

**Mortgage Tidbits**



**Keeping you informed and in the know….**

**The Veteran’s Guide to purchasing or refinancing during COVID-19**

If you are looking to purchase or refinance your home and requesting cash-out:

* VA will not consider a Veteran an unsatisfactory credit risk based on the fact they requested forbearance or deferred payments during the pandemic.
* Borrowers must provide reasons and supporting documentation for the loan deficiency and information to establish the cause of delinquency has been corrected. Example: borrower has returned to work after COVID-related furlough.

If you are requesting an IRRRL:

VA normally requires prior approval on any IRRRL refinance that is currently delinquent (30+ days past due). These loans may go through prior to VA approval provided:

* The borrower has invoked a CARES Act forbearance relating to the loan being refinanced
* The borrower has provided information to establish the borrower is no longer experiencing a financial hardship caused by COVID-19
* The borrower qualifies for the IRRRL under the remaining credit criteria required for delinquent loans (income, residual income, DTI, etc).

What can the loan amount include in an IRRRL?

* Any past due payments on the current VA Mortgage (delinquent loans)
* Allowable late charges consistent with the note (FSB will require a copy of the note and/or modifications)
* The cost of energy efficient improvements
* Allowable closing costs
* VA funding fee

**Call us today for the best answers to the mortgage questions!**

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