

## VA Funding Fee Update

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**Overview** On November 22, 2011, the Department of Veterans Affairs (VA) issued Circular 26-11-19, informing the President has signed into effect the raising of VA Funding Fees to the pre-November 18, 2011 levels. The VA Funding Fees outlined in this circular are valid through September 30, 2016.

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**Audience** Please direct this communication to:

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| <input checked="" type="checkbox"/> Loan Origination/Processing | <input checked="" type="checkbox"/> Secondary Marketing/Registration |
| <input checked="" type="checkbox"/> Underwriting                | <input checked="" type="checkbox"/> Closing/Funding                  |
| <input checked="" type="checkbox"/> Shipping/Delivery           | <input type="checkbox"/> Compliance/Legal                            |
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**Effective Date** The policies outlined in this bulletin apply to loans closed on or after November 18, 2011.

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**Lower VA Funding Fee** The lower VA Funding Fees will be effective for loans closed on November 18, 2011 through November 21, 2011.

- Refer to the VA Circular 26-11-12, dated September 8, 2011 for additional guidance.
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**Higher VA Funding Fee** The higher VA Funding Fees will be in effect for loans closed on or after November 22, 2011 through September 30, 2016. The VA Funding Fees during this period will be the same as those that existed prior to October 1, 2011.

- Refer to exhibit A as part of the VA Circular 26-11-19, dated November 22, 2011 for a break down of VA Funding Fees.
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## VA Funding Fee Update, Continued

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<b>VA IRRRLs</b>	VA Funding Fees for Interest Rate Reduction Refinancing Loans (IRRRLs) remains at .50%.
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<b>Temporary Suspension of VA Funding Fee Payments</b>	VA has advised lenders to temporarily suspend submitting fee payments (except IRRRLs) for loans closed on or after November 22, 2011, until the Funding Fee Payment System (FFPS) has been updated to calculate the former higher VA Funding Fees. VA will announce once the FFPS has been updated to reflect the higher VA Funding Fees.
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