



VA IRRRL Cost Recoupment and Lender Certification Worksheet

File Name: _____

Loan Number: _____

MONTHS TO RECOUP

This portion of the Worksheet must be completed for all VA IRRRLs where there is a decrease evidenced in the monthly P&I for the new Fairway loan. The following calculates the total number of months to recoup all fees and charges financed as part of the loan or paid at closing.

A. \$ _____ Monthly decrease in Principal & Interest payment.
(Existing P&I minus Proposed Loan P&I)

B. \$ _____ Total of all fees and charges financed as part of the loan or paid at closing.

- This includes:
 - All origination charges, and
 - Fees for services the Borrower did shop for and did not shop for, and
 - Other fees which include tax fees and other government fees such as recording fees and city/county tax/stamps and any other miscellaneous fees.
- Then subtract any lender credits, if applicable, and enter total on line B.
- Do not include any pre-pays or initial escrow payments in this calculation.

C. = _____ Number of months to recoup total cost.
(Line B divided by Line A)

NOTE: If the resulting calculation on line C exceeds 36 months, the VA IRRRL loan must be a fully credit qualified loan in order to meet QM Safe Harbor requirements.

LENDER CERTIFICATION

If the monthly P&I increases for the VA IRRRL as a result of a reduction in the loan term or the Borrower's current loan is an ARM and will be converted to a fixed rate mortgage with Fairway's loan, the Months To Recoup calculation above is not required and the VA IRRRL must be a fully credit qualified loan only if the proposed PITI is 20% or more higher than the Borrower's current loan's PITI.

If the Borrower's monthly payment (PITI) increases by 20% or more, Fairway hereby certifies that the Veteran Borrower(s) _____ qualify for the new monthly payment (PITI) \$ _____ which exceeds the Veteran Borrower's previous monthly payment (PITI) of \$ _____ by more 20% or more.

Signed by: _____ Date: _____
Fairway Underwriter's Signature