

VA Cash-Out Transaction Requirements by Loan Type

Requirement	Type I Cash-Out ¹ Refinance of VA to VA	Type I Cash-Out ¹ Refinance of Non-VA to VA	Type II Cash-out ² Refinance of VA to VA	Type II Cash-out ² Refinance of Non-VA to VA
LTV ≤ 100%	Required	Required	Required	Required
Net Tangible Benefit Met (NTB) ³ (Minimum 1 of 8 acceptable NTB as defined by VA – refer to guides for complete list)	Required	Required	Required	Required
Loan Comparison & Equity Disclosure ³	Required	Required	Required	Required
Seasoning ⁴ (must follow Ginnie Mae seasoning requirements)	Required	Required	Required	Required
Fee Recoupment ≤ 36 Months	Required	Not Required	Not Required	Not Required
Interest Rate Reduction <ul style="list-style-type: none"> Fixed to Fixed: New rate must be 50 basis points (.5%) less than existing rate Fixed to ARM: New rate must be 200 basis points (2%) less than existing rate 	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 minimum of 210 days have passed between 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 6th payment cannot be paid at loan closing), and

NOTE: **Modified Loans:** Seasoning requirements apply to a loan being refinanced that was previously modified. The following seasoning applies: The 210 day seasoning requirement is measured using the first payment due date of the modified loan (as identified on the modification documents), to the Note date of the new loan (not the first payment due date of the loan before it was modified) i.e. a minimum of 210 days must have passed between the first payment due date of the modified loan and the Note date of the new loan

 - Loans being refinanced within one (1) year from the original closing date require one of the following to document pay history: the payment history from the current loan servicer **OR** a credit supplement that clearly identifies all payments made in the applicable timeframe