

Closing costs normally associated with an IRRRL

- ✓ Origination Fee\*
- ✓ Discount Points
- ✓ Prepaid Taxes and Hazard Insurance
- ✓ Title Examination Fee
- ✓ Title Insurance Fee
- ✓ Flood Zone Determination
- ✓ Environmental Endorsements
- ✓ Recording Fees
- ✓ Special Mailing Fees (Federal Express or similar service)
- ✓ VA Funding Fee

\*The loan origination fee is limited to 1% of the loan amount. The lender may charge this flat fee or itemize the following fees not to exceed 1%:

- Application and Processing Fees
- Document Preparation Fee
- Loan Closing or Settlement Fee
- Notary Fees
- Interest Rate Lock-In Fee
- Tax Service Fee
- Reconveyance Fees
- Commitment or Marketing Fees
- Trustee's Fees or Charges

*This is not an all exclusive list of fees and charges. If you have any questions concerning fees and charges on a VA Loan, contact the Regional Loan Center.*

Department of Veterans Affairs  
VA Regional Loan Center  
3333 North Central Avenue  
Phoenix, AZ 85012

Toll-free number  
1-888-869-0194  
Monday through Friday  
7:30 a.m. to 4:00 p.m. MST

Phoenix RLC Website  
[www.vba.va.gov/ro/phoenixlgy/index.htm](http://www.vba.va.gov/ro/phoenixlgy/index.htm)

National VA Loan Guaranty Website  
[www.homeloans.va.gov](http://www.homeloans.va.gov)

To contact the  
VA Eligibility Center

call 1-888-244-6711  
email [NCELIGIB@vba.va.gov](mailto:NCELIGIB@vba.va.gov)  
or write to:

VA Eligibility Center  
P.O. Box 20729  
Winston-Salem, NC 27120

To sign up for our new Email Notification Service, logon to  
<http://mailman.listserve.com/listmanager/listinfo/phoenixrlc>

For more information on other VA benefits call  
1-800-827-1000



## A QUICK GUIDE TO INTEREST RATE REDUCTION REFINANCE LOANS

## IRRRLs FOR LENDERS



April 2008

### **What is the purpose of doing an IRRRL loan on an existing VA loan?**

To refinance the existing VA loan at a lower interest rate.

### **Does the interest rate have to be lower on the IRRRL than on the existing loan?**

Yes, the interest rate must be lower in all cases except Adjustable Rate Mortgages (ARM).

### **What about the monthly payment amount?**

Payment must be lower than on the existing VA loan unless an ARM is being refinanced, the term is shortened, or energy efficient improvements are included.

### **What is the maximum loan amount on an IRRRL?**

The total of the existing balance plus allowable fees and charges, any energy efficient improvements, the VA Funding Fee, and up to two discount points.

### **What is the minimum amount of guarantee I will get on an IRRRL?**

The minimum amount of guarantee the lender will get is 25%.

### **Do I have to update the Certificate of Eligibility?**

No. The veteran will be re-using his entitlement from the existing VA Loan. Lenders should use the WebGIL application located on the Veterans Information Portal to verify that the Veteran has an active VA loan. This confirmation is used in lieu of the Certificate of Eligibility.

### **What fees and charges are allowed on an IRRRL?**

Inside the brochure there is a list of some of the allowable fees and charges.

### **How many discount points can I charge?**

A lender can charge normal and reasonable discount points for the interest rate; however, the veteran can only include two discount points into the new loan amount. Additional points must be paid out of pocket.



### **Can the veteran get cash-back on an IRRRL?**

No, the veteran cannot receive cash back on an IRRRL.

### **Can the veteran refinance other liens with an IRRRL?**

No, the only lien eligible on an IRRRL is the existing first mortgage.

### **Who can close IRRRLs?**

Any lender approved by VA can close an IRRRL automatically, regardless of the geographic location of the property or the lender.

### **Is an appraisal required on an IRRRL?**

No, VA does not require an appraisal on an IRRRL.

### **Does VA require credit approval on an IRRRL?**

No, VA does not require credit approval on an IRRRL.

### **What if the veteran is late on their existing mortgage payment?**

If the veteran is 30 days or more delinquent on his existing mortgage, the loan must be submitted to VA for underwriting.