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VA Lenders Handbook Chapter 6, Cash-out Refinances Update

Truist Bank (Truist) announces alignment with the U.S. Department of Veterans Affairs (VA's) updates to the VA Lender Handbook, Chapter 6, Refinancing Loans, Topic 3, Cash-out Refinances.

Effective Dates

Effective for new and existing VA applications on or after December 20, 2024.

Background Information

On November 1, 2024, VA announced updates to VA Pamphlet 26-7, Chapter 6, Refinancing Loans, Topic 3, Cash-out Refinances.

Bulletin Details

Updates to the Cash-out Refinances include the following topics:

- Refinancing loans made on properties without an existing mortgage or lien of record are not eligible for guarantee by VA.
- Sources for liens to be paid off have been updated.
- The lien to be paid off is not required to be in the Veteran's name. For instance, it could be in the spouse's name, provided at the time of the new loan closing the Veteran is an owner.
- Additional requirements were added for the following topics:
 - Ownership of the property
 - Entitlement and transfer of the property
 - Tangible Net Benefit
 - Loan Comparison Disclosure
 - Home Equity Disclosure
 - Loan Seasoning
 - Fee Recoupment
 - Requirements to reduce interest rate

Other Resources

Support Group	Description and Contact Information:
Correspondent Relationship Coordinator	Specific questions on applying this procedure to specific loan files. Contact your Correspondent Relationship Coordinator at 800.382.2111, option 1.
Product Support	Provides phone and email support on products, policies, and procedures as well as new product rollout and existing product enhancement. Contact Product Support at 800.382.2111, option 3.

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