VA Recoupment Calculation Worksheet Job Aid

This job aid includes a representation of the VA Recoupment Calculation Worksheet Job Aid on page 1, along with instructions for completing each field on the form.

Date:		**Citizens Loan Number:**
Veteran:		**Spouse:**
Lender:		
Property:		
Unpaid Principal Balance of current VA loan:		

Comparison: OLD Loan vs. NEW Loan

	OLD LOAN	NEW LOAN
VA Loan Number		
Month & Year Originated		
Interest Rate		
Loan Term (In Years)		
Fixed Rate or ARM	Choose One	Choose One
Original Loan Amount (including Funding Fee)		
Principal & Interest Payment		
Monthly Principal & Interest Payment Savings		$ -

Total Costs for the New Loan

Prepaids	
VA Funding Fee	
Closing Costs Includes all allowable fees, charges and discount points (including items that are financed, POC, or paid with a Lender Credit). *This amount does not include the VA Funding Fee or prepaids.*	
Less Lender Credit toward allowable closing costs	
Total Closing Costs for Recoupment Calculation	$ -

Recoupment Calculation

The Veteran will pay $ ___-___ in total closing costs.

Based on a monthly principal and interest savings of ___N/A___ , it will take approximately ___N/A___ months, or ___N/A___ years to recoup the closing costs of the new loan.

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Field Name	Instructions
Date	Enter the date the form has been completed.
Citizens Loan Number	Enter the Citizens loan number.
Veteran	Enter the veteran's name.
Spouse	Enter the spouse's name, if applicable.
Lender	Enter the lender's name.
Property	Enter the full, physical address for the subject property.
Unpaid Principal Balance of current VA loan	Enter the unpaid principal balance of the new loan.

Comparison: OLD Loan vs. NEW Loan

Field Name	Instructions
VA Loan Number	Old Loan: • Enter the VA loan number for the existing loan. • This information may be located on the existing Note, payoff statement, monthly mortgage statement, or VA IRRRL Case Assignment "Original LIN" (from WebLGY). New Loan: • Enter the VA loan number for the new loan. • This information is located on the VA IRRRL Case Assignment under "New IRRRL LIN" (from WebLGY).
Month & Year Originated	Old Loan: • Enter the month and year the existing loan was originated. • This information may be found on the existing Note or credit report. New Loan: Enter the month and year the new loan will be originated.
Interest Rate	Old Loan: • Enter the interest rate on the existing loan. • This information may be found on the existing Note or the IRRRL Case Assignment printout (from WebLGY). New Loan: • Enter the interest rate on the new loan. • This information should match the URLA (Uniform Residential Loan Application) and MyFAMC. *Note:* The interest rate on the new loan must be at least 0.50% lower than the interest rate on the old loan unless the old loan is an ARM and the new loan is a fixed rate.

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Field Name	Instructions
Loan Term (In Years)	Old Loan: • Enter the original loan term in years on the existing loan. • This information may be found on the existing Note, credit report, or IRRRL Case Assignment printout (from WebLGY). New Loan: • Enter the loan term in years on the new loan. • This information should match the URLA and MyFAMC (or Citizens' loan registration/lock for Brokers).
Fixed Rate or ARM	Old Loan: • Click the drop-down and choose "Fixed" or "ARM" for the existing loan. • This information may be found on the existing Note or the IRRRL Case Assignment printout (from WebLGY). New Loan: • Click the drop-down and choose "Fixed" for the new loan. • This information should match the URLA and MyFAMC (or Citizens' loan registration/lock for Brokers).
Original Loan Amount (Including Funding Fee)	Old Loan: • Enter the original loan amount (including funding fee) for the existing loan. • This information may be found on the existing Note, Closing Disclosure (CD) for the existing loan, or credit report. New Loan: • Enter the loan amount (including funding fee) for the new loan. • This information should match the URLA and MyFAMC (or Citizens' loan registration/lock for Brokers).
Principal & Interest Payment	Old Loan: • Enter the principal and interest (P&I) payment on the existing loan. • This information may be found on the Note or monthly mortgage statement. New Loan: • Enter the P&I payment on the new loan. • This information should match the "New" P&I payment on the URLA and in MyFAMC (or Citizens' loan registration/lock for Brokers).
Monthly Principal & Interest Payment Savings	This amount auto-calculates the difference in the Principal & Interest Payment for the Old Loan from the actual Principal & Interest Payment for the new loan.

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Total Costs for the New Loan

Field Name	Instructions
Prepaids	Enter total prepaid expenses for the new loan.
VA Funding Fee	Enter the Funding Fee for the new loan.
Closing Costs *Includes all allowable fees, charges and discount points (including items that are financed, POC or paid with a Lender Credit). This amount does not include the VA funding fee or prepaids.*	• Enter all allowable fees and charges, including items that are financed, POC, and any closing costs paid with a lender credit. (This does not include the VA funding fee or prepaids.) • This information should be obtained from the LE.
Less Lender Credit toward allowable closing costs	• Enter the lender credit for the new loan. • This information should be obtained from the LE.
Total Closing Costs for Recoupment Calculation	This field auto-calculates the total of the closing costs, allowable fees, and charges and discount points less the amount of any lender credit. • The amount on this line will auto-populate the amount of the closing costs. • If the P&I payment for the new total loan amount is the same or exceeds the P&I on the old loan, a warning message will fire stating "If The New Principal & Interest Payment Is Greater Than Or Equal To the Old Principal & Interest Payment, Borrower Cannot Incur Any Closing Costs."

Recoupment Calculation

All numerical fields in this section are auto-calculated.

Field	Instructions
Total Closing Costs	This field is auto-completed with the data from the *Total Closing Costs for Recoupment Calculation* field.
Monthly Principal and Interest Savings	This field is auto-completed with the data from the *Monthly Principal & Interest Payment Savings* field.
Number of Months	This field is auto-calculated to determine the number of months it will take to recoup the total cost of the new loan by dividing the *Total Closing Costs for Recoupment Calculation* by the *Monthly Principal & Interest Savings*. • All loans with a reduction in the P&I payment require a maximum 36-month recoupment period. o If the result is greater than 36 months, a warning message will fire stating "The recoupment must be 36.00 months or less. Closing Costs may need to be adjusted." *Note:* If the P&I payment is increasing, this field will default to "N/A" since there is no recoupment required as the veteran cannot incur any fees, closing costs, or expenses.
Number of Years	This field is auto-calculated to determine the number of years it will take to recoup the total cost of the new loan by dividing the number of months in the prior calculation by 12. *Note:* If the P&I payment is increasing, this field will default to "N/A" since there is no recoupment required as the veteran cannot incur any fees, closing costs, or expenses.

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