

This At-A-Glance (AAG) is a summary tool to use in conjunction with the Averra guidelines (Guide). The AAG does not replace the published Guide. Where the AAG is silent or conflicts with the published Guide, the Guide will govern and control. This AAG applies only to the channel and investor program indicated. For each Agency and/or Program, there may be additional AAGs to cover specific products or transactions.

IRRRL Eligibility Matrix

Standard & High Balance	FRM	Maximum LTV/CLTV	Non-Credit Qualifying (NCQ) & Credit Qualifying (CQ)		New Subordinate Financing Not Permitted	
Max Loan Amount	FICO	Occupancy	Units	LTV/CLTV	Mortgage History	
\$1,000,000	580	Primary Second Home	1-4	100%	0X30 in past 12 months	
\$2,000,000	700	Investment				

Notes:

- No monthly MI
- Minimum loan amount \$100,001
- VA funding fee of 0.50% applies, except for exempt veterans
- All IRRRLs must close on an automatic basis (VA prior approval not allowed)
- New VA loan monthly payment (PITIA) may exceed previous payment by 20% or more (would need to be credit qualifying)
- Must meet VA safe harbor QM requirements, rebuttable presumption QM IRRRLs not allowed
- The loan is considered High Balance when the base loan amount (excluding the financed funding fee) is greater than \$832,750 in the contiguous U.S. and greater than \$1,249,125 for Alaska and Hawaii (the note date must be on or after 1/1/2026 for the new loan limits to be in effect)
- Loan amount may not exceed the total of the following: existing VA loan balance, allowable fees and charges, up to 2 discount points, VA funding fee

Refinance Seasoning Requirements

All VA refinance transactions must meet Ginnie Mae and VA seasoning requirements. The Note date of the refinance mortgage must be on or after the later of:

- 210 days after the date on which the first monthly payment was due on the mortgage being refinanced; AND
- The date on which 6 full monthly payments have been made on the mortgage being refinanced.

For modified loans on the subject property, the new Note date must be on or after the later of:

- 210 days after the date on which the first modified monthly payment was due on the mortgage being refinanced; AND
- The date on which 6 modified payments have been made on the mortgage being refinanced.

Regulatory requirement: no exceptions permitted.

VA Eligibility Requirements

VA IRRRLs must meet VA Requirements. See the Averra VA IRRRL Guidelines for full guidance.

- The Veteran must benefit from the IRRRL.
- Subject mortgage history cannot exceed 0X30 in the most recent 6 months and a max of 1X30 in the most recent 7-12 months (Internal Exception Code 1038.23).
- On the date of closing, the existing VA loan must be current and due for the month of closing. An IRRRL made to refinance a VA loan over 30 days past due is ineligible.
- New loan does not increase principal balance owed, except by VA allowable fees and charges.
- A Certificate of Eligibility (COE) is NOT required for IRRRLs. Averra will obtain the veteran's entitlement verification and confirm an active VA loan at the time the IRRRL case number assignment is ordered in WebLGY.

Fee Recoupment

All IRRRL transactions must include a statement signed by the Veteran acknowledging the effect the refinancing loan has on the loan payment and interest rate. The net fees and charges to the Veteran must be recouped within 36 months as measured by the decrease in P&I payment. If the P&I payment increases, the net fees and charges to the Veteran must be \$0.

Lower Interest Rate & Payment Requirements

Interest Rate Decrease: The new VA loan must bear a lower interest rate than the existing VA loan, unless converting from an ARM to a fixed rate loan.

Payment Decrease: The P&I payment on the new VA loan must be less than the P&I payment on the existing VA loan, unless:

- Refinancing an ARM to a fixed rate loan, or
- The term of the new VA loan is shorter than the term of the existing VA loan.

Note: If the PITIA payment increases 20% or more as a result of refinancing an ARM to a fixed rate loan, or shortening the loan term, the loan must Credit Qualify.

Products & Terms	Amortization	Standard Conforming Product Codes	Term (yrs)	High Balance Product Codes	Term (yrs)
Fixed Rate	Fixed Rate	VA IRRRL Fixed 30	30	VA IRRRL High Balance Fixed 30	30
		VA IRRRL Fixed 15	15		

- The maximum loan term may be up to an additional 10 years beyond the existing mortgage term, not to exceed 30 years and 32 days.
- Adjustable Rate Mortgages (ARMs) not permitted.
- Base loan amount exceeding the standard conforming loan limit is registered as a high balance product.

High Balance Threshold

The loan is considered High Balance when the base loan amount (excluding the financed funding fee) is:

- Greater than \$832,750 in the contiguous U.S., or
- Greater than \$1,249,125 for Alaska and Hawaii.

Maximum base loan amount: \$2,000,000. The note date must be on or after 1/1/2026 for the new loan limits to be in effect.

VA IRRRL Program Summary

The following is an overview of core guidelines and overlays. See the Averra VA IRRRL Guidelines for full program requirements.

Underwriting Method

All IRRRLs are manually underwritten and do not rely upon AUS findings.

Loan Purpose	- No cash-out refinances. - Maximum cash back to the borrower at closing is \$500 (in the event of unforeseen circumstances such as a computational error).
Temporary Buydowns	Not Eligible
Borrower Eligibility	- A VA IRRRL case number assignment is required to verify the existing VA case number for the loan being refinanced. - A Certificate of Eligibility (COE) is NOT required for IRRRLs. Veteran entitlement verification is obtained via WebLGy at the time the IRRRL case number is ordered. - Generally, all borrowers on the existing mortgage must be on the new mortgage. See the Averra VA IRRRL Guidelines for additional requirements. - Joint loans are allowed in accordance with VA's requirements. The following joint loans are not eligible: - The Veteran and one or more non-veterans (not spouse); - The Veteran and the Veteran's spouse who is also a Veteran, and both entitlements will be used; - The Veteran and one or more Veterans (not spouse), all of whom will use their entitlement; - The Veteran and one or more Veterans (not spouse), who will not be using their entitlement. Note: A loan involving a Veteran and his or her spouse will not be treated as a joint loan if the spouse is not a Veteran or is a Veteran who will not be using his or her entitlement on the loan. - Must not have been suspended or debarred from participation in federal programs. - Exclusionary List: GSA SAM, OFAC SDN, HUD LDP, and CAIVRS must be checked and cleared.
Occupancy	The Veteran (or surviving co-obligor spouse) must either currently occupy the property as his/her primary residence OR must have previously occupied the property if submitting the loan as a second home or investment property. The Veteran must certify previous occupancy.
Eligible Properties	1 to 4-unit single family residential - Condominium (detached/attached): condo project review and VA approval is NOT required - PUD (detached/attached): PUD project review and VA approval is NOT required - Doublewide manufactured homes
Ineligible Properties	- Mobile homes - Singlewide manufactured homes
Ineligible Mortgage Loans	- Higher Priced Mortgage Loans (HPMLs) - High Cost Loans - Rebuttable Presumption QM - Graduated Payment Mortgages (GPMs) - Growing Equity Mortgages (GEMs) - Energy Efficient Mortgages (EEMs)
Geographic Restrictions	Averra originates mortgage loans in the states we are licensed or authorized by exemption to do business. Refer to the rate sheet for state restrictions. Averra is NOT currently purchasing loans in the following: 2-4 unit properties in New Jersey - New York CEMA transactions - Hawaii: Lava Zones 1 or 2 as determined by the USGS - Community Land Trusts, including Illinois land trust, or Indian trust lands
VA Guaranty & Maximum Loan Amount	VA Guaranty: The VA guaranty on the new VA IRRRL will always be 25% of the new loan amount, including the funding fee portion when the fee is paid from the loan proceeds. There is no impact to the veteran's previously used and available home loan benefit entitlement. Use VA Form 26-8923, IRRRL Worksheet, to calculate the total loan amount, which may not exceed the sum of: - Existing VA loan balance, plus - Allowable fees and charges (including up to two discount points), plus - VA Funding Fee.
Funding Fee	The VA IRRRL funding fee is 0.50% of the base loan amount and may be financed in the loan amount. The Maximum LTV/CLTV is based on the base loan amount (prior to the financed funding fee). Exempt Status Verification: Averra verifies the borrower's exempt status when ordering the VA case number assignment in WebLGy. If the IRRRL case number summary page reflects exemption, the funding fee is not charged.
CAIVRS	- Valid clear CAIVRS report required for all borrowers. - Any delinquent federal debt is not permitted unless the delinquent account has been brought current OR three satisfactory payments have been made under a documented repayment plan.
Credit Report	Non-Credit Qualifying: A single bureau soft mortgage-only credit report with a valid credit score is acceptable. All borrowers not providing a soft credit report must have at least one (1) valid credit score (non-traditional credit not permitted). Credit Qualifying: Full tri-merge credit report required with a valid qualifying score for each borrower. Age of Credit Document: May not be older than 60 days from the URLA application date and may not exceed 120 days from the Note date.
Credit Score Methodology	- If the credit report provides 3 credit scores, the middle score is used (if 2 of 3 are identical, the identical score is used). - If the credit report provides 2 credit scores, the lowest score is used. - If the credit report provides only 1 credit score, that score is used and must be at least 660 for each borrower. - When there is more than one borrower, the lowest qualifying score of all borrowers is used to qualify.

Mortgage Payment History	- Subject mortgage history cannot exceed 0X30 in the most recent 6 months and a max of 1X30 in the most recent 7-12 months (Internal Exception Code 1038.23). - If the existing VA loan has been open less than 12 months, at least 6 consecutive monthly payments must have been made with no 30-day lates in the past 6 months. The borrower may not prepay the loan to meet this requirement. - On the date of closing, the existing VA loan must be current and due for the month of closing. An IRRRL made to refinance a VA loan over 30 days past due is ineligible.
Significant Derogatory Credit	Refer to the VA Lenders Handbook for credit history requirements related to bankruptcy, foreclosure, deed-in-lieu, short sale, judgments, collections, and other significant derogatory credit events. Averra will use prudent underwriting judgment when making the final underwriting decision.
Eligible States	All states in which Averra is licensed. See the Averra State Licenses for details and the rate sheet for any state restrictions.
Texas Properties	Texas 50(a)(6) transactions are INELIGIBLE.
Non-Credit Qualifying Documentation	- URLA application must indicate current employment/self-employment with a 2-year employment history for all borrowers (no reference to income amount). - Verbal Verification of Employment (VOE) required within 10 days of Note date for salaried borrowers; within 30 days of closing for self-employed. - Income verification and amount are NOT required. - Tax transcripts are NOT required to be processed; however, a signed 4506-C or 8821 IS required on all loans regardless of qualifying type.
Credit Qualifying Documentation	Credit qualification is required when: - PITIA is increasing by 20% or more, OR - An obligor is being removed from the loan. Documentation requirements: - Full tri-merge credit report with a valid score. - Non-Borrowing Spouse's credit report if the property is located in a community property state. - Maximum DTI of 50% OR a minimum of 120% Residual Income (per regional table). - Income documentation per standard VA requirements. - Childcare statement required if dependents are under the age of 12. - Lender Certification that the Veteran qualifies for the new monthly payment.
Escrows	Escrow/impound accounts are required.
Resources	- VA Loan Limits - VA Home Loans (WebLGY / Veterans Information Portal) - HUD Credit Alert System (CAIVRS) - VA Lenders Handbook

See the VA Lenders Handbook for additional information or any policy not addressed. The underwriter may require additional documentation. Averra has sole discretion for final underwriting decision.

Need Help?

Please connect with your dedicated Sr. Account Executive for support throughout the loan process.