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# Create New Loan VA Cash-Out Refinance 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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# VA Cash-Out in Blueprint / H2O

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

## Create New Loan in Blueprint

This section of the guide will focus on VA fields in Blueprint.

### Type I & Type II Cash-Out Description

**There are 2 types of Cash Out loans. See below for the definitions per VA:**

**Type I Cash Out** – A refinance loan in which the loan amount (including VA funding fee) does not exceed the payoff amount of the loan being refinanced. A Type I Cash Out is often considered a Rate & Term however, per VA it is considered a Cash Out loan and therefore, there is not a separate Rate & Term section within this guide. Deferred mortgage payments or late payments under CARES Act may be included in the loan amount.

Type I must have the following characteristics:

- Loan being refinanced must be a VA loan
- Principal Balance cannot increase from current balance
- Rate reduced by .5% (2% for Fixed to Arm)
- Payment reduction
- Fee recoupment in 36 months or less
- Loan Seasoning is in effect (210 days and 6-month consecutive payments)

**Type II Cash Out** – A refinance loan in which the loan amount (including VA funding fee) exceeds the payoff amount of the loan being financed.

Type II must have the following characteristics:

- Must have one of the 8 NTB factors
- Loan being refinanced does not have to be a VA loan
- Interest rate requirements and fee recoupment are not required

The loan amount may include:

- Unpaid principal balance (including accrued interest and late fees, if applicable);
- Allowable fees and charges;
- Prepaid expenses;
- Cash back to the borrower;
- Deferred mortgage payments or late payment under CARES Act;
- Satisfaction of junior liens; and
- Properties in Texas; the borrower cannot receive any cash back from the transaction.

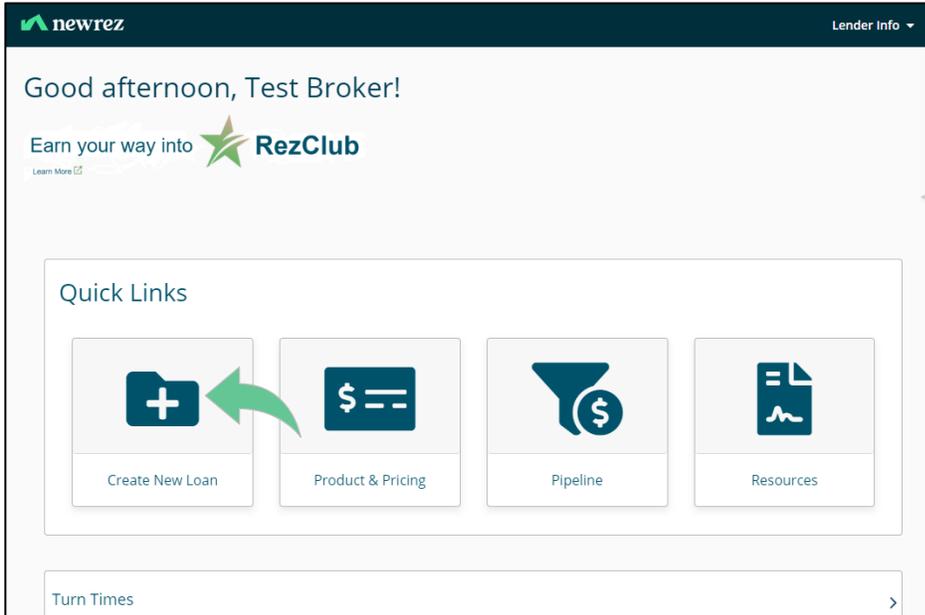


## VA Cash-Out Create New Loan in Blueprint Continued

Step	Action
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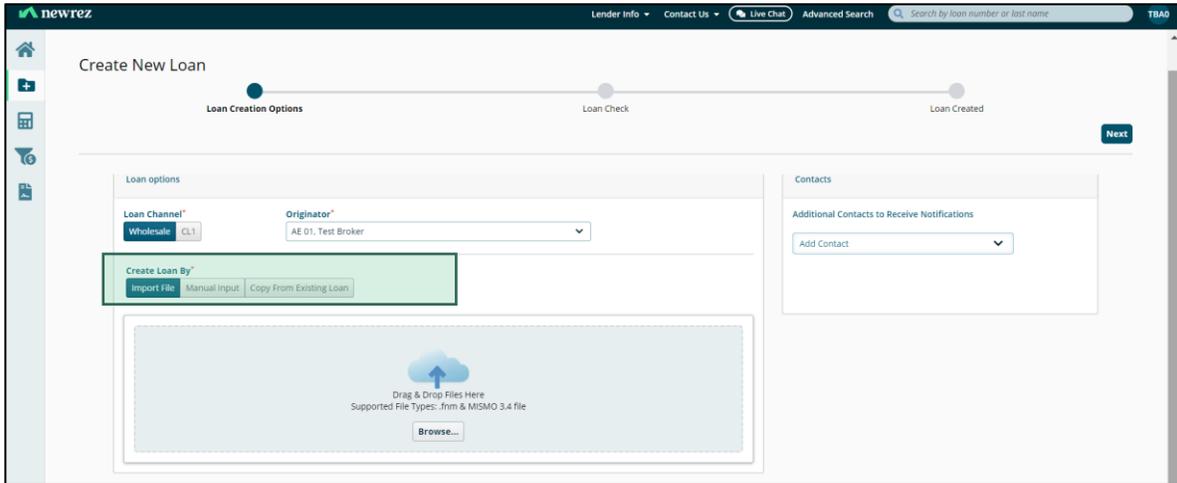
**1. Access**

From the Dashboard, select “Create new Loan.”



**2. Loan Creation Options**

There are 3 options for loan creation, Import File, Manual Input or Copy From Existing Loan.



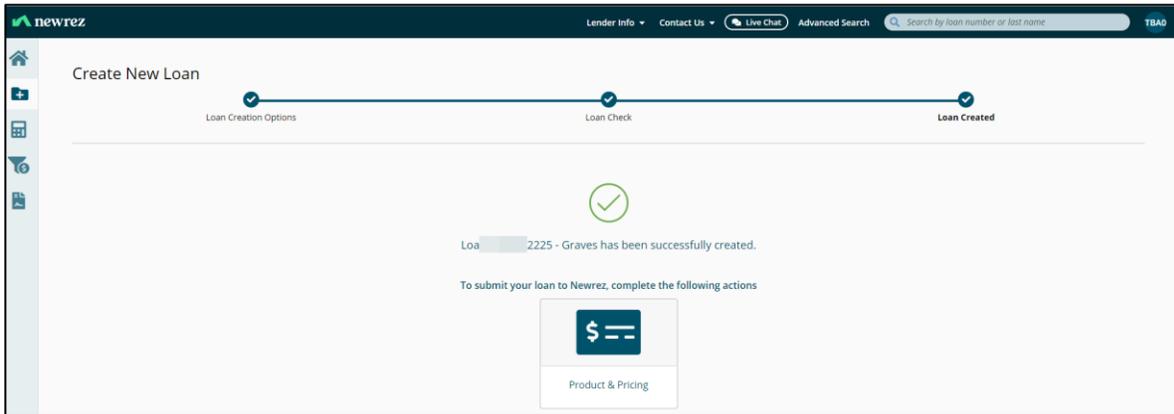
## VA Cash-Out Create New Loan in Blueprint Continued

Step

Action

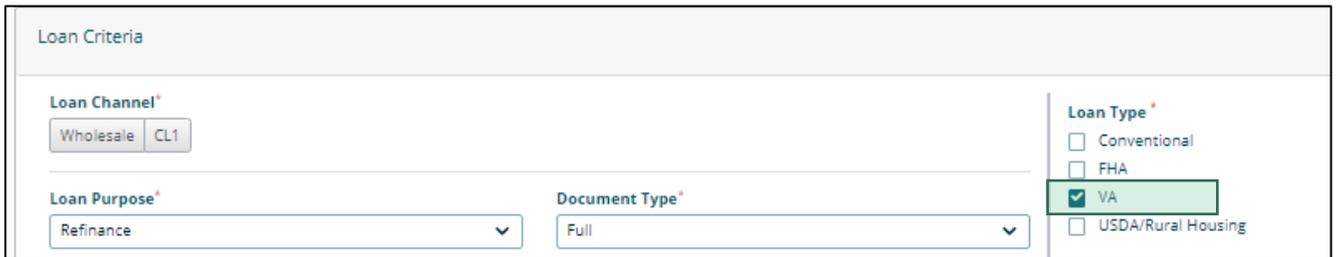
### 3. Product & Pricing

The next step is Product and Pricing. Follow the instruction in the [Product & Pricing](#) section of this guide.



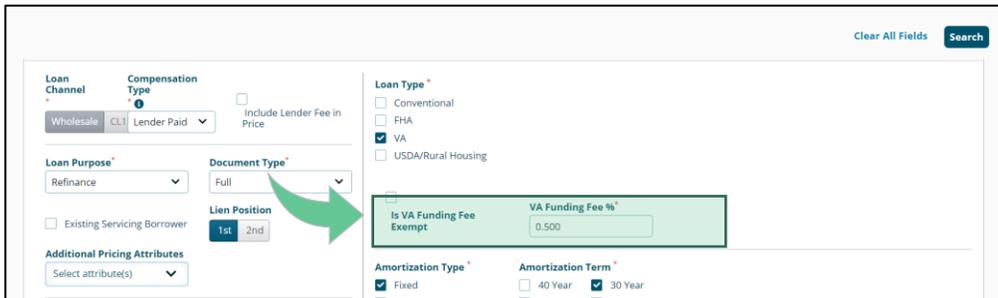
### 4. Loan Type

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



### 5. 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.



## VA Cash-Out Product & Pricing in Blueprint Continued

Step	Action
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### 6. Refinance Purpose Type

Use the drop-down menu to select the correct cash-out type. For this example, we will select “CO: Home Imp.”



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

### 7. 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.

### 8. 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.”



## VA Cash-Out Product & Pricing in Blueprint Continued

Step	Action
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### 9. Search

Once all red asterisk fields are complete, click on “Search.”



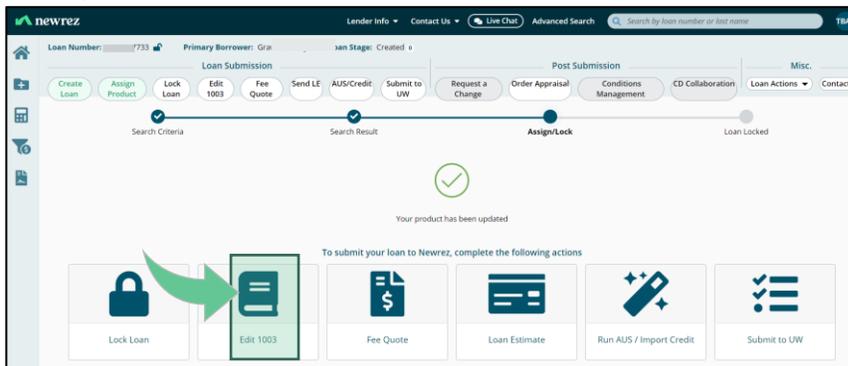
### 10. Pricing and Product Assignment

Eligible products will appear. Price and lock the loan. To see more rates for pricing, select the “More Rates-” button. Locking the loan will automatically assign the product.

30 Day Lock 10/16/2024	45 Day Lock 10/31/2024	60 Day Lock 11/15/2024	90 Day Lock 12/16/2024	Appraised Value		
Product	Final Rate	Credit/Cost	Monthly P&I	Monthly MI	Compare (0/5)	\$300,000
VF30 VA Fixed 30	6.99%	(0.452%) / \$992.69	\$1,459.68	\$0.00	<input type="checkbox"/>	Base Loan Amount \$215,000
<div style="display: flex; justify-content: space-between;"> <span>Ineligible Products</span> <span>&gt;</span> </div>						Zip Code 84101 DT%

### 11. Edit 1003

Once your loan is created, select “**Edit 1003**” to open the loan application in Blueprint.



## VA Cash-Out Product & Pricing in Blueprint Continued

### 12. Borrower Info > 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.

1003

Sonny Graves

**Borrower Info**

Sonny Graves

Personal Info

First Name: Sonny, Middle Name: Last Name: Gra..., Suffix:

Years of school: 16, Citizenship: US Citizen, Foreign National?: , SSN: XXX-XX-0021, DOB: 08/11/1972

Marital Status: Unmarried

Number of Dependents: 0, Dependent Ages (separated by commas):

### 13. Borrower Info > Current Address

Current Address

Year at Address: 12, Month at Address: 9, Address: 0035

Housing: Own

Unit Number Type: -- Select --, Unit Number:

Is mailing address same as current address? Yes No

Zip: 95130, City: SAN JOSE

State: California, County: SAN DIEGO



**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.**

Submission Note (Optional)

Please use textbox below to create a note for the Underwriter.

3000 characters remaining.

Add Note View Note History



## VA Cash-Out Product & Pricing in Blueprint Continued

### 14. Assets & Other Liabilities > Childcare Expense

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

Other Liabilities and Expenses

Liability of Expense Type	In the Name of	Months Left	Omit from Total Payment	Monthly Payment
<input type="button" value="Add Other Liabilities and Expenses"/>				

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
	irez	Other Liability	Son	--	220	\$1,250.00	\$173,450.00

Other Liabilities and Expenses

Liability of Expense Type	In the Name of	Months Left	Omit from Total Payment	Monthly Payment
<input type="button" value="Add Other Liabilities and Expenses"/>	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				



## VA Cash-Out Create New Loan in Blueprint Continued

Step	Action
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### 15. 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:** As a lender, we send a Challenge Coin to all Veterans that obtain loans through us even if it is not a VA loan.



### 16. Addendum > VA

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 Cash-Out Create New Loan in Blueprint Continued

Step	Action
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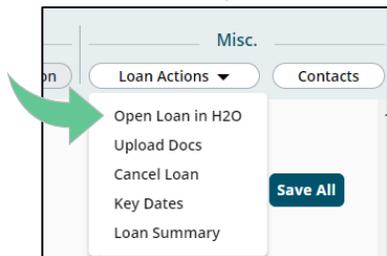
- 17. Addendum, Contined**
- A. Monthly maintenance/utilities: Credit Qualifying IRRRL Only:** Should be calculated by multiplying \$0.14 cents per square foot.
  - B. Entitlement Amount:** The Entitlement Amount should be derived from the Certificate of Eligibility (COE).
  - C. Federal Income Tax, 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 it, 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 'Sonny Graves' (likely a name). Below these are three more input fields for 'Federal Income Tax', 'State Income Tax', and 'Social Security'. Green callout boxes labeled A, B, and C point to the 'Monthly Maintenance/Utilities', 'Entitlement Amount', and the tax fields respectively.

- 18.**  *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.**”



## VA Cash-Out Create New Loan in H2O

This section of the guide will focus only on the specific VA Cash-Out requirement fields in H2O.



**Note: VA Cash-Out loans are not permitted in Texas**

Step	Action
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### 1. Loan Summary > Calculations > 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.

Income	\$40,262.30
Top (Total Prim Exp./Inc):	4.727 %
Bottom (Total Pymt./Inc):	5.142 %
LTV/CLTV:	81.840 81.840
Lowest Middle FICO:	
FICO at Approval:	
<a href="#">VA Calculator</a>	

### 2. Loan Summary > Calculations > Total Loan Amt

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

Calculations	
Appraised Value:	\$400,000
Sales Contract Price:	\$400,000
Down Payment:	\$0      Percent: 0.000 %
Base Loan Amount:	\$400,000
<a href="#">Total Loan Amt</a>	\$400,000

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

MIP/PMI Calculation	
<b>MI Features</b>	
MI Payment Type:	Borrower Paid
<b>VA Funding Fee</b>	
<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
<a href="#">Close</a>	



## VA Cash-Out Create New Loan in H2O Continued

### 3. Total Loan Amt > 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.

**b. Government Refinance Type**

Use the drop-down menu to select, **“Full Documentation.”**

**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:

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.

**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.

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

**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.**



## VA Cash-Out Create New Loan in Blueprint Continued

<b>3 Cont.</b>	
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**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 Cash-Out Create New Loan in H2O Continued

Step	Action
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### 4. 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: 1       Amt Existing Liens: 3  \$0      Improvements been made? 6

Original Cost: 2  \$0      Purpose: 4 C/O: Debt Consol       Improvement Costs: 7  \$0

Describe Improvements:       C/O Amount: 5  \$318,831.51

8

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Servicing Loan Number: 9       Original Term: 12

Previous Loan Number: 10       Remaining Term: 13

Original Loan Type: 11       Escrow Balance: 14

Conventional  
 FHA  
 HELOC  
 USDA/Rural Housing  
 VA

15 Original Loan or Modification First Payment Due Date:

16 Last Payment Date:

17 Next Due Date :

Note: Original loan is the current loan being refinanced

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



## VA Cash-Out Create New Loan in H2O Continued

Step	Action		
4. 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 Cash-Out Create New Loan in H2O Continued

Step	Action
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### 5. Emp, Inc & Housing > Military Income

To allocate Military income to the specific pay type, navigate to the Emp, Inc & Housing screen then click on the box to the left of **“Military Income.”** Once selected the Military Entitlements button will appear.

Click on **“Military Entitlements.”**

Enter the pay amount where applicable, then click **“OK.”**

Military Entitlements	
<b>Taxable Entitlements</b>	
Military Combat Pay:	<input type="text"/>
Military Flight Pay:	\$0.00
Military Hazard Pay:	\$0.00
Military Overseas Pay:	\$0.00
Military Prop Pay:	\$0.00
Taxable Subtotal:	\$0.00
<b>Non-Taxable Entitlements</b>	
Military Clothes Allowance:	\$0.00
Military Quarters Allowance:	\$0.00
Military Rations Allowance:	\$0.00
Military Variable Housing Allowance:	\$0.00
Non-taxable Subtotal:	\$0.00
<b>Total:</b>	<b>\$0.00</b>



## VA Cash-Out Create New Loan in H2O Continued

Step	Action
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### 6. Addendum - VA

#### VA Section

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

Field Number	Field Name	Value
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:	<input type="checkbox"/>
9	First Time Home Buyer?	<input checked="" type="radio"/> Yes <input type="radio"/> No
10	Entitlement Code	
11	Entitlement Amount	\$0.00
12	Is Approximate Annual Assessment Applicable?	<input type="radio"/> Yes <input checked="" type="radio"/> No
13	Is Total Unpaid Special Assessment Applicable?	<input type="radio"/> Yes <input checked="" type="radio"/> No
14	Is Annual Maintenance Assessment Applicable?	<input type="radio"/> Yes <input checked="" type="radio"/> No
15	Does this Loan have Energy Improvements?	<input type="radio"/> Yes <input checked="" type="radio"/> 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).

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



## VA Cash-Out Create New Loan in H2O Continued

Step	Action
<b>6. Addendum &gt; VA, Continued</b>	
<b>Cont. 11 Entitlement Amount</b>	The Entitlement Amount should be derived from the COE. If the loan is a refinance of a current VA loan, the COE should state such in the Conditions section and the entitlement amount should be \$36,000 unless the borrower has more than 1 VA loan outstanding. The entitlement may also qualify for bonus entitlement, i.e. those over \$647,200.
<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>	Number of borrowers, plus total members of the household, including spouse, if not on the loan. 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 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.



## VA Cash-Out Create New Loan in H2O Continued

Step	Action
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### 6. Addendum > VA, Continued

Cont.

23	<b>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.
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 applicaber per VA.

### 7. Addendum > VA > Land Acquired on Separate Transaction

#### 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"/> \$0.00

### 8. Addendum > VA > Certificate of Reasonable

#### Certificate of Reasonable

Select Yes or No, as applicable.

<b>COMPLETE WHERE AUTHORIZED BY CERTIFICATE OF REASONABLE</b>	<input type="radio"/> Yes <input type="radio"/> No
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.	



## VA Cash-Out Create New Loan in H2O Continued

Step	Action
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### 9. Addendum > VA > Monthly Income & Deductions

#### Monthly/Income & Deductions

The Monthly Income & Deduction fields are view only, except for Federal Tax, State Tax, Social Security and Other.



**Note: 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.

Alice Firstimer		
Monthly Income & Deductions	Borrower	Total
Gross Salary (Employment)	\$7,548.00	\$7,548.00
Federal Income Tax	\$0.00	\$0.00
State Income Tax	\$0.00	\$0.00
Social Security	\$0.00	\$0.00
Other	\$0.00	\$0.00
Total Deductions	\$0.00	\$0.00
Net Take Home Pay	\$7,548.00	\$7,548.00
Pensions, Compensation and Other Net Income	\$1,200.00	\$1,200.00
Total Net Income	\$8,748.00	\$8,748.00
Monthly Obligations		\$167.00
Total Net Effective Income		\$8,581.00
Less Estimated Monthly Shelter		\$1,918.09
Actual VA Residual Amount		\$6,662.91
VA Residual Income Guideline		\$990.00
Ratio		23.835



## VA Cash-Out Create New Loan in H2O Continued

Step	Action
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### 10. Addendum > VA Refinance Information

**VA Refinance Information**
VA Calculator

Prior Loan type:	<input type="text" value="Select..."/>	1		5	Original Loan-Loan Amount:	<input type="text" value="\$0.00"/>
Original Loan - VA Loan Number:	<input type="text"/>	2		6	Original Loan – Monthly Payment (P&I):	<input type="text" value="\$0.00"/>
Original Term:	<input type="text"/>	3		7	Original Loan-Borrowers:	<input type="text"/>
Original Loan - Interest Rate:	<input type="text"/>	4		8	Was the loan being refinanced modified?	<input type="text" value="No"/>

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

- |          |  |   |
|----------|--|---|
| <b>1</b> | <b>Prior Loan Type</b>                           | Use the drop-down menu to select the Prior Loan Type if not already populated from previous data entry.   |
| <b>2</b> | <b>Original Loan – VA Loan Number</b>            | This field will auto-populate from previous data entry. Please confirm accuracy.<br><br><div style="display: flex; align-items: center; margin-top: 10px;"> <span style="color: #FF9800; font-weight: bold;"><i>Note: If current loan is a VA loan, then the LIN should be entered.</i></span> </div>         |
| <b>3</b> | <b>Original Term</b>                             | This field will auto-populate from previous data entry. Please confirm accuracy.  |
| <b>4</b> | <b>Original Loan – Interest Rate</b>             | This field will auto-populate from previous data entry. Please confirm accuracy.  |
| <b>5</b> | <b>Original Loan – Loan Amount</b>               | This field will auto-populate from previous data entry. Please confirm accuracy.  |
| <b>6</b> | <b>Original Loan – Monthly Payment (P&amp;I)</b> | This field will auto-populate from previous data entry. Please confirm accuracy.  |
| <b>7</b> | <b>Original Loan Borrowers</b>                   | This field will auto-populate from previous data entry.<br><br><div style="display: flex; align-items: center; margin-top: 10px;"> <span style="color: #FF9800; font-weight: bold;"><i>Note: This is not a numeric field. All names of borrower(s) currently on the loan should be entered.</i></span> </div> |
| <b>8</b> | <b>Was the loan being refinanced modified?</b>   | Use the drop-down menu to select Yes or No.   |



## VA Cash-Out Create New Loan in H2O Continued

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

### 11. Addendum > VA Cash-Out Information

Some fields below may be completed due to carry over from previous data entry fields. Ensure all fields are accurate.

**VA Cash-Out Information**

Original Loan or Modification First Payment Due Date:  1

Have 6 Consecutive Payments Been Made Without a 30 Day Late?:  2

Due Date of Last Missed Payment (mm/dd/yyyy):  3

MI Amount on Original Loan:  4

Increase in Monthly Residual Income:  5

Refinancing Interim Construction Loan:  6

Previous Loan Has Balloon Payment?:  7

Original Loan - Outstanding Loan Amount:  8

Note: Original loan is the current loan being refinanced

**1 Original Loan or Modification First Payment Due Date**

This field will auto-populate from previous data entry. Please confirm accuracy.

**2 Have 6 Consecutive Payments Been made Without a 30 Day Late?**

Review documentation to confirm if at any point in time the borrower made 6 consecutive payments. The credit report below is an example of six consecutive payments being made.

Remarks	Payment History	Additional Dates	Max Diq Date	MAX DIQ MOP	Max Diq Amount	Last Diq Date	Last Diq
REAL ESTATE MORTGAGE; VA MORTGAGE	08-18 1112 111 111111	Last Activity Date 08-18; Last Payment Date 08-18	5-15	30 DAYS LATE-1	\$77	5-15	30 DAY

**3 Due Date of Last Missed Payment**

If the prior drop-down is marked yes, this field will open and allow a date to be entered.

**4 MI Amount on Original Loan**

If the current loan being refinanced as mortgage insurance, enter the monthly dollar amount.



*Note: Depending on the data entered, this field may represent a Net Tangible Benefit.*

**5 Increase in Monthly Residual Income**

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



*Note: Depending on the data entered, this field may represent a Net Tangible Benefit.*

**6 Refinancing Interim Construction Loan**

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



*Note: Depending on the data entered, this field may represent a Net Tangible Benefit.*



## VA Cash-Out Create New Loan in H2O Continued

Step		Action	
11. Cont.	7	<b>Previous Loan Has Balloon Payment?</b>	Use the drop-down menu to select “Yes” or “No.”   <b>Note: Depending on the data entered, this field may represent a Net Tangible Benefit.</b>
	8	<b>Original Loan – Outstanding Loan Amount</b>	If a payoff is available, enter the payoff amount here.

### 12. 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:

Select...  
 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:

Select...  
 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

### 13. FHA/VA Addendum > 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.**



## VA Cash-Out Create New Loan in H2O Continued

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

### 14. FHA/VA Addendum > 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

### 15. FHA/VA Addendum > 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.

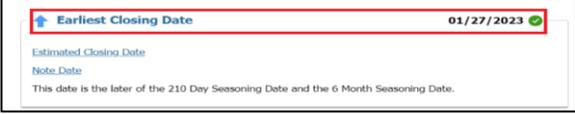
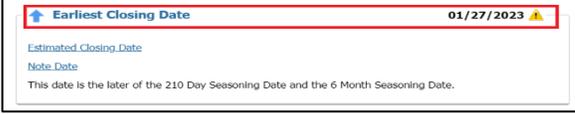
## Accessing the VA Calculator

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
<div data-bbox="164 369 738 898"> <p><b>VA Calculator</b></p> <p>Seasoning</p> <p>↓ 210 Day Seasoning Date <span style="float: right;">06/10/2022</span></p> <p>↓ 6 Month Seasoning Date <span style="float: right;">08/01/2022</span></p> <p>↓ Earliest Closing Date <span style="float: right;">08/01/2022 ✓</span></p> <p>Max Loan Amount</p> <p>↓ Maximum Loan Amount <span style="float: right;">\$200,000.00</span></p> <p style="text-align: right;"><a href="#">Close</a></p> </div>	<div data-bbox="878 369 1453 1062"> <p><b>VA Calculator</b></p> <p>Seasoning</p> <p>↑ 210 Day Seasoning Date <span style="float: right;">06/10/2022</span></p> <p><a href="#">Original Loan or Modification First Payment Due Date</a> <span style="float: right;">11/11/2021</span>  <small>This date is 211 days from the Original First Payment Due Date, which includes an additional calendar day per Company policy.</small></p> <p>↑ 6 Month Seasoning Date <span style="float: right;">08/01/2022</span></p> <p><a href="#">Have 6 Consecutive Payments Been Made Without a 30 Day Late?</a> <span style="float: right;">No</span>  <a href="#">Due Date of Last Missed Payment</a> <span style="float: right;">02/01/2022</span>  <small>The date on which the 6th consecutive monthly payment was or is to be made.</small></p> <p>↑ Earliest Closing Date <span style="float: right;">08/01/2022 ✓</span></p> <p><a href="#">Estimated Closing Date</a> <span style="float: right;">10/20/2022</span>  <a href="#">Note Date</a>  <small>This date is the later of the 210 Day Seasoning Date and the 6 Month Seasoning Date.</small></p> <p>Max Loan Amount</p> <p>↑ Maximum Loan Amount <span style="float: right;">\$200,000.00 ⚠</span></p> <p><a href="#">Appraised Value &amp; Energy Improvements (Cash-Out)</a> <span style="float: right;">\$200,000.00</span>  <a href="#">Total Loan Amount</a> <span style="float: right;">\$250,000</span></p> <p style="text-align: right;"><a href="#">Close</a></p> </div>



**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.**



## Appendix B – VA Calculator Continued

### VA Calculator: Type I Cash Outs

Type I Cash Outs Condensed View	Type I Cash Outs Expanded View
<div data-bbox="162 342 738 640"> <p><b>VA Calculator</b></p> <p>Seasoning</p> <p>210 Day Seasoning Date <b>06/10/2022</b></p> <p>6 Month Seasoning Date <b>08/01/2022</b></p> <p>Earliest Closing Date <b>08/01/2022</b> ✓</p> </div> <div data-bbox="162 856 738 955"> <p><b>NTB - Net Tangible Benefit</b></p> <p>Required Rate Reduction For NTB <b>0.490%</b> ⚠</p> </div> <div data-bbox="162 1108 738 1407"> <p><b>Recoupment</b></p> <p>Statutory Recoupment Cost <b>\$8,057.99</b></p> <p>Statutory Recoupment Period (Months) <b>24.66</b></p> <p>Required Cost Reduction for Statutory Recoupment <b>\$0.00</b> ✓</p> <p><a href="#">Request CR</a> <a href="#">Close</a></p> </div>	<div data-bbox="876 342 1453 850"> <p><b>VA Calculator</b></p> <p>Seasoning</p> <p>210 Day Seasoning Date <b>06/10/2022</b></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 <b>08/01/2022</b></p> <p><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> <p>Earliest Closing Date <b>08/01/2022</b> ✓</p> <p><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> <div data-bbox="876 856 1453 1102"> <p><b>NTB - Net Tangible Benefit</b></p> <p>Required Rate Reduction For NTB <b>0.490%</b> ⚠</p> <p><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> <div data-bbox="876 1108 1453 1375"> <p><b>Recoupment</b></p> <p>Statutory Recoupment Cost <b>\$8,057.99</b></p> <p><a href="#">LE/CD Total Closing Costs (D+I)</a> \$18,782.36 <a href="#">LE/CD Total Prepays (F)</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 (S)</a> \$9,000.00 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="876 1381 1453 1522"> <p>Statutory Recoupment Period (Months) <b>24.66</b></p> <p><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="876 1528 1453 1713"> <p>Required Cost Reduction for Statutory Recoupment <b>\$0.00</b> ✓</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><a href="#">Request CR</a> <a href="#">Close</a></p> </div>



**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="164 401 740 688"> <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> </div> <div data-bbox="164 913 740 1026"> <p><b>NTB - Net Tangible Benefit</b></p> <p>↓ Required Rate Reduction For NTB 0.490% ⚠</p> </div>	<div data-bbox="878 401 1455 900"> <p><b>VA Calculator</b></p> <p>Seasoning</p> <p>↑ 210 Day Seasoning Date 06/10/2022</p> <p><u>Original Loan or Modification First Payment Due Date</u> 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><u>Have 6 Consecutive Payments Been Made Without a 30 Day Late?</u> No</p> <p><u>Due Date of Last Missed Payment</u> 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><u>Estimated Closing Date</u> 10/20/2022</p> <p><u>Note Date</u></p> <p>This date is the later of the 210 Day Seasoning Date and the 6 Month Seasoning Date.</p> </div> <div data-bbox="878 913 1455 1150"> <p><b>NTB - Net Tangible Benefit</b></p> <p>↑ Required Rate Reduction For NTB 0.490% ⚠</p> <p><u>Prior Loan Type</u> VA Fixed</p> <p><u>Amort Type</u> Fixed</p> <p><u>Original Loan Interest Rate %</u> 5.000</p> <p><u>Interest Rate %</u> 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> </div>
<div data-bbox="164 1167 740 1411"> <p><b>Recoupment</b></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> </div>	<div data-bbox="878 1167 1455 1455"> <p><b>Recoupment</b></p> <p>↑ Statutory Recoupment Cost \$8,057.99</p> <p><u>LE/CD Total Closing Costs (D+I)</u> \$11,032.36</p> <p><u>LE/CD Total Prepaids (E)</u> \$1,724.37</p> <p><u>LE/CD Initial Escrow Payment at Closing (G)</u> \$0.00</p> <p><u>LE/CD HOA Fees (H)</u> \$0.00</p> <p><u>LE/CD Lender Credits</u> \$0.00</p> <p><u>VA Funding Fee (\$)</u> \$1,250.00</p> <p>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="878 1465 1455 1591"> <p>↑ Statutory Recoupment Period (Months) 24.66</p> <p><u>New Loan P&amp;I (Loan Summary)</u> \$1,347.23</p> <p><u>Original Loan Monthly P&amp;I (Addendum)</u> \$1,674.00</p> <p>This is the Statutory Recoupment Cost divided by the Monthly Payment Decrease.</p> </div> <div data-bbox="878 1602 1455 1734"> <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> </div>



## Appendix B – VA Calculator Continued

### VA Calculator: IRRRL Streamline, Continued

Max Loan Amount

↓ Maximum Loan Amount \$308,301.20 ⚠

Request CR Close

Max Loan Amount

↑ Maximum Loan Amount \$308,301.20 ⚠

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

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, Cont.

#### 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 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

- 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 <=/ the maximum loan amount shown in the VA Calculator. At origination since not all documentation is available, Operations will make the applicable updates.



## Resolving Maximum Loan Amount DV Messages Continued

### 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)

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.

## 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.**

## Appendix C - Data Validations for VA Loans Continued

### 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.

### 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_RTLC
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-Consummation 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 Refinance Product Summary  
 Government Guidelines > Government Underwriting Guidelines > VA Underwriting Guidelines  
 Resources > Product Specific > VA

