

## VA IRRRL refinance guidelines

### Are you eligible for a VA streamline refinance?

When you have an existing VA mortgage, you may be able to refinance it using the IRRRL program which is also called “streamline refinancing.” This type of refinance allows you to get a new VA loan with less paperwork and faster closing. There are requirements you will need to meet to be eligible for a [VA IRRRL](#).

### VA IRRRL requirements

The requirements for a VA streamline refinance are often easier to meet than those for conventional mortgage refinancing, which is why IRRRLs are sometimes considered “simpler” refinances. Current eligibility requirements include ...

- **Financial benefit to refinancing.** Department of Veterans Affairs guidelines require you receive a net tangible benefit (NTB) from refinancing. This can be a lower interest rate, a lower monthly payment, or switching from an adjustable rate to a fixed-rate mortgage. For many loans, your interest rate must drop by at least one-half percentage point to qualify.
- **Have a VA loan.** You can only use streamline refinancing to replace an existing VA loan with a new VA loan.
- **Have the VA loan for six months.** This requirement is often called “seasoning.” VA rules state the due date of the first monthly payment of the VA loan you are refinancing must be 210 days or more prior to the closing date of your new loan refinance. You also need to have made six consecutive monthly payments on the VA loan you are refinancing.
- **Up-to-date payments.** You need to be current on your VA mortgage payments to be eligible for streamline refinancing.
- **Minimum credit score.** VA IRRRLs have easier credit qualification guidelines compared to other mortgage refinances. Freedom Mortgage is happy to work with veterans and service members who have credit scores of 580 and below. We are happy to work with you when you have a higher credit score too.



- **No cash out.** You can't get cash from your home equity with a streamline refinance. If you want cash out, you will need to choose a [VA cash-out refinance loan](#).
- **Certify you've lived in the house.** You don't need to currently live in the home you are refinancing with the IRRRL program according to current VA rules. You just need to certify you lived in the house in the past.

In many cases, you can qualify for a VA streamline refinance without a home appraisal or income verification. You don't need a new Certificate of Eligibility. Lenders may ask for a copy of the certificate you used when you bought your home, however. Lenders can often get an electronic copy through the VA, too.

## **Additional VA loan refinance requirements**

Just like with any home loan refinance, you'll need to meet the lender's credit, income, and financial requirements to get your IRRRL loan approved. You'll also need to pay any closing costs required including the [funding fee](#) which is currently set at 0.5% for streamline refinancings. You can roll many of these closing costs into your loan amount. You can also pay them out of pocket.

## **Ask Freedom Mortgage if you meet VA IRRRL guidelines**

Freedom Mortgage is the #1 VA lender<sup>1</sup> in the USA. We are committed to helping veterans and service members refinance their homes. To find out if your eligible for VA IRRRL refinancing, please call 844-267-6544 or [Get Started](#) online.

<sup>1</sup>. Inside Mortgage Finance, 1Q2020



## **NOTES & REMINDERS**