



Essex VA Interest Rate Reduction Refinance

Transaction	Total Loan Amount	Minimum Loan Score
IRRRL (100%*)Conforming Balance 3030VIR, 3015VIR	<=\$424,100*	600
	Owner Occupied Only	
	1 Unit	
IRRRL Conforming Balance 3030VIR, 3015VIR	<=\$424,100 *	620
	Owner & Non-owner occupied**	
	1-4 units	
IRRRL High balance 3030VIRHB, 3015VIRHB	>\$424,101 to \$700,000**	640
	Owner Occupied only	
	1 unit only	

*Maximum loan amount and 100% LTV Includes financed VA Funding Fee (note: The county loan limits do not apply to IRRRL's) VA Funding fee is .50% on IRRRL's.

**Will consider higher loan amounts on an exception basis only, subject to exception pricing

***AVM required for all IRRRL's & to be obtained by underwriting. If AVM does not support, appraisal product required- see below.**

*Appraisal products, if required, must be ordered via appraisals@essexmortgage.com and must be AIR compliant..

Any noted repairs that impact the safety, livability or habitability must be completed prior to closing.

SFR or PUD requires-at minimum- conventional, 2055 exterior (drive-by) appraisal.

Condo requires –at minimum-conventional 1075 exterior (drive-by) appraisal. VA condo approval is not required.

2-4 Units require full conventional 1025 appraisal on or GP 2055 exterior appraisal.

**For non-owner (investment properties) , an estimate of comparable rent is required regardless of whether or not the income is considered.

DO NOT ORDER A VA APPRAISAL FOR AN IRRRL

VA case numbers may be ordered via webLGY without ordering an appraisal. VA issuance of a case number is evidence the veteran is eligible for an IRRRL. Certificate of eligibility is not required. The case number confirmation will show if the veteran is exempt from paying the funding fee.

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

The IRRRL is refinancing an ARM or

The term of the IRRRL is shorter than the term of the loan being refinanced

The payment may not increase more than 20% due to these exceptions or a fully qualifying refinance will be required. Removal of a non-veteran spouse will require a fully qualifying refinance.

Tangible benefit to borrower will be required. Minimum .25% interest rate reduction.

Loan being refinanced must have had at least 6 payments made within the month due.

The maximum term is the original term of the loan being refinanced plus 10 years, but not to exceed 30 years and 32 days (ex: if the old loan was 15 years, the maximum new loan is 25 years)

***Borrower must be able to recoup refinance costs in 36 months or less**

MAXIMUM LOAN AMOUNT:

The lesser of 100% of the appraised value (if applicable) or

Principal balance & interest due
Allowable closing costs & prepaids
VA funding fee
Maximum 2% discount points
Maximum cash to veteran at closing is \$500

Allowable closing costs:

1% Origination fee (based on the existing VA loan balance)
Appraisal (and compliance inspection if applicable)
Credit report (actual fee)
Recording fees
Prepaid items (taxes, assessments, interest)
Hazard insurance
Title examination or title insurance
Up to 2 discount points (any discount charged over 2% must be paid in cash by Veteran)
***Delinquent property taxes may not be financed or paid from premium pricing- must be paid in cash by Veteran**

CREDIT REQUIREMENTS:

Full 3 merged credit reports for all borrowers (less than 60 days at underwriting, 90 days at closing)
Must be current and have no 30 day late mortgage payments within 6 months

Clear CAIVRS is required, LDP/GSA clearance required.

If property is an investment property, Veteran must confirm property was previously his/her primary residence.

No income or asset documentation, ratio calculation or qualifying unless borrower's payment is increasing 20% or more.