



WHOLESALE ANNOUNCEMENT 2024-71

October 16, 2024

VA Updates

Effective Date:

Effective for loans closed on or after January 1, 2025

Update:

Invoice Requirements for Itemized Fees and Charges and Updates to the State Fees & Charges Deviations List

- VA regulations limit the fees and charges that may be charged to or paid by a Veteran, surviving spouse, or assumer (hereafter Veteran) obtaining or assuming a VA-guaranteed loan. Fees and charges not expressly permitted by VA **may not** be charged to or paid by the Veteran obtaining a VA-guaranteed loan.
- As described in Chapter 8 Topic 2.c of VA Lenders Handbook, Pamphlet 26-7, the Veteran may pay a reasonable and customary amount for itemized fees and charges designated by VA, if incidental to the loan. These fees are detailed in the Lenders Handbook and include:
 - (i) VA funding fee (unless the Veteran is exempt)³,
 - (ii) VA appraisal and repair inspections (if any),
 - (iii) Credit report,
 - (iv) Recording fees and recording taxes (including intangible tax) incident to recordation,
 - (v) Prepaid items, applicable taxes, hazard insurance, flood insurance, and assessments,
 - (vi) Title examination (including title searches), title insurance, and endorsements (if any),
 - (vii) Mortgage Electronic Registration Service (MERS) fee,
 - (viii) Flood Determination,
 - (ix) Survey,
 - (x) Fees approved in advance as local deviations.

Refer to the VA Lenders Handbook, Pamphlet 26-7, for additional information on itemized fees.

- Must comply with the following procedures regarding itemized fees and charges no later than the effective date described in section 4.
 - a. Invoices for Itemized Fees and Charges. As described above, reasonable and customary amounts for itemized fees and charges designated by VA may be charged to and paid by the Veteran. Lenders must support the amount charged to or paid by the Veteran with an invoice or other document that clearly identifies the transaction and verifies the fee and associated charge (example: a recorded deed that displays the cost of recordation). (Note: an invoice is not required for the VA funding fee). Lenders may not charge the Veteran more than the actual amount charged for the fee or service performed and may not charge the Veteran for services **already paid for by another party**. Invoices must be maintained in the loan file and provided to VA in the event the loan is requested for audit or review.



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If the lender is unable to support the charge with an invoice, a refund is to be provided to the Veteran. If an overcharge is refunded prior to a VA review, evidence of the refund is to be maintained in the loan file and provided to VA on request.

The invoice requirement does not apply to fees included in the lender's one percent. The invoice requirement does not apply to fees in the "Seller-Paid" or "Paid by Others" columns on the closing disclosure.

- b. State Fees & Charges Deviations List. VA may authorize, in advance, local fee variances for additional fees and charges that may be charged to and paid by the Veteran based on the location of the subject property. VA publishes a list of these deviations on its website. Effective immediately, VA will no longer publish maximum dollar amounts for most fees and charges on this list.

(1) Deviations with maximum dollar amounts listed. VA recognizes that certain government mandated fees paid by the Veteran at close may not be received by the state or municipality immediately at closing, and therefore do not have an invoice (example: Georgia Residential Mortgage Fee). These fees, specifically identified on the State Fees & Charges Deviations List do not require an invoice, but the lender may not charge more than the amount listed.

(2) Deviations without maximum dollar amounts listed. The Veteran may pay reasonable and customary amounts for the fees and charges listed on the State Fees & Charges Deviations list without a maximum dollar amount listed, provided they are supported by an invoice. Veterans may not be charged more than the amount invoiced for the fee or service performed or for services already paid for by another party. Invoices must be maintained in the loan file and provided to VA in the event the loan is called for a Full File Loan Review (FFLR) or otherwise requested for audit or review. If the lender is unable to support the charge with an invoice, a refund is to be provided to the Veteran. If an overcharge is refunded prior to a VA review, evidence of the refund is to be maintained in the loan file and provided to VA on request. Note that a principal reduction is acceptable in cases where the overcharged fee was included in the loan amount, such as on an Interest Rate Reduction Refinancing Loan.

Lenders are responsible for ensuring the amount charged is compliant with any state maximums set for the fee or service listed.

Should you have any questions, please reach out to your Account Executive or Client Manager