

TOWNE FAMILY OF COMPANIES RETAIL/WHOLESALE VA IRRL PROGRAM

Features: An IRRL is a VA-guaranteed loan made to refinance an existing VA guaranteed loan, generally at a lower interest rate than the existing loan, and with lower principal and interest payments than the current VA loan.

Requirements:	<ul style="list-style-type: none"> • Loan must be currently guaranteed by VA • Loan must be current (no more than 30 days past due as of date of application) • New loan must meet VA Net Tangible Benefit requirements (see below)
Credit Requirements:	<ul style="list-style-type: none"> • Credit score - **See attached overlays • No late payments on mortgage within the past 12 months • No income qualifying
Maximum LTV:	<ul style="list-style-type: none"> • SEE ATTACHED OVERLAYS
Mortgage Calculation	<p>Unpaid Balance</p> <ul style="list-style-type: none"> + Allowable Closing Costs + Prepays + Reasonable Discount Points (Cannot exceed 2%) + .50 VA Funding Fee (if veteran is not exempt)
Documentation Requirements	<ul style="list-style-type: none"> • Application: <ul style="list-style-type: none"> ✓ Non Towne to Towne: **SEE ATTACHED OVERLAYS. ✓ Towne To Towne: Abbreviated loan application can be completed as follows: Not required to complete sections IV, V, VI and VIII (A) through VIII (K). • A verbal VOE will not be required on loans currently serviced by Towne. • Credit Report – either two bureau or Tri-Merged. • Assets (If funds are needed to close, you must verify and document assets) • Certificate of Eligibility (showing current VA loan guaranty) • 12 month mortgage payment history – through closing month • Current Payoff (A current payoff will be required by the underwriter prior to clearing the loan to close) • Old pay/New pay Letter: Veteran must sign a statement acknowledging effect of refinancing loan on the veteran’s loan payments and interest rate. <p>The statement must show the interest rate and monthly payments for the new loan versus that for the old loan. The statement must also indicate how long it would take to recoup ALL closing costs (both those included in the loan and those paid outside of closing).</p> <ul style="list-style-type: none"> • All required Federal and State disclosures

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<p>Required Net Tangible Benefit</p>	<p>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:</p> <ul style="list-style-type: none">• the IRRRL is refinancing an ARM or;• term of the IRRRL is shorter than the term of the loan being refinanced <p>If the monthly payment (PITI) increases by 20 percent or more, the lender must:</p> <ul style="list-style-type: none">• determine that the veteran qualifies for the new payment from an underwriting standpoint; such as, determine whether the borrower can support the proposed shelter expense and other recurring monthly obligations in light of income established as stable and reliable, and• include a certification that the veteran qualifies for the new monthly payment which exceeds the previous payment by 20 percent or more.
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