

# VA IRRRL Net Tangible Benefit, Loan Seasoning, and Fee Recoupment Requirements Job Aid

All VA IRRRL loans that do not meet the requirements outlined in this job aid, as required per VA's guideline clarifications in [Circular 26-19-22](#) with [Exhibit A](#), [Exhibit B](#), and [Exhibit C](#) for net tangible benefit, loan seasoning, and fee recoupment requirements will be ineligible for guaranty by VA.

These requirements are the result of the President of the United States signing into law the [Economic Growth, Regulatory Relief, and Consumer Protect Act](#) for Veterans.

Note: Credit Policy is currently developing a new VA IRRRL worksheet which will encompass all current and new net tangible benefit, fee recoupment, and loan seasoning requirements in one easy to use document. Future announcements via the Credit Policy newsletter will provide updates to all current worksheets evidenced within this job aid.

## Net Tangible Benefit Requirements

Complete the [VA IRRRL Net Tangible Benefit Test Worksheet](#) to ensure the new VA IRRRL loan meets all NTB requirements.

- All Borrower(s) must execute the VA IRRRL Net Tangible Benefit Test Worksheet.
- Ensure all LTV and Appraisal requirements outlined below are met when the Fixed Rate to ARM IRRRL's new lower interest rate is produced from discount points.

## Fee Recoupment Requirements

All fees and incurred costs must be recouped within 36 months from the note date of the new IRRRL.

- When the IRRRL P&I results in a same or higher monthly P&I payment the Veteran cannot incur any fees, closing costs, or expenses.
- The [VA IRRRL Cost Recoupment & Lender Certification Worksheet](#) may also be used as a reference.
- Refer to the Fee Recoupment section of the [VA IRRRL AUS, Underwriting](#) topic for VA's full clarification of fee recoupment requirements.

## Loan Seasoning Requirements

The note date of the new VA IRRRL must be on or after 210 days after the date the first payment due date on the current loan being refinanced and 6 full monthly payments have been made on the current loan being refinanced.

- Refer to the [Fairway VA Refinance Seasoning Requirements Job Aid](#) for additional guidance.
- Use [Date Calculator](#) to assist in determining when 210 days has satisfactorily passed.

## Fixed Rate to ARM LTV & Appraisal Requirements For IRRRLs with Discount Points

When the Fixed Rate to ARM IRRRL's lower interest rate is solely produced from discount points to meet VA's Net Tangible Benefit requirements the following requirements must be met:

- For discount points that are **less than or equal** to 1 discount point the allowable maximum loan amount, is **100% LTV or less** as determined by an acceptable appraisal report, **or**
- For discount points that are **greater than** 1 discount point the allowable maximum loan amount, is **90% LTV or less** as determined by an acceptable appraisal report.
  - Acceptable appraisal reports, which are not ordered through WebLGY but instead through FLS are:
    - Exterior-Only Inspection Residential Appraisal Report (Fannie Mae 2055)
    - Uniform Residential Appraisal Report (Fannie Mae 1004)
    - Exterior-Only Inspection Individual Condominium Unit Appraisal Report (Fannie Mae 1075)
    - Individual Condominium Unit Appraisal Report (Fannie Mae 1073)
    - Other Industry accepted appraisal reports for manufactured homes and multi-unit homes
- Note: If Fairway requires the Veteran to pay for the cost of the appraisal, the cost must be included in the recoupment cost calculation.