

Tuesday, July 27, 2021

Bulletin #2021-AC-030

NOTICE TO ALL CUSTOMERS

Conventional and VA Updates

Cryptocurrency as Eligible Assets (Conventional Loans)

Effective immediately, Cryptocurrency aka Bitcoin, Litecoin, digital assets, and other cryptocurrencies are eligible for down payment, reserves, and/or closing costs with proof of liquidation subject to the following documentation requirements:

- The 2 most recent cryptocurrency exchange statements documenting a history of transactions (including the conversion of funds to US dollars) must be obtained.
- Satisfactory documentation evidencing the borrower is the cryptocurrency account holder must be obtained.
- Funds liquidated from cryptocurrencies must be deposited into a U.S. financial institution account.
- Borrower must provide a written explanation on the original source of funds used to purchase the cryptocurrency.

Certificate of Eligibility (VA IRRRLs)

VA announced via Circular 26-21-11 of new enhancements made in VA's WEBLGY system will provide more accurate funding fee exemption when a new case number is requested on an Interest Rate Reduction Refinance Loan (IRRRL); therefore, effective immediately, a Certificate of Eligibility (COE) is no longer required on Interest Rate Reduction Refinance Loans (IRRRL).

Lenders can rely on the funding fee exemption information that will print on the IRRRL new case assignments and prior loan validation document which will reflect the veteran's funding fee status.

Important: For all other VA Loan types, there are no changes: the funding fee exemption information must be confirmed as displayed on the Certificate of Eligibility (COE). If the COE displays "Non-Exempt", the lender should ask the borrower if he/she has a pending compensation claim with VA. If the borrower indicates that a claim is pending, the lender should request an updated COE before loan closing (preferably not more than five days before closing) to verify whether the borrower is exempt. While the majority of COEs are processed instantaneously, there are rare cases where processing times may take up to five business days. Lenders should plan accordingly to avoid delaying loan closings.

To access our most recently updated Temporary Policies Related to COVID-19 (version 40) please [click here](#).