

TOWNE FAMILY OF COMPANIES

BULLETIN

Date: March 29, 2018

**SUBJECT: VA AMENDMENT FOR DISCLOSURE POLICIES ON
INTEREST RATE REDUCTION LOANS (IRRRL) BULLETIN 18MAR29**

***** IMPORTANT NOTICE *****

This is to notify you VA has amended their disclosure policies on VA Interest Rate Reduction Loans (IRRRL). Effective with loan closing on or after April 1, 2018, lenders must issue a **VA Rate Reduction Certification** (formerly called "Old pay/New Pay letter") form to the veteran TWICE within the loan process. Required timing of these disclosures as follow:

- Initial Statement: Form must be issued with the initial TRID disclosures within three days of application and based on rate and costs disclosed on the Initial Loan Estimate (LE). and;
- Final Statement: Form must be issued with the final Closing Disclosure (CD) based on final interest rate and costs disclosed on the final CD.

The certification will compare the terms of the current VA loan and proposed loan and will detail the costs of the loan and number of months required to recoup the closing costs.

All borrowers **must** sign both forms.

These forms will be generated out of Encompass with the initial disclosures when a loan is identified as an IRRRL in the system.

Please feel free to contact us with any questions regarding this form.