

Bulletin 21-31

Update to Homebridge VA IRRRL and Cash-Out Transactions Forbearance Policy

Homebridge is updating its forbearance policy for VA IRRRL and cash-out transactions with the enhancements detailed below.

VA Cash-Out Refinance and IRRRL Subject Property, Other REO, Subordinate Second Currently in Forbearance

- The loan is eligible if the borrower is current **or** has missed payment(s) during forbearance (previously loans with missed payments were ineligible)
 - Standard VA mortgage payment history requirements apply

Important Reminder:

Seasoning requirements apply (i.e. 6 consecutive payments made, **and** 210 calendar days have passed between first payment due date on the loan being refinanced and the Note date of the new loan)

VA Cash-Out Refinance and IRRRLs in Forbearance: Six Payment Seasoning Requirement

The following is now eligible to satisfy the six (6) consecutive seasoning requirement:

- If the borrower made 3 consecutive payment on the loan being refinance **prior to** entering a forbearance plan, **and made the next 3 consecutive payments** while in forbearance (no missed payments), the seasoning requirement has been met (previously payments made while in forbearance were ineligible to count towards seasoning even if consecutive)

There is **NO change** to the following loans currently in forbearance seasoning policy:

- If 6 consecutive payments were made on the subject loan **prior to** forbearance, the 6 payment seasoning requirement has been met and the loan is **eligible**
- If the borrower **did not** have 6 consecutive payments **prior to** forbearance and, after entering forbearance, missed payments, 6 consecutive payments must be made **after the** forbearance plan

Example: If the borrower made 5 consecutive payments on the loan prior to entering forbearance, but **did not make** the next scheduled payment the borrower will be required to make 6 consecutive payments on the loan **after the** forbearance period

These enhancements are effective immediately and may be applied to both new submissions and loans currently in the pipeline.

The VA Program and VA IRRRL guidelines have been updated and posted on the Homebridge website at www.HomebridgeWholesale.com

If you have any questions, please contact your Account Executive