

## VA Cash-out Transaction Requirements by Loan Type

Requirement	Type I Cash-Out <sup>1</sup> Refinance of VA to VA	Type I Cash-Out <sup>1</sup> Refinance of Non-VA to VA	Type II Cash-out <sup>2</sup> Refinance of VA to VA	Type II Cash-out <sup>2</sup> Refinance of Non-VA to VA
<b>LTV ≤ 100%</b>	Required	Required	Required	Required
<b>Net Tangible Benefit Met (NTB) <sup>3</sup></b> (Minimum 1 of 8 acceptable NTB as defined by VA – refer to guides for complete list)	Required	Required	Required	Required
<b>Loan Comparison &amp; Equity Disclosure <sup>3</sup></b>	Required	Required	Required	Required
<b>Seasoning <sup>4</sup></b> (must follow Ginnie Mae seasoning requirements)	Required	Required	Required	Required
<b>Fee Recoupment ≤ 36 Months</b>	Required	Not Required	Not Required	Not Required
<b>Interest Rate Reduction</b> <ul style="list-style-type: none"> <li><b>Fixed to Fixed:</b> New rate must be 50 basis points (.5%) less than existing rate</li> <li><b>Fixed to ARM:</b> New rate must be 200 basis points (2%) less than existing rate</li> </ul>	Required	Not Required	Not Required	Not Required

**Footnotes:**

- Type I Cash-Out Refinance:** A refinancing loan in which the **total loan amount, including the VA funding fee** (if financed), **does not** exceed the payoff amount of the loan being refinanced. **HomeBridge management review and approval required on all Type I transactions**
- Type II Cash-Out Refinance:** A refinancing loan in which the **total loan amount**, including the VA funding fee (if financed), **exceeds** the payoff amount of the loan being refinanced
- NTB, loan comparison and estimate of equity information must be provided to veteran within 3 days of loan application and again at closing. Brokers/NDC/EB are responsible to provide the initial disclosure using reasonable estimates to complete the Certification. The HomeBridge VA Cash-Out Refinance Comparison Certification contains all required disclosure information and is available on the HomeBridge website on the Forms page under VA Specific
- Seasoning requirements apply to all VA cash-out refinance transactions regardless of application date or type of cash-out transaction. A loan is considered seasoned on the later of the date that is:
  - 210 days after the first payment **due date** of the loan being refinanced and the Note date of the new mortgage, and
  - The date when six (6) consecutive monthly payments have been made on the loan (payments cannot be prepaid to meet the 6 payment requirement and the 6<sup>th</sup> payment cannot be paid at loan closing), and
  - Loans being refinanced within one (1) year from the original closing date require the one (1) year pay history **provided by the loan servicer, no exceptions**. A credit report/supplement is **not** acceptable to document pay history