

### **VA Loan Full File Loan Review - File Upload Stacking Order**

1. Purpose. The purpose of this Circular is to announce The Department of Veterans Affairs (VA) new mandatory stacking order for files selected for VA full file loan review of all loan applications submitted to VA on, or after July 29, 2019.

2. New VA Loan Review Stacking Order. A new mandatory stacking order has been established for purchases or cash-out refinances, interest rate reduction refinance loans (IRRRLs), and loan assumptions to include the Initial and Final Net Tangible Benefits Test (NTB) disclosures. The new stacking order for purchase or cash-out refinance loans is attached in Exhibit A, the new stacking order for IRRRLs is in Exhibit B, and the new stacking order for loan assumptions is in Exhibit C.

3. Rescission: This Circular is rescinded October 1, 2021. VA Circular 26-16-12 is rescinded immediately.

By Direction of the Under Secretary for Benefits

Jeffrey F. London  
Director  
Loan Guaranty Service

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## Exhibit A

Stacking Order for Purchase and Cash-out Refinance Loans

Order	Document
1	Lender's cover or transmittal letter (if used)
2	<a href="#">VA Form 26-8937</a> , <i>Verification of VA Benefits</i> (if applicable)
3	<p>(For Cash-out Refinance Only) Initial Net Tangible Benefits Test (NTB) disclosure results within 3 days application – what NTB(s) or NTBs was satisfied. Loan comparison of key loan characteristics or terms for existing and refinancing loan to included:</p> <ul style="list-style-type: none"> <li>• Refinancing loan amount vs. the payoff amount of the loan being refinanced</li> <li>• Loan type (i.e., fixed, adjustable) of the refinancing loan vs. the loan being refinanced</li> <li>• Interest rate of the refinancing loan vs. the loan being refinanced</li> <li>• Loan term of the refinancing loan vs. the loan being refinanced</li> <li>• The total the Veteran will have paid after making all payments (principal and interest), and mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced</li> <li>• Loan to Value (LTV) of the refinancing loan vs. the loan being refinanced</li> <li>• An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of home equity may affect the Veteran</li> </ul>
4	<p>(For Cash-out Refinance Only) Final NTB disclosure results prior to closing – what NTB(s) was satisfied. Loan comparison of key loan characteristics or terms for existing and refinancing loan to included:</p> <ul style="list-style-type: none"> <li>• Refinancing loan amount vs. the payoff amount of the loan being refinanced</li> <li>• Loan type (i.e., fixed, adjustable) of the refinancing loan vs. the loan being refinanced</li> <li>• Interest rate of the refinancing loan vs. the loan being refinanced</li> <li>• Loan term of the refinancing loan vs. the loan being refinanced</li> <li>• The total the Veteran will have paid after making all payments (principal and interest), and mortgage insurance, as scheduled, for both the refinancing loan and the loan being refinanced</li> <li>• LTV of the refinancing loan vs. the loan being refinanced</li> <li>• An estimate of the home equity being removed from the home as a result of the refinance and explain how the removal of home equity may affect the Veteran</li> </ul>
5	Evidence of compliance with Notice of Value (NOV) requirements; such as, final compliance inspection, termite certification, and/or warranty

6	Uniform Residential Loan Application (URLA) with revised <a href="#">VA Form 26-1802a</a> , <i>Department of Housing and Urban Development (HUD)/VA Addendum to URLA</i> <ul style="list-style-type: none"> <li>• These forms may be signed and dated anytime from the date of initial application to the date of loan closing. These forms must be properly completed and legible, but do not have to be typed.</li> </ul>
7	(For Purchase Only) Purchase Agreement including all contract addendums and the signed VA Escape Clause
8	<i>Closing Disclosure Statement</i>
9	<a href="#">VA Form 26-8497</a> , <i>Request for Verification of Employment</i> , and other verifications of income such as pay stubs and tax returns. <b>Reference:</b> VA Pamphlet 26-7, section 2 of <a href="#">Chapter 4</a>
10	Credit Alert Verification Report System (CAIVRS): borrower/co-borrower
11	All original credit reports obtained in connection with the loan and any related documentation such as explanations for adverse credit, if required
12	<a href="#">VA Form 26-8497a</a> , <i>Request for Verification of Deposit</i> , and other related documents (Alternative documentation: Original or certified true copies of last two bank statements)
13	For Automated Underwriting cases: Feedback Certificate and underwriter's certification (acceptable variations on the documentation required in items 17, 18, and 19 below, and the underwriter's certification, are explained in VA Pamphlet 26-7, section 8 of <a href="#">Chapter 4</a> )
14	<a href="#">VA Form 26-1820</a> , <i>Report and Certification of Loan Disbursement</i>
15	<a href="#">VA Form 26-6393</a> , <i>Loan Analysis</i>
16	<a href="#">VA Form 26-0286</a> , <i>VA Loan Summary Sheet</i>
17	If a loan is submitted more than 60 days after loan closing, a statement signed by a corporate officer of the lender which identifies the loan, provides the specific reasons for late reporting, and certifies that the loan is current. This statement must be submitted with any late request for issuance of a Loan Guaranty Certificate (LGC).
18	<a href="#">VA Form 26-0592</a> , <i>Counseling Checklist for Military Homebuyers</i> , if the applicant is on active duty
19	<i>Loan Estimate</i>
20	Other necessary documents (for example – but not limited to, Power of Attorney if used, Lenders Loan Quality Certification)

## Exhibit B

Stacking Order for Interest Rate Reduction Refinancing Loans (IRRRLs)

<b>Order</b>	<b>Document</b>
1	Lender's cover or transmittal letter (if used)
2	<i>Closing Disclosure Statement</i>
3	<a href="#">VA Form 26-8937</a> , <i>Verification of VA Benefits, (if applicable)</i>
4	<a href="#">VA Form 26-1820</a> , <i>Report and Certification of Loan Disbursement</i>
5	<p>Statement signed by the Veteran acknowledging the effect of the refinancing loan on the Veteran's loan payments and interest rate:</p> <ul style="list-style-type: none"> <li>• The statement must show the interest rate and monthly payments for the new loan vs. that for the old loan</li> <li>• The statement must also indicate how long it will take to recoup ALL closing costs (both those included in the loan and those paid outside of closing)</li> </ul> <p>If applicable, the Veteran's statement may be combined with the lender's certification that the Veteran qualifies for the new monthly payment which exceeds the previous payment by 20 percent or more</p>
6	<a href="#">VA Form 26-8923</a> , <i>Interest Rate Reduction Refinancing Loan</i>
	Lender's certification – per Circular 26-18-14 – “Lender originating loans are responsible for determining and certifying to VA on the appropriate application or closing form that meets all statutory and regulatory requirements. Lenders will affirmatively certify that loans were made in full compliance with law and loan guaranty regulations as prescribed in this section.”
7	Lender's certification that the prior loan was current (not 30 days or more past due) at the time of loan closing
8	CAIVRS: borrower/co- borrower
9	<p>URLA with revised <a href="#">VA Form 26-1802a</a>, <i>Department of Housing and Urban Development (HUD)/VA Addendum to URLA</i></p> <ul style="list-style-type: none"> <li>• These forms may be signed and dated anytime from the date of initial application to the date of loan closing. These forms must be properly completed and legible, but do not have to be typed.</li> </ul>
10	<a href="#">VA Form 26-0503</a> , <i>Federal Collection Policy Notice</i>
11	<a href="#">VA Form 26-0286</a> , <i>VA Loan Summary Sheet</i>
12	If a loan is submitted more than 60 days after loan closing, a statement signed by a corporate officer of the lender which identifies the loan, provides the specific reasons for late reporting and certifies that the loan is current. This statement must be submitted with any late request for issuance of an LGC.

13	<a href="#">VA Form 26-0592</a> , <i>Counseling Checklist for Military Homebuyers</i> , if the applicant is on active duty
14	<i>Loan Estimate</i>
15	Documentation of the cost of energy efficiency improvements included in the loan. For cash reimbursement of the Veteran, the improvements must have been completed within the 90 days immediately preceding the date of the loan <b>Reference:</b> VA Pamphlet 26-7, section 3 of <a href="#">Chapter 7</a>
16	Other necessary documents (for example – but not limited to, Power of Attorney if used, Lenders Loan Quality Certification)

## Exhibit C

Stacking Order for Assumptions

<b>Order</b>	<b>Document</b>
	<b>Servicers with Automatic Authority-</b> All documents below, plus Substitution of Entitlement list, if applicable
1	Lender's cover or transmittal letter, including the reason for submission and any other pertinent information to the transaction
2	<a href="#">VA Form 26-6381 (Sellers Document)</a>
3	<a href="#">VA Form-6382 (Buyers Document)</a>
4	American Land Title Association (ALTA) Settlement Statement/Closing Disclosure verifying up to \$300 assumption fee plus cost of credit report
5	Warranty/Quit Claim Deed (Must be recorded copy from the county)
6	Funding fee (0.5%) receipt, unless assumer is exempt
7	<a href="#">VA Form 26-8106</a> (if applicable for Substitution of Entitlement)
8	Certificate of Eligibility for each Veteran (if applicable for Substitution of Entitlement)
	<b>Servicers without Automatic Authority-</b> Prior Approval Required- All documents below, plus Substitution of Entitlement list if applicable
1	Lender's cover or transmittal letter, including the reason for submission and any other pertinent information to the transaction
2	URLA with <a href="#">VA Form 26-1802a</a>
3	<a href="#">VA Form 26-8497</a> and income verification (pay stubs, tax returns, etc.)
4	CAIVRS
5	All credit reports dated within 120 days of transfer
6	Lender's Loan Quality and Current Pay History
7	<a href="#">VA Form 26-8794a</a> , or asset verification
8	<a href="#">VA Form 26-6393</a> , Loan Analysis
9	<a href="#">VA Form 26-0592</a> , <i>Counseling Checklist for Military Homebuyers</i> , if the applicant is on active duty
10	Homeowners Insurance Information
11	<a href="#">VA Form 26-6381</a> (Seller's Document)
12	<a href="#">VA Form 26-6382</a> (Buyer's Document)
13	ALTA Settlement Statement/Closing Disclosure verifying up to \$250 assumption fee plus cost of credit report
14	Warranty/Quit Claim Deed (Must be recorded copy from the county)

15	Assumption agreement with Release of Liability
16	Agreement creating liability to holder and U.S.
17	Assignment of Escrow
18	Deed of Trust, if applicable
19	Mortgage Note
20	Assumption policy rider
21	<a href="#">VA Form 26-8106</a> (if applicable for Substitution of Entitlement)
22	<a href="#">VA Form 26-1880</a> for each Veteran with proof of service (if applicable for Substitution of Entitlement)
	<b>Servicers without Automatic Authority-</b> Post Close (All document below)
1	Lender's cover or transmittal letter, including the reason for submission
2	Executed ALTA Settlement Statement/Closing Disclosure
3	Executed Warranty/Quit Claim Deed (Must be recorded copy from the county)
4	Executed Assumption Agreement with Release of Liability
5	Executed Agreement creating liability to holder and U.S., three copies
6	Executed Assignment of escrow
7	Executed Mortgage Note
8	Executed Deed of Trust, if applicable
9	Executed Assumption policy rider
10	Funding fee (0.5%) receipt, unless assumer is exempt