteran's spouse must also sign below.

(e) The veteran is on active military duty and in his or her absence, I certify that a dependent child of the veteran occupies or will occupy the property securing this loan as their home.  
**Note:** This requires that the veteran's attorney-in-fact or legal guardian of the dependent child sign the Borrower's Certificate below.

(f) While the veteran was on active military duty and unable to occupy the property securing this loan, the property was occupied by the veteran's dependent child as his or her home (for interest rate reduction loans). **Note:** This requires that the veteran's attorney-in-fact or legal guardian of the dependent child sign the Borrower's Certificate below.

(3) Mark the applicable box (not applicable for Home Improvement or Refinancing Loan) I have been informed that \$  is:

The reasonable value of the property as determined by VA or:

The statement of appraised value as determined by HUD/FHA. **NOTE:** If the contract price or cost exceeds the VA "Reasonable Value" or HUD/FHA "Statement of Appraised Value" mark either item (a) or item(b), whichever is applicable.

(a) have elected to complete the transaction at the contract purchase price or cost. I have paid or will pay in cash from my own resources at or prior to loan closing a sum equal to the difference between contract purchase price or cost and the VA or HUD/FHA established value. I do not and will not have outstanding after loan closing any unpaid contractual obligation on account of such cash payment.

(b) I was not aware of this valuation when I signed my contract but have elected to complete the transaction at the contract purchase price or cost. I have paid or will pay in cash from my own resources at or prior to loan closing a sum equal to the difference between contract purchase price or cost and the VA or HUD/FHA established value. I do not and will not have outstanding after loan closing any unpaid contractual obligation on account of such cash payment.



**Note: For the first section (2) it should be completed as per the transaction and the discussion with the borrower. The next section (3) is typically always the first radio button – if there is an appraisal at time of application that the borrower is aware of (the value) then the second selection should be completed (a or b).**



# Appendix A – Funding Fee Matrix

## VA Purchase

VA Funding Fee			
Veteran/Military Status	Down Payment <sup>1</sup>	Loans Closed on or After 04/07/2023	
		First Time Use	Subsequent Use <sup>2</sup>
Veteran/Active Duty/ Reserves/National Guard	Less than 5%	2.15%	3.3%
	5% or more	1.5%	1.5%
	10% or more	1.25%	1.25%
Disabled Veteran(Service-connected disability or Active-Duty Purple Heart)	NA	0.00%	0.00%

<sup>1</sup> Does not include down payment from gift of equity or equity earned from lease-to-purchase transaction  
<sup>2</sup> The higher subsequent use fee does not apply if the veteran's only prior use of entitlement was for a manufactured home not classified as real estate

## VA IRRRL and Cash-Out Refinance

VA Funding Fee			
IRRRL	Cash-out Refinance		
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>		
	Loans Closed on or After 04/07/2023		
	Veteran	First Use	Subsequent Use
	Active Duty Reserves National Guard	2.15%	3.3%



# Appendix B – VA Calculator

## About the VA Calculator

### VA Calculator

The new VA Calculator displays loan data that determines if a VA refinance loan meets requirements for Seasoning, Recoupment, Rate Reduction, Maximum Loan Amount, and Maximum Discount Points.

The VA Calculator organizes and displays a summary of information entered during loan origination. No action is needed to “run” the VA Calculator. Calculations will take place in the background and will be displayed in the VA Calculator. The VA Calculator includes an explanation of the calculation behind each displayed value and the calculated values drive DVs.



## Accessing the VA Calculator

The button to access the VA Calculator will be available on VA refinance loans and accessible from multiple areas within Blueprint, including these screens:

- 1003 > Loan Summary > Calculations
- 1003 > Addendum > VA Refinance Information

## Indicator Symbols

Next to some fields in the VA Calculator, you may see indicator symbols. These symbols give you a quick indication regarding the status of those fields at this moment in time.

Green Check Mark	Yellow Triangle
<p>When the loan meets VA requirements, a green check mark will display.</p> 	<p>When the loan does not satisfy VA requirements, or required data is missing, a yellow triangle will display.</p> 



**Note:** These visual indicators highlight the status of meeting VA requirements at a given point in time. Data Validations (DVs) consist of errors which will be hard stops to the process as well as warnings which is information that will require action to be taken at some point in the process. For more information, refer to the [Data Validations section](#) in this document.



## Appendix B – VA Calculator, Continued

### VA Calculator - Type II Cash Outs

When selecting the VA Calculator button, the following will display:

Type II Cash Outs Condensed View	Type II Cash Outs Expanded View



**Note: Type II Cash Outs are more common than Type I Cash Outs. Links displayed in the Expanded View of a given field will be the same for all user types. While you can navigate to those links, you may not be able to edit information depending on your permissions.**





# VA Calculator: Type I Cash Outs

Type I Cash Outs Condensed View	Type I Cash Outs Expanded View
<p><b>VA Calculator</b></p> <p>Seasoning</p> <p>↓ 210 Day Seasoning Date 06/10/2022</p> <p>↓ 6 Month Seasoning Date 08/01/2022</p> <p>↓ Earliest Closing Date 08/01/2022 ✓</p> <p>NTB - Net Tangible Benefit</p> <p>↓ Required Rate Reduction For NTB 0.490% ⚠</p> <p>Recoupment</p> <p>↓ Statutory Recoupment Cost \$8,057.99</p> <p>↓ Statutory Recoupment Period (Months) 24.66</p> <p>↓ Required Cost Reduction for Statutory Recoupment \$0.00 ✓</p> <p>Request CR Close</p>	<p><b>VA Calculator</b></p> <p>Seasoning</p> <p>↑ 210 Day Seasoning Date 06/10/2022</p> <p><a href="#">Original Loan or Modification First Payment Due Date</a> 11/11/2021 This date is 211 days from the Original First Payment Due Date, which includes an additional calendar day per Company policy.</p> <p>↑ 6 Month Seasoning Date 08/01/2022</p> <p><a href="#">Have 6 Consecutive Payments Been Made Without a 30 Day Late?</a> No</p> <p><a href="#">Due Date of Last Missed Payment</a> 02/01/2022 The date on which the 6th consecutive monthly payment was or is to be made.</p> <p>↑ Earliest Closing Date 08/01/2022 ✓</p> <p><a href="#">Estimated Closing Date</a> 10/20/2022</p> <p><a href="#">Note Date</a> This date is the later of the 210 Day Seasoning Date and the 6 Month Seasoning Date.</p> <p>NTB - Net Tangible Benefit</p> <p>↑ Required Rate Reduction For NTB 0.490% ⚠</p> <p><a href="#">Prior Loan Type</a> VA Fixed</p> <p><a href="#">Amort Type</a> Fixed</p> <p><a href="#">Original Loan Interest Rate %</a> 5.000</p> <p><a href="#">Interest Rate %</a> 4.990</p> <p>This is the rate reduction needed to bring the total rate reduction to 0.5% (Fixed to Fixed IRRRLs) or 2% (Fixed to ARM IRRRLs). There is no rate reduction requirement if the original loan is an ARM.</p> <p>Recoupment</p> <p>↑ Statutory Recoupment Cost \$8,057.99</p> <p><a href="#">LE/CD Total Closing Costs (D+I)</a> \$18,782.36</p> <p><a href="#">LE/CD Total Prepays (F)</a> \$1,724.37</p> <p><a href="#">LE/CD Initial Escrow Payment at Closing (G)</a> \$0.00</p> <p><a href="#">LE/CD HOA Fees (H)</a> \$0.00</p> <p><a href="#">LE/CD Lender Credits</a> \$0.00</p> <p><a href="#">VA Funding Fee (S)</a> \$9,000.00</p> <p>This is all Fees, closing costs, and expenses (excluding the VA funding fee and any prepaids) minus any Lender Credits.</p> <p>↑ Statutory Recoupment Period (Months) 24.66</p> <p><a href="#">New Loan P&amp;I (Loan Summary)</a> \$1,347.23</p> <p><a href="#">Original Loan Monthly P&amp;I (Addendum)</a> \$1,674.00</p> <p>This is the Statutory Recoupment Cost divided by the Monthly Payment Decrease.</p> <p>↑ Required Cost Reduction for Statutory Recoupment \$0.00 ✓</p> <p>If the borrower's monthly payment is decreasing or the loan is a Type I Cash-Out transaction, this is the cost reduction needed to bring the recoupment period to 36 months. If borrower's monthly payment is not decreasing, this is the cost reduction needed to meet VA requirements that the Veteran has no recoupment costs (defined above)</p> <p>Request CR Close</p>



**Note:** that Type I Cash Outs are uncommon. Links displayed in the Expanded View of a given field will be the same for all user types. While you can navigate to those links, you may not be able to edit information depending on your permissions.



## Appendix B – VA Calculator, Continued

### VA Calculator: IRRRL Streamline

IRRRL (Streamline) Condensed View	IRRRL (Streamline) Expanded View
<div data-bbox="170 338 738 365" style="background-color: #4a86e8; color: white; padding: 2px;"><b>VA Calculator</b></div> <p>Seasoning</p> <div data-bbox="170 426 730 478" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↓ 210 Day Seasoning Date</span> <span style="float: right;">06/10/2022</span> </div> <div data-bbox="170 495 730 548" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↓ 6 Month Seasoning Date</span> <span style="float: right;">08/01/2022</span> </div> <div data-bbox="170 564 730 617" style="border: 1px solid #ccc; padding: 5px;"> <span style="float: left;">↓ Earliest Closing Date</span> <span style="float: right;">08/01/2022 <span style="color: green;">✔</span></span> </div> <p>NTB - Net Tangible Benefit</p> <div data-bbox="170 894 730 947" style="border: 1px solid #ccc; padding: 5px;"> <span style="float: left;">↓ Required Rate Reduction For NTB</span> <span style="float: right;">0.490% <span style="color: orange;">⚠</span></span> </div>	<div data-bbox="885 338 1453 365" style="background-color: #4a86e8; color: white; padding: 2px;"><b>VA Calculator</b></div> <p>Seasoning</p> <div data-bbox="885 426 1445 541" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↑ 210 Day Seasoning Date</span> <span style="float: right;">06/10/2022</span> <p style="font-size: small; margin-top: 5px;"> <a href="#">Original Loan or Modification First Payment Due Date</a> 11/11/2021                      This date is 211 days from the Original First Payment Due Date, which includes an additional calendar day per Company policy.                 </p> </div> <div data-bbox="885 558 1445 674" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↑ 6 Month Seasoning Date</span> <span style="float: right;">08/01/2022</span> <p style="font-size: small; margin-top: 5px;"> <a href="#">Have 6 Consecutive Payments Been Made Without a 30 Day Late?</a> No  <a href="#">Due Date of Last Missed Payment</a> 02/01/2022                      The date on which the 6th consecutive monthly payment was or is to be made.                 </p> </div> <div data-bbox="885 699 1445 825" style="border: 1px solid #ccc; padding: 5px;"> <span style="float: left;">↑ Earliest Closing Date</span> <span style="float: right;">08/01/2022 <span style="color: green;">✔</span></span> <p style="font-size: small; margin-top: 5px;"> <a href="#">Estimated Closing Date</a> 10/20/2022  <a href="#">Note Date</a>                      This date is the later of the 210 Day Seasoning Date and the 6 Month Seasoning Date.                 </p> </div> <p>NTB - Net Tangible Benefit</p> <div data-bbox="885 894 1445 1083" style="border: 1px solid #ccc; padding: 5px;"> <span style="float: left;">↑ Required Rate Reduction For NTB</span> <span style="float: right;">0.490% <span style="color: orange;">⚠</span></span> <p style="font-size: small; margin-top: 5px;"> <a href="#">Prior Loan Type</a> VA Fixed  <a href="#">Amort Type</a> Fixed  <a href="#">Original Loan Interest Rate %</a> 5.000  <a href="#">Interest Rate %</a> 4.990                      This is the rate reduction needed to bring the total rate reduction to 0.5% (Fixed to Fixed IRRRLs) or 2% (Fixed to ARM IRRRLs). There is no rate reduction requirement if the original loan is an ARM.                 </p> </div>
<p>Recoupment</p> <div data-bbox="170 1157 730 1209" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↓ Statutory Recoupment Cost</span> <span style="float: right;">\$8,057.99</span> </div> <div data-bbox="170 1226 730 1278" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↓ Statutory Recoupment Period (Months)</span> <span style="float: right;">24.66</span> </div> <div data-bbox="170 1295 730 1348" style="border: 1px solid #ccc; padding: 5px;"> <span style="float: left;">↓ Required Cost Reduction for Statutory Recoupment</span> <span style="float: right;">\$0.00 <span style="color: green;">✔</span></span> </div>	<p>Recoupment</p> <div data-bbox="885 1157 1445 1388" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↑ Statutory Recoupment Cost</span> <span style="float: right;">\$8,057.99</span> <p style="font-size: small; margin-top: 5px;"> <a href="#">LE/CD Total Closing Costs (D+I)</a> \$11,032.36  <a href="#">LE/CD Total Prepays (E)</a> \$1,724.37  <a href="#">LE/CD Initial Escrow Payment at Closing (G)</a> \$0.00  <a href="#">LE/CD HOA Fees (H)</a> \$0.00  <a href="#">LE/CD Lender Credits</a> \$0.00  <a href="#">VA Funding Fee (\$)</a> \$1,250.00                      This is all fees, closing costs, and expenses (excluding the VA funding fee and any prepaids) minus any Lender Credits.                 </p> </div> <div data-bbox="885 1404 1445 1530" style="border: 1px solid #ccc; padding: 5px; margin-bottom: 5px;"> <span style="float: left;">↑ Statutory Recoupment Period (Months)</span> <span style="float: right;">24.66</span> <p style="font-size: small; margin-top: 5px;"> <a href="#">New Loan P&amp;I (Loan Summary)</a> \$1,347.23  <a href="#">Original Loan Monthly P&amp;I (Addendum)</a> \$1,674.00                      This is the Statutory Recoupment Cost divided by the Monthly Payment Decrease.                 </p> </div> <div data-bbox="885 1547 1445 1673" style="border: 1px solid #ccc; padding: 5px;"> <span style="float: left;">↑ Required Cost Reduction for Statutory Recoupment</span> <span style="float: right;">\$0.00 <span style="color: green;">✔</span></span> <p style="font-size: small; margin-top: 5px;">                     If the borrower's monthly payment is decreasing or the loan is a Type I Cash-Out transaction, this is the cost reduction needed to bring the recoupment period to 36 months. If borrower's monthly payment is not decreasing, this is the cost reduction needed to meet VA requirements that the Veteran has no recoupment costs (defined above)                 </p> </div>



## Appendix B – VA Calculator, Continued

### VA Calculator: IRRRL Streamline, Continued.

Max Loan Amount

↓
\$308,301.20 ⚠

Request CR
Close

Max Loan Amount

↑
\$308,301.20 ⚠

<a href="#">Existing Loan Balance &amp; Energy Improvements</a>	\$300,000.00
<a href="#">Discount Points (\$)</a>	\$3,015.00
<a href="#">Discount Points (%)</a>	1.005
<a href="#">Origination Fee (%)</a>	0.000
<a href="#">VA Funding Fee (%)</a>	0.500
<a href="#">Allowable Closing Costs &amp; Prepaids</a>	\$6,767.36
<a href="#">Total Loan Amount</a>	\$251,250

Allowable Closing Costs and Prepaids - Total closing costs (section J of Loan Estimate or Closing Disclosure), excluding the discount points, origination fee, and funding fee. The Maximum Loan Amount for IRRRL's is calculated using the above values. Exact calculation is available on the Interest Rate Reduction Refinancing Loan Worksheet (VA 26-6923).

Request CR
Close



**Note:** that links displayed in the Expanded View of a given field will be the same for all user types. While you can navigate to those links, you may not be able to edit information depending on your permissions.

# Appendix C - Data Validations for VA Loans



## Data Validations (DVs)

DVs will provide guidance to users on VA refinance loans that do not meet requirements for Seasoning, Recoupment, Rate Reduction, Maximum Loan Amount, or Maximum Discount Points.

## Recoupment DVs: IRRRL and Type I Cash-Outs

### About Recoupment DV Messages

These DVs enforce recoupment requirements on Streamline IRRRL and Type I Cash-Out Loans.

DVs fire when the Required Cost Reduction for Statutory Recoupment field in the VA Calculator is greater than 0.

Events Where DV Will Be Set as a Warning	Events Where DV Will Be Set as an Error
<ul style="list-style-type: none"> <li>Retail Early Disclosure and Re-Disclosure Events</li> <li>Wholesale Early Disclosure and Re-Disclosure Events</li> <li>Generate Newrez LE</li> <li>Generate Broker LE</li> <li>Submit to PRC</li> <li>Submit to Underwriting (H2O-A and H2O-D)</li> <li>Approve Loan (H2O-A and H2O-D)</li> <li>Submit to UW After UW Decision</li> <li>Order Closing Disclosure</li> <li>Generate CD Package</li> </ul>	<ul style="list-style-type: none"> <li>All Final Approval Events</li> <li>Fund Loan</li> <li>Compile Docs</li> <li>Generate PCCD Package</li> <li>Generate Post-Consummation Docs</li> </ul>



**Note:** Even though you are able to move forward with the loan that has a warning, consider taking this as an opportunity to address issues now. This will save you time later.

### DV Messages

If the monthly P&I is not reduced, this message will display when there are Statutory Recoupment Costs on the loan.

- Loan does not satisfy VA Recoupment guidelines. Recoupment costs are not allowed when the monthly PI is not reduced

If the monthly P&I is reduced, this message will display when the Statutory Recoupment Period is over 36 months.

- Loan does not satisfy VA Recoupment guidelines. Please reduce closing costs to bring the recoupment period to 36 months or less



## Appendix C - Data Validations for VA Loans, Continued

Recoupment DVs: IRRRL and Type I Cash-Outs, Continued.

### Resolving Recoupment DV Messages

If these fields are accurate, reduce costs by the amount shown in the Required Cost Reduction for Statutory Recoupment field.

### Seasoning DVs: All VA Refinances

#### About Seasoning DV Messages

This DV fires when the Earliest Closing Date is greater than the Note Date (or Estimated Closing Date if Note Date is not available). The Earliest Closing Date will be the later of the 210 Day and 6 Month Seasoning dates.

Events Where DV Will Be Set as a Warning	Events Where DV Will Be Set as an Error
<ul style="list-style-type: none"> <li>Retail Early Disclosure and Re-Disclosure events</li> <li>Wholesale Early Disclosure and Re-Disclosure events</li> <li>Generate Newrez LE</li> <li>Generate Broker LE</li> <li>Submit to PRC</li> <li>Submit to Underwriting (H2O-A and H2O-D)</li> <li>Approve Loan (H2O-A and H2O-D)</li> <li>Submit to UW After UW Decision</li> </ul>	<ul style="list-style-type: none"> <li>All Final Approval Events</li> <li>Fund Loan</li> <li>Generate CD Package</li> <li>Compile Docs</li> <li>Generate PCCD Package</li> <li>Generate Post-Consummation Docs</li> </ul>



**Note: Even though you are able to move forward with the loan that has a warning, consider taking this as an opportunity to address issues now. This will save you time later.**

#### DV Message

- Loan will not be seasoned at closing. Please update the note date or estimated closing date.

### Resolving Seasoning DV Messages

Confirm the following fields have been entered correctly on the 1003>Addendum (or 1008 UW Analysis>Generate VA Loan Summary/Analysis):

- Original Loan or Modification First Payment Due Date
- Have 6 Consecutive Payments Been Made Without a 30 Day Late?
- Due Date of Last Missed Payment

If these fields are accurate, the note date/closing will need to be pushed out on the loan.



## Appendix C - Data Validations for VA Loans, Continued

Rate Reduction for Net Tangible Benefit (NTB) DVs: IRRRL, Type I Cash-Outs

### About Rate Reduction NTB DV Messages

This DV will enforce the Rate Reduction Requirements on Streamline IRRRL and Type I Cash-Out Loans.

This DV will fire when the “Required Rate Reduction for NTB” field in the VA Calculator is greater than 0.

- On a Fixed Rate to Fixed Rate IRRRL or Type I Cash-Out, this will occur if the interest rate has not been reduced by at least .5%.
- On an ARM to Fixed Rate IRRRL or Type I Cash-Out, this will occur if the interest rate has not been reduced by at least 2%.

Events Where DV Will Be Set as a Warning	Events Where DV Will Be Set as an Error
<ul style="list-style-type: none"> <li>• Retail Early Disclosure and Re-Disclosure events</li> <li>• Wholesale Early Disclosure and Re-Disclosure events</li> <li>• Generate Newrez LE</li> <li>• Generate Broker LE</li> <li>• Submit to PRC</li> <li>• Submit to Underwriting (H2O-A and H2O-D)</li> <li>• Approve Loan (H2O-A and H2O-D)</li> <li>• Submit to UW After UW decision</li> </ul>	<ul style="list-style-type: none"> <li>• All Final Approval Events</li> <li>• Fund Loan</li> <li>• Generate CD Package</li> <li>• Compile Docs</li> <li>• Generate PCCD Package</li> <li>• Generate Post-Consummation Docs</li> </ul>



**Note: Even though you are able to move forward with the loan that has a warning, consider taking this as an opportunity to address issues now. This will save you time later.**

### DV Message

- Interest Rate Reduction Required to Meet VA Net Tangible Benefit Requirements

### Resolving Rate Reduction NTB DV Messages

Confirm the following fields have been entered correctly:

- Prior Loan Type (Addendum and Generate VA Loan Summary/Analysis)
- Amort Type (Loan Summary)
- Original Loan Interest Rate % (Addendum and Generate VA Loan Summary/Analysis)
- Interest Rate % (Loan Summary)

If these fields are accurate, reduce the interest rate by the amount shown in the Required Rate Reduction for NTB field in the VA Calculator.



## Appendix C - Data Validations for VA Loans, Continued

### Maximum Loan Amount DVs: IRRRL, Type II Cash-Outs, Purchase

#### About Maximum Loan Amount DV Messages

This DV will enforce the Maximum Loan Amount Requirements on Streamline IRRRL and Type II Cash-Out Loans

This DV will fire when the Total Loan Amount is Greater Than the Maximum Loan Amount on the VA Calculator

- For Type II Cash-Outs, this DV will fire when the Total Loan Amount > Appraised Value + Energy Improvements.
- For IRRRLs, this DV will fire when the Total Loan Amount is more than \$50 over the Maximum Loan Amount calculation as defined by the INTEREST RATE REDUCTION REFINANCING LOAN WORKSHEET (VA 26-8923).
- For Purchases, this DV will fire when the Total Loan Amount > the Lesser of the Appraised Value or Purchase Price + the VA Funding Fee.

Events Where DV Will Be Set as a Warning	Events Where DV Will Be Set as an Error
<ul style="list-style-type: none"> <li>• Retail Early Disclosure and Re-Disclosure events</li> <li>• Wholesale Early Disclosure and Re-Disclosure events</li> <li>• Generate Newrez LE</li> <li>• Generate Broker LE</li> <li>• Submit to PRC</li> <li>• Submit to Underwriting (H2O-A and H2O-D)</li> <li>• Approve Loan (H2O-A and H2O-D)</li> <li>• Submit to UW After UW decision</li> </ul>	<ul style="list-style-type: none"> <li>• All Final Approval events</li> <li>• Fund Loan</li> <li>• Generate CD Package</li> <li>• Compile Docs</li> <li>• Generate PCCD Package</li> <li>• Generate Post-Consummation Docs</li> </ul>



**Note:** Even though you can move forward with the loan that has a warning, consider taking this as an opportunity to address issues now. This will save you time later.



## Appendix C - Data Validations for VA Loans, Continued

### DV Message

- Total Loan Amount Exceeds Maximum Loan Amount for VA Loan

### Resolving Maximum Loan Amount DV Messages

#### For IRRRLs

Confirm the following fields have been entered correctly based on documentation at Origination:

- All Fees on the LE or CD fees screens, including any origination fees or discount points
- The Unpaid Balance / Payoff Amount for the subject property on the Liabilities screen
- Energy Improvements
- VA Funding Fee amount and % (Loan Summary)

If these fields are all accurate, users must reduce the total loan amount to be  $\leq$  the maximum loan amount shown in the VA Calculator. At origination since not all documentation is available, Operations will make the applicable updates.

#### For Cash Outs

Confirm the following fields have been entered correctly:

- Appraised Value
- Energy Improvements

If these fields are all accurate, users must reduce the total loan amount to be  $\leq$  the maximum loan amount shown in the VA Calculator. At origination since not all documentation is available, Operations will make the applicable updates.

#### For Purchases

Confirm the following fields have been entered correctly:

- Appraisal Value (Loan Summary)
- Purchase Price (Loan Summary)
- VA Funding Fee (Loan Summary)
- Energy Improvements

If these fields are all accurate, users must reduce the total loan amount to be  $\leq$  the lesser of the Appraised Value or Purchase Price + the VA Funding Fee. At origination since not all documentation is available, Operations will make the applicable updates.





## Appendix C - Data Validations for VA Loans, Continued

### Maximum Discount Points DVs: IRRRL

#### About Maximum Discount Points DV Messages

This DV will enforce the Maximum Discount Point Requirements on Streamline IRRRL Loans

This DV will fire when an IRRRL Refinance Loan has Discount Points that are Greater Than 2% of the Existing Loan Balance + Energy Improvements. Discount points can be above 2% if Borrower pays points above 2% in cash.

Events Where DV Will Be Set as a Warning	Events Where DV Will Be Set as an Error
<ul style="list-style-type: none"> <li>Retail Early Disclosure and Re-Disclosure events</li> <li>Wholesale Early Disclosure and Re-Disclosure events</li> <li>Generate Newrez LE</li> <li>Generate Broker LE</li> <li>Submit to PRC</li> <li>Submit to Underwriting (H2O-A and H2O-D)</li> <li>Approve Loan (H2O-A and H2O-D)</li> <li>Submit to UW After UW Decision</li> </ul>	<ul style="list-style-type: none"> <li>All Final Approval events</li> <li>Fund Loan</li> <li>Generate CD Package</li> <li>Compile Docs</li> <li>Generate PCCD Package</li> <li>Generate Post-Consummation Docs</li> </ul>



**Note:** Even though you are able to move forward with the loan that has a warning, consider taking this as an opportunity to address issues now. This will save you time later.

#### DV Message

- Borrower Cannot Finance More Than 2 Discount Points on a VA IRRRL Loan.

#### Resolving Maximum Discount Points DV Messages

Reduce the amount of discount points to clear the DV. If the discount points are being paid in cash as opposed to being financed into the loan amount, contact your Account Executive or CRM for requesting a DV waiver.



## Appendix C - Data Validations for VA Loans, Continued

### Original Loan or Modification First Payment Due Date

#### DV Message

- Original Loan or Modification First Payment Due Date must be after Original Note Date.

This DV impacts refinance loans including VA IRRRL and VA Cash-Outs. DV fires when Original Note Date is greater than or equal to the Original Loan or Modification First Payment Due Date.

**For example:** Original note date is entered as 09/12/2023 and the original loan or modification first payment due date is entered as 09/12/2023, then the DV will fire. *The payment due date is generally on the first of the month after a full month past the note date.*

Events where DV will be set as a Warning	Events where DV will be set as an Error
Retail Early Disclosure	Final Approval Updated
Retail Re-Disclosure	Issue Final Approval
Wholesale Early Disclosure	Issue Final Approval H2O-D
Wholesale Re-Disclosure	Request Wire_RTLCD
Generate Newrez LE	Request Wire_WHL
Generate Broker LE	Generate CD package
Submit to PRC	Compile DOCs
Submit to Underwriting	Generate PCCD Package
Submit to Underwriting H2O-D	Generate Post-Consumption Docs
Approve Loan	Clear to Close
Approve W/ Conditions H2OD	Order Closing Disclosure (RTL, DTC)
Submit to UW after UW decision	



## Appendix C - Data Validations for VA Loans, Continued

### Size of Household

#### DV Message

- Size of household does not match total number of borrowers and dependents

This DV impacts all VA loans. DV fires when size of household and total number of borrowers & dependents are not equal.

**For example**, if there are 2 borrowers and 2 dependents, size of household must equal 4.

Events Where DV will be set as a Warning	Events Where DV will be set as an Error
Approve Loan	Issue Final Approval
Approve W/ Condition H2OD	Issue Final Approval H2OD
	Final Approval Updated
	Compile Docs
	Submit AU – Admin Tool Rule for Stage >= UW Submitted



# Appendix D – VA Resources

## Revisions to VA-Guaranteed Cash-Out refinancing Home Loans (VA Circular: 26.18.30):

[https://www.benefits.va.gov/homeloans/documents/circulars/26\\_18\\_30.pdf](https://www.benefits.va.gov/homeloans/documents/circulars/26_18_30.pdf)

## COE Entitlement Codes

Entitlement Code	Meaning
01	World War II
02	Korean
03	Post Korean
04	Vietnam
05	Entitlement Restored
06	Un-Remarried Surviving Spouse
07	Spouse of POW/MIA
08	Post War World II
09	Post-Vietnam
10	Persian Gulf War
11	Selected Reserves

## Military Pay Scales

<https://www.federalpay.org/military>

## How to read an LES

[https://www.dfas.mil/Portals/98/Documents/Military%20Members/Payentitlements/aboutpay/Army\\_reading\\_your\\_LES.pdf](https://www.dfas.mil/Portals/98/Documents/Military%20Members/Payentitlements/aboutpay/Army_reading_your_LES.pdf)

## VA Funding Fee and Loan Closing Costs

<https://www.va.gov/housing-assistance/home-loans/funding-fee-and-closing-costs/>

## VA Lenders Handbook

[https://benefits.va.gov/warms/pam26\\_7.asp](https://benefits.va.gov/warms/pam26_7.asp)

## VA Circulars

[https://www.benefits.va.gov/HOMELOANS/resources\\_circulars.asp](https://www.benefits.va.gov/HOMELOANS/resources_circulars.asp)

## AllRegs

Government Guidelines > Government Program Summaries & Matrices > VA Resources > Product Specific > VA

