



**VA IRRRL
Non-Credit Qualifying - With FICO
Standard and High Balance**

Standard and High Balance Fixed Rate and ARM LTV Matrix						
Occupancy	Purpose	Maximum Loan Amount	Units	Maximum LTV/(H)CLTV ¹	Minimum FICO	Maximum DTI
Primary Residence, Investment	Non-Credit Qualifying IRRRL	\$1,000,000	1-4	100%	620	N/A
		\$499,999	1-4	120%	600	N/A

LTV Matrix Footnotes

1. The loan's LTV & CLTV must be based on the valuation methods described in the Appraisal Requirements section of this guide. If discount points are used, appraisal requirements listed in Net Tangible Benefit Requirements section below, apply. LTV & CLTV cannot be based on the Borrower's own estimate of the property.

Product Details

Appraisal Requirements	<ul style="list-style-type: none"> If Loan Amount < \$500K, an AVM is required to support value. If the loan amount exceeds 110% of the AVM, the Appraisal Requirement grid below applies. If Loan amount ≥ \$500K, the Appraisal Requirement grid below applies. <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr style="background-color: #d3d3d3;"> <th style="width: 15%;">Units</th> <th style="width: 85%;">Appraisal Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">conventional 2055 exterior appraisal</td> </tr> <tr> <td style="text-align: center;">2-4</td> <td style="text-align: center;">1025 appraisal</td> </tr> </tbody> </table>						Units	Appraisal Requirement	1	conventional 2055 exterior appraisal	2-4	1025 appraisal
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ARM Parameters	Index	The weekly average yield on the 1-Year Constant Maturity Treasury Index										
	Margin	2.00%										
	Caps	3/1: 1/1/5 5/1: 1/1/5										
ARM Parameters	Interest Rate Adjustment	The interest rate is fixed for the initial period and adjusts on an annual basis thereafter using the Index value effective 30 calendar days before the rate adjustment date. The Interest Rate at time of adjustment is calculated as the aforementioned Index value plus the Margin and is rounded to the nearest 1/8th of one percentage point.										
Assets	N/A											
Assumptions	N/A											
Borrower Eligibility	<p>Eligible:</p> <ul style="list-style-type: none"> Generally, the parties obligated on the original VA loan must be the same parties on the new loan and the veteran must still own the property. The veteran or the spouse of an active service member must certify that he or she previously occupied the property as his or her home. ITIN's (Individual Tax Payer Identification Numbers) are not allowed Maximum of four borrowers allowed per loan Only eligible borrowers who sign the Note may take title to the property at closing. The only exception is the veteran's legal spouse. The borrower must permanently reside in the United States. Adequate documentation must be provided to substantiate such residency in the U.S. Adding or removing borrowers on the loan is allowed as acceptable to VA. Underwriter discretion for the new transaction should be used when removing a borrower to ensure the remaining borrower has been able to handle the payments successfully. 											



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	<ul style="list-style-type: none"> If a borrower is being removed (when allowed by VA, usually due to death or divorce, see section below), the underwriter must certify that the lower payment and interest rate, and the minimum 25 percent guaranty compensate for no re-underwriting on the new loan. VA indicates that generally, the parties obligated on the original loan must be the same on the new loan (and the veteran must still own the property). VA can advise via the local RLC regarding a proposed IRRRL involving a change in obligors unless the acceptability of the IRRRL is clear. The following scenarios addressed by VA: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Parties Obligated on Old VA Loan</th> <th style="background-color: #0056b3; color: white;">Parties to be Obligated on new IRRRL</th> <th style="background-color: #0056b3; color: white;">Is IRRRL Possible?</th> </tr> </thead> <tbody> <tr> <td>Unmarried veteran</td> <td>Veteran and new spouse</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Divorced veteran alone</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Veteran and different spouse</td> <td>Yes</td> </tr> <tr> <td>Veteran alone</td> <td>Different veteran who has substituted entitlement</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Spouse alone (veteran died)</td> <td>Yes</td> </tr> <tr> <td>Veteran and nonveteran joint loan obligors</td> <td>Veteran alone</td> <td>Yes</td> </tr> <tr> <td>Veteran and spouse</td> <td>Divorced spouse alone</td> <td>No</td> </tr> <tr> <td>Unmarried veteran</td> <td>Spouse alone (veteran died)</td> <td>No</td> </tr> <tr> <td>Veteran and spouse</td> <td>Different spouse alone (veteran died)</td> <td>No</td> </tr> <tr> <td>Veteran and nonveteran joint loan obligors</td> <td>Nonveteran alone</td> <td>No</td> </tr> </tbody> </table> <p>Ineligible:</p> <ul style="list-style-type: none"> Co-signers are not allowed, anyone who signs the Note must be on all documents and take title on the loan Non-occupying co-borrowers / co-signers are not allowed. Fractional title is not allowed, owners must have equal ownership Life estates are not eligible for financing. A life estate is an estate whose duration is limited to the life of the party holding it, or some other person, upon whose death the right reverts to the grantor or his heirs Registered Domestic Partners are not recognized by VA. 	Parties Obligated on Old VA Loan	Parties to be Obligated on new IRRRL	Is IRRRL Possible?	Unmarried veteran	Veteran and new spouse	Yes	Veteran and spouse	Divorced veteran alone	Yes	Veteran and spouse	Veteran and different spouse	Yes	Veteran alone	Different veteran who has substituted entitlement	Yes	Veteran and spouse	Spouse alone (veteran died)	Yes	Veteran and nonveteran joint loan obligors	Veteran alone	Yes	Veteran and spouse	Divorced spouse alone	No	Unmarried veteran	Spouse alone (veteran died)	No	Veteran and spouse	Different spouse alone (veteran died)	No	Veteran and nonveteran joint loan obligors	Nonveteran alone	No
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Cash Back	<ul style="list-style-type: none"> No cash back to the borrower is permitted. Minor adjustments at closing not to exceed \$500.00 cash back is eligible. 																																	
Credit Requirements	<ul style="list-style-type: none"> Tri Merged Credit Report, see minimum credit score requirements in the LTV Matrix Borrowers currently in a forbearance plan, or pending acceptance of a forbearance plan, are ineligible for a new transaction. This would include any refinance of the loan in forbearance, regardless of payment history, any refinance of other loans not in forbearance, and new purchase transactions. Borrowers will need to resolve the current or pending forbearance prior to completing a new transaction. This guidance is applicable to any borrower in any type of forbearance plan on a residential mortgage, regardless if the borrower has been making their payment during the forbearance. Any loan that enters forbearance or for which forbearance has been requested after closing but prior to delivery to Arc Home, is not eligible for purchase by Arc Home. 																																	
Escrow Holdbacks	<ul style="list-style-type: none"> In Wholesale, approval is required for all repair escrows and eligibility is subject to Arc Home discretion. In Correspondent, escrow holdbacks must be closed prior to purchase. 																																	
Escrow Waivers	Taxes and Homeowners Insurance must be escrowed.																																	
Funding Fee	.50%																																	



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Geographic Restrictions	In Missouri, Arc Home may only fund fully delegated loans.			
HPML/HPCT	<ul style="list-style-type: none"> • HPML loans are eligible. • Loan must meet Safe Harbor QM requirements as noted within VA circular 26-16-03 (see VA circular 26-16-03 for full details) 			
Interest Rate Adjustment for 3/1 ARMs	Mortgage backed security issued on the first day of:	Shall have an initial interest adjustment at least 36 months, but no more than 42 months, after the first payment date on:	Shall have annual interest adjustments thereafter on:	Shall always have payment adjustments one month later than the interest adjustments, on:
	Dec, Jan., Feb.	April 1	April 1	May 1
	March April, May,	July 1	July 1	August 1
	June July, Aug.	October 1	October 1	November 1
	Sept, Oct., Nov.	January 1	January 1	February 1
Interest Rate Adjustment for 5/1 ARMs	Mortgage backed security issued on the first day of:	Shall have an initial interest adjustment at least 60 months, but no more than 66 months, after the first payment date on:	Shall have annual interest adjustments thereafter on:	Shall always have payment adjustments one month later than the interest adjustments, on:
	Dec, Jan., Feb.	April 1	April 1	May 1
	March April, May,	July 1	July 1	August 1
	June July, Aug.	October 1	October 1	November 1
	Sept, Oct., Nov.	January 1	January 1	February 1
Income	No income documentation required as long as the Dodd-Frank Act conditions are met. Refer to VA Circular 26-16-03 Exhibit A.			
Maximum Loan Amount	<ul style="list-style-type: none"> • Minimum loan amount: \$50,000 • For Standard VA loan amounts, the base loan amount cannot exceed the FHFA baseline conforming limit, not to exceed a loan amount of \$1,000,000. • For VA High Balance loan amounts, the minimum base loan amount exceeds the FHFA conforming limit up to a maximum of \$1,000,000 loan amount if the borrower meets entitlement requirements. 			
Mortgage History	<ul style="list-style-type: none"> • The loan being refinanced must be current and meet any pay history requirements in the LTV/FICO/Payment History Requirements section above. • Borrowers currently in a forbearance plan, or pending acceptance of a forbearance plan, are ineligible for a new transaction. This would include any refinance of the loan in forbearance, regardless of payment history, any refinance of other loans not in forbearance, and new purchase transactions. Borrowers will need to resolve the current or pending forbearance prior to completing a new transaction. This guidance is applicable to any borrower in any type of forbearance plan on a residential mortgage, regardless if the borrower has been making their payment during the forbearance. Any loan that enters forbearance or for which forbearance has been requested after closing but prior to delivery to Arc Home, is not eligible for purchase by Arc Home. 			
Net Tangible Benefit Requirements	<p>A Net Tangible Benefit to the Veteran must be realized that, at minimum, satisfies the following:</p> <ul style="list-style-type: none"> • For refinance of a fixed rate loan to a new fixed rate loan, the new loan must have an interest rate that is at least 50 basis points (.50 in interest rate) less than the previous loan • For refinance of a fixed rate loan to an adjustable-rate loan, the new loan must have an interest rate that is at least 200 basis points (2.00 less in interest rate) less than the previous loan • For Fixed to ARM refinances, discount points may be added to the principal loan amount of the refinancing loan only if one of the following circumstances exist: 			

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	<ul style="list-style-type: none"> ○ The lower interest rate is not produced solely from discount points. In other words, the interest rate environment is such that some portion of the lower interest rate on the refinancing loan is the result of favorable changes in the market as compared to the Veteran’s current rate. ○ The lower interest rate is produced solely from discount points (i.e., the interest rate environment is such that a lower interest rate cannot be achieved without charging discount points); discount points equal to or less than one discount point are added to the loan amount, and; the resulting loan balance after any fees and expenses maintains a loan-to-value (LTV) ratio of 100 percent or less. ○ The lower interest rate is produced solely from discount points (i.e., the interest rate environment is such that a lower interest rate cannot be achieved without charging discount points); more than one discount point is added to the loan amount, and; the resulting loan balance after any fees and expenses maintains an LTV ratio of 90 percent or less. As a reminder, while the Veteran may pay any reasonable amount of discount points in cash, no more than two discount points can be included in the loan amount of an IRRRL. <p>The LTV requirements noted above must be verified by one of the following (depending on property type):</p> <ol style="list-style-type: none"> 1. Exterior-Only Inspection Residential Appraisal Report (Fannie Mae 2055) 2. Uniform Residential Appraisal Report (Fannie Mae 1004) 3. Exterior-only Inspection Individual Condominium Appraisal Report (Fannie Mae 1075) 4. Individual Condominium Unit Appraisal Report (Fannie 1073) 5. Other industry accepted appraisal reports for manufactured homes and multi-unit homes <ul style="list-style-type: none"> ● The cost of the appraisal must be included in the cost to recoup.
Occupancy	Primary Residence Investment per VA guidelines
Prepayment Penalty	Not allowed
Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> ● Single Family Residence ● 1-4 Units ● PUDs ● Condos ● Manufactured Homes <p>Ineligible Property Types</p> <ul style="list-style-type: none"> ● Co-Op’s ● Condo Hotels ● Timeshares ● Properties that have a Property Assessed Clean Energy (PACE) loan are not eligible (such as the Home Energy Renovation Opportunity (HERO) Program) unless the lien will subordinate (via a subordination agreement where the lien is no longer part of the property taxes that can take first lien priority) and meets all Agency requirements ● Community Land Trust
Qualifying Rate	Qualify at Note Rate
Ratios	N/A
Recoup Requirements	<ul style="list-style-type: none"> ● For an IRRRL that results in a lower monthly principal and interest (PI) payment, the recoupment period of fees, closing costs, and expenses (other than taxes, amounts held in escrow, and fees paid under chapter 37 (e.g., VA funding fee collected under 38 U.S.C. § 3729)), incurred by the Veteran, does not exceed 36 months from the date of the loan closing.



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	For an IRRRL that results in the same or higher monthly PI payment, the Veteran has incurred no fees, closing costs, or expenses (other than taxes, amounts held in escrow, and fees paid under chapter 37 (e.g., VA funding fee collected under 38 U.S.C. § 3729)).	
Reserves	N/A	
Temporary Buydowns	Not allowed	
Transaction Types	IRRRL Non-Credit Qualifying transactions only For ALL loan amount and FICO combinations, the following seasoning requirements apply: The Note Date of the new loan must be: <ol style="list-style-type: none"> 1. 210 days after the First Payment Due Date of the Note being refinanced AND <ol style="list-style-type: none"> 2. Six consecutive payments must have been made on the loan being refinanced. 	
Underwriting	<ul style="list-style-type: none"> • Manually Underwritten • Loans should not be submitted to an AUS • Unless noted otherwise in this matrix, <i>VA Pamphlet 26-7, Revised Chapter 6: Refinancing Loans</i> applies 	
Product Description and Terms	Product Name	Amortization Terms
	15 Year Fixed Rate VA	10-15 Years, increments of 12 months
	30 Year Fixed Rate VA	16-30 Years, increments of 12 months
	15 Year Fixed Rate VA High Balance	10-15 Years, increments of 12 months
	30 Year Fixed Rate VA High Balance	16-30 Years, increments of 12 months
	3/1 Treasury ARM VA	30 Years
	5/1 Treasury ARM VA	30 Years
	3/1 Treasury ARM VA High Balance	30 Years
5/1 Treasury ARM VA High Balance	30 Years	
Reference Material	VA Handbook: http://benefits.va.gov/warms/pam26_7.asp	
Internet Links	www.archomellc.com	