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From: CLD ABQ
Sent: Thursday, August 29, 2019 4:12 PM
To: CLD ABQ
Subject: Cornerstone Home Lending, Inc. WINK! Announcement - Important Changes to VA Cash Out Refinance Transactions

Importance: High



Important Changes to VA Cash Out Refinance Transactions

LOAN TYPE:

All Programs FNMA FHLMC FHA VA HUD-184 USDA Non-Agency

EFFECTIVE DATE:

IMMEDIATE ATTENTION REQUIRED.

Effective dates are noted below under each topic.

WHAT I NEED TO KNOW!

Ginnie Mae (GNMA) has issued [APM Announcement 19-05](#) impacting ALL VA Cash Out Refinance transactions resulting in the following changes:

Revised maximum LTV/CLTV-

- The maximum LTV/CLTV on ALL VA cash-out (NON-IRRRL) refinance has been **reduced to 90%** with one exception being a VA cash-out transaction that is paying off an existing construction loan (no cash back), will still be eligible for 100% financing.
- Because of this change, the agencies have begun to adopt the new guidance and establish cutoff dates for delivery of refinance loans with > 90 LTV/CLTV; regardless of whether the borrower is receiving cash back. Refinances with a LTV/CLTV > 90% NOT paying off a

construction loan that otherwise meets seasoning requirements must have a Note date prior to September 15, 2019

Revised Seasoning Requirements- Effective Immediately

- Because of the varying requirements published by both VA and GNMA in recent months on this subject AND those requirements not aligning, the more stringent of VA or Ginnie must be applied to ensure the loan is both insurable AND salable.
- To accomplish both insurability and salability, CHL is incorporating the more stringent of both agencies' requirements into one seasoning requirement to apply to these loans.
- All VA Cash Out (NON-IRRRL) Refinances, the following seasoning requirements must be applied:
 - The note date (*Ginnie Mae*) of the refinance must be on, or after, the later of:
 - The date that is 210 days **after the date on which the first monthly payment was made** (*VA*) on the mortgage being refinanced, and
 - The date on which 6 full monthly payments (*VA*) have been made on the mortgage being refinanced.

Note: Calculation begins on the latter of the first monthly payment due date or the date the payment was made. You cannot count the days a first payment was made prior to the first payment due date.

HOW DOES THIS AFFECT ME?

- These changes are significant and WILL impact ALL VA Cash Out (NON-IRRRL) refinance loans; especially those with an LTV/CLTV greater than 90% currently in process.