

Dear Friends and Clients,

VA issued Circular 25-18-30 on December 17<sup>th</sup> summarizing the new rules for cash-out refinance loans. (See attached here). These requirements include new disclosures: **“VA Type I Cash-Out Refinance, Fee Recoupment Certification”** and **“VA Type I/II Cash-Out Refinance, Net Tangible Benefit and Loan Comparison Disclosure”**. (examples are also attached). The Net Tangible Benefit and Loan Comparison Disclosure must be given to the borrower on two separate occasions. First, it should be provided not later than 3 business days from the date of application and, second, it should be provided again at closing. These new rules go into effect for VA loans with an application date on or after February 15, 2019.

For those clients for whom we prepare full closing document packages, these forms will be added to your package. In order for us to complete the “Fee Recoupment Certification” , we will need the initial Fee Recoupment Certification that was provided to the borrower at application. We will, also, need the information from the existing loan to complete the “New Tangible Benefit and Loan Comparison Disclosure”. We are happy to discuss this further as to how you can provide this information.

For those of you that prepare your own closing documents, but for whom we review your documents, we will notify you if the forms are not present in the closing package. Please note that we will be unable to provide the forms in our “short package”.

Please be sure that your document preparation systems are updated to include the preparation of the aforementioned documents. If you have any questions about the new VA rules or anything contained in this communication, please reach out to me, or any of our attorneys.

Thank you,  
Rosemary

## **Rosemary Barbour**

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