

Bulletin 19-40 Revised

VA Policy Updates on IRRRLs

Updated policy is highlighted below

VA Circular [26-19-17](#) issued June 28, 2019 detailed changes to VA's policy regarding IRRRLs. The following are highlights the new VA requirements for IRRRLs.

Effective immediately, a Certificate of Eligibility (COE) is now required on **all** IRRRL transactions to determine if the veteran is exempt from paying the funding fee.

Veterans

- If the COE indicates the veteran is **not exempt** from paying the funding fee, the following is required:
 - The veteran must acknowledge, **in writing**, if they do or do not have a pending claim for compensation filed with the VA and the documentation must be retained in the loan file. The following options are acceptable documentation:
 - An email from the veteran to the broker/NDC, **OR**
 - The veteran can complete and sign **one** of the following:
 - The Homebridge VA Pending Claims Certification, **OR**
 - The Homebridge VA Indebtedness Questionnaire (Section II)
 - If the veteran acknowledges a pending claim using one of the methods above, Homebridge will contact VA to determine funding fee exemption status

Active Duty Servicemembers

- All IRRRL transactions where the borrower is an active duty servicemember will require the servicemember to complete and sign one of the following:
 - VA form [26-8937](#) Verification of VA Benefits, which validates whether or not the servicemember has a pre-discharge claim pending (Section 8), **OR**
 - Homebridge VA Indebtedness Questionnaire (Section II)
- If VA form 26-8937 **or the Homebridge VA Indebtedness Questionnaire** indicate the active duty servicemember **does** have a pending pre-discharge claim, Homebridge will contact the VA Regional Loan Center (RLC) to obtain a proposed or memorandum rating in the event the servicemember will be exempt from the funding fee.

NOTE: If the documentation is not obtained from the RLC prior to loan closing, the servicemember is **not** eligible for the funding fee exemption (if exemption was applicable)

Documentation

- The IRRRL section of the VA Submission form has been updated to include:
 - The requirement for the COE on all IRRRL transactions, and
 - VA Form 26-8937, and
 - HomeBridge VA Indebtedness Questionnaire

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- **Active Duty Servicemembers:** One of the following:
 - VA Form [26-8937](#), or
 - Homebridge VA Indebtedness Questionnaire
 - **Veteran** (and COE indicates the veteran is **not exempt** from the funding fee): One of the following:
 - The Homebridge VA Pending Claims Certification, or
 - The Homebridge VA Indebtedness Questionnaire, or
 - An email/written documentation from the veteran to document pending claim status
 - The VA IRRRL guidelines have been updated and posted

The forms referenced above are posted on the Homebridge website on the Forms page under “VA Specific”.

NOTE: A Broker/Non-Delegated Correspondent version of the Homebridge Pending Claims Certification or Indebtedness Questionnaire is acceptable as long as it contains the same/similar language as the Homebridge version

The COE requirement applies to new submissions **and loans currently in the pipeline**. Homebridge will not fund IRRRL transactions until a COE is obtained

- Pipeline loans that are CTC, Homebridge will obtain the COE
- Pipeline loans that are not CTC, underwriting will condition for the broker/NDC to obtain and provide the COE

NOTE: VA has updated WebLGY to include an option for IRRRL COE's, under “Streamline”

If you have any questions, please contact your Account Executive.