

Funding Fee Clarification

1. Purpose. The purpose of this Circular is to provide industry requested clarification of funding fee percentages detailed in Public Law 113-146, Veterans Access, Choice, and Accountability Act of 2014.

2. Funding Fee Percentages.

a. Exhibit A details funding fees in effect for loans closed on or after November 22, 2011, and before September 30, 2024.

b. Regular (Cash-Out) Refinances: There is no reduced funding fee on refinances due to equity. The law permits reduced funding fees only when a downpayment is made on a purchase loan.

3. Rescission: This Circular is rescinded on October 1, 2019.

By Direction of the Under Secretary for Benefits

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Loan Fee Structure for VA-Guaranteed Loans		
	Veteran	Reservist/National Guard
First Time Use		
Downpayment		
Less than 5 percent ¹ Loans closed on or after November 22, 2011 and before September 30, 2024	2.15%	2.40%
At least 5 percent but less than 10 percent Loans closed on or after November 22, 2011 and before September 30, 2024	1.50%	1.75%
10 percent or more Loans closed on or after November 22, 2011 and before September 30, 2024	1.25%	1.50%
Second and Subsequent Use		
Downpayment		
Less than 5 percent ¹ Loans closed on or after November 22, 2011 and before September 30, 2024	3.30%	3.30%
At least 5 percent but less than 10 percent Loans closed on or after November 22, 2011 and before September 30, 2024	1.50%	1.75%
10 percent or more Loans closed on or after November 22, 2011 and before September 30, 2024	1.25%	1.50%
Refinancing Loans		
Interest Rate Reduction	0.50%	0.50%
Other		
Assumptions	0.50%	0.50%
Manufactured Home Loans (NOT permanently affixed)	1.00%	1.00%
Service-connected Veterans	0.00%	0.00%

¹ includes 'Cash-Out' Refinancing loans