

## VA Assumption Updates

1. Purpose. VA is publishing this Circular to provide additional information regarding fees that may be charged to and paid by the assumer, upon the closing, of an assumption of a VA-guaranteed loan, and to replace references to VA's Outlook-based email address listed in the original circular.

2. Background. VA published Circular 26-23-10 to provide clarity regarding assumption processing and reporting procedures. Specifically, section 2(1)(f) outlined permissible fees and charges that may be assessed on an assumption transaction.

Circular 26-23-10 also provided a specific email address to be used to report an assumption or otherwise notify VA of assumption-related activities. Circular 26-23-11, Regional Loan Centers transitioned from Outlook mailboxes to a ServiceNow Portal, therefore an update to the circular is necessary.

3. Assumption Fees: Circular 26-23-10, Section 2(1)(f) is replaced as follows:

(f) Assumption Fees: The holder or servicer may charge an assumption processing fee not to exceed \$300. This fee is intended to cover all costs of underwriting, processing and closing the assumption. If the loan is disapproved, and the assumption fee was collected previously, the portion attributable to changing the loan records, \$50, must be returned to the party who paid the fee if the loan remains disapproved after 60 calendar days (to allow time for processing requested appeals).<sup>1</sup>

(i) The following charges, if incident to the loan, may be charged to the assumer (irrespective of the assumer's Veteran status) of a VA-guaranteed loan:<sup>2</sup>

- (a) Assumption processing fee (as described above),
- (b) VA funding fee<sup>3</sup> (unless the assumer is exempt, or the transaction is the result of an unrestricted transfer, such as an assumption processed as the result of a divorce),
- (c) Credit Report,
- (d) Recording fees and recording taxes incident to recordation,
- (e) Applicable taxes, hazard insurance, flood insurance and assessments,
- (f) Title examination (including title searches), title insurance, and endorsements, if any, and
- (g) Fees approved in advance as local deviations.

Fees and charges not expressly permitted above may not be charged to or paid by the assumer of a VA-guaranteed loan. Refunds of charges related to disapprovals must be made in accordance with the requirements of 38 C.F.R. § 36.4303(l).

It is permissible for the seller to pay for real estate commission or brokerage fees.

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<sup>1</sup> 38 C.F.R. § 36.4303(l)(1)(ii)(D).

<sup>2</sup> See 38 C.F.R. § 36.4313.

<sup>3</sup> 38 U.S.C. §3729.

4. Notification to VA. VA has transitioned to a ServiceNow portal. Therefore, sections referencing VA's Outlook-based email address [LGY.LPNATIONAL@va.gov](mailto:LGY.LPNATIONAL@va.gov) are deleted and replaced as follows:

Page 4, Section 3.a(8) Notify VA: Notify VA that a holder or servicer-approved assumption package has been uploaded. The notification should be made by submitting a request through VA's ServiceNow Portal available at [https://yourit.va.gov/csm?id=rlc\\_pathfinder](https://yourit.va.gov/csm?id=rlc_pathfinder). The 'assumption' submission category is available by selecting 'Lender or Real Estate Professional' and requesting support for 'Eligibility, Originations, and Post Closing'.

Page 4, Section 3.b (2) Notify VA: The VA assumption package request letter will contain a VA point of contact (POC). Notify the POC that the assumption appeal package has been uploaded by submitting a request through VA's ServiceNow Portal available at [https://yourit.va.gov/csm?id=rlc\\_pathfinder](https://yourit.va.gov/csm?id=rlc_pathfinder). The 'assumption' submission category is available by selecting 'Lender or Real Estate Professional' and requesting support for 'Eligibility, Originations, and Post Closing'.

Page 5, Section 3.b(8) Notify VA: Notify the VA POC that the assumption closing package has been uploaded by submitting a request through VA's ServiceNow Portal available at [https://yourit.va.gov/csm?id=rlc\\_pathfinder](https://yourit.va.gov/csm?id=rlc_pathfinder). The 'assumption' submission category is available by selecting 'Lender or Real Estate Professional' and requesting support for 'Eligibility, Originations, and Post Closing'.

Page 5, Section 3.c(4) Notify VA: Notify VA that a prior approval assumption package has been uploaded. The notification should be made by submitting a request through VA's ServiceNow Portal available at [https://yourit.va.gov/csm?id=rlc\\_pathfinder](https://yourit.va.gov/csm?id=rlc_pathfinder). The 'assumption' submission category is available by selecting 'Lender or Real Estate Professional' and requesting support for 'Eligibility, Originations, and Post Closing'.

Page 6, Section 3.c(10) Notify VA: The VA assumption approval letter will contain a VA point of contact (POC). Notify the POC that the assumption closing package has been uploaded by submitting a request through VA's ServiceNow Portal available at [https://yourit.va.gov/csm?id=rlc\\_pathfinder](https://yourit.va.gov/csm?id=rlc_pathfinder). The 'assumption' submission category is available by selecting 'Lender or Real Estate Professional' and requesting support for 'Eligibility, Originations, and Post Closing'.

5. Questions. For questions or comments please submit a request through VA's ServiceNow customer portal available at [https://yourit.va.gov/csm?id=rlc\\_pathfinder](https://yourit.va.gov/csm?id=rlc_pathfinder), or contact VA by phone at 1-877-827-3702, between the hours of 8:00 AM and 6:00 PM Eastern time.

6. Effective Date. This circular is effective immediately.

7. Rescission: This Circular is valid until rescinded.

By Direction of the Under Secretary for Benefits

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Loan Guaranty Service

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