



Announcement WS 2018-04-16

**Veteran's Statement and Lender
Certification on VA IRRRLs**

April 16, 2018

To comply with VA's policy for Interest Rate Reduction Refinance Loans (IRRRLs), the Veteran's Statement and Lender Certification is being delivered to the Veteran with the initial disclosures and includes the number of months to recoup the closing costs. Information from the Loan Estimate used to calculate the recoupment is based on the following calculation:

- Add the Origination charges, services the Veteran cannot shop for, services the Veteran can shop for, taxes and other government fees, and the VA funding fee to obtain the total closing costs.
- Subtract any lender credits listed in Section J from the Loan Estimate
- The remaining amount is the closing costs for the recoupment calculation
- The remaining amount of closing costs is divided by the decrease in monthly principal and interest payment to calculate the number of months to recoup.
 - Calculating the recoupment is not necessary if the principal and interest payment increased due to a lower term, or the loan changed from an adjustable rate to a fixed rate.
 - The Lender Certification is only needed for payment increases of 20% or more.

Likewise, the Veteran's Statement and Lender Certification provided with the closing documents will use calculations from the above-mentioned categories as specified on the Closing Disclosure to disclose the recoupment calculation. This Veteran's Statement and Lender Certification is being delivered with IRRRL loans closing on and after April 1, 2018. Again, the Lender Certification is only needed for payment increases of 20% or more.

Providing this additional information with the initial disclosures affords Veterans the opportunity to make informed decisions and determine if the proposed IRRRL is in their best interest.

We thank you for your continued business.

If you have questions, please contact 855-GO-IMPAC (855-464-6722).