

## Bulletin 19-46

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### VA Program Update to Funding Fee Requirements - Purchase and Cash-Out Transactions

VA Circular [26-19-17](#) issued June 28, 2019 detailed changes to VA's policy regarding the funding fee which applies to purchase, cash-out and IRRRLs. Homebridge [Bulletin 19-40](#), issued September 5, 2019, detailed the funding fee/COE requirements for IRRRLs; the below guidance applies to VA purchase and cash-out transactions

#### Veterans

- If the COE indicates the veteran is **not exempt** from paying the funding fee, the following is required:
  - The veteran must acknowledge, **in writing**, if they do or do not have a pending claim for compensation filed with the VA and the documentation must be retained in the loan file. The following options are acceptable documentation:
    - An email from the veteran to the broker/NDC, **OR**
    - The veteran can complete and sign **one** of the following:
      - The Homebridge VA Pending Claims Certification, **OR**
      - The Homebridge VA Indebtedness Questionnaire (Section II)
  - If the veteran acknowledges a pending claim using one of the methods above, Homebridge will contact VA to determine funding fee exemption status

#### Active Duty Servicemembers

- A transaction where the borrower is an active duty servicemember will require the servicemember to complete and sign one of the following:
  - VA form [26-8937](#) Verification of VA Benefits, which validates whether or not the servicemember has a pre-discharge claim pending (Section 8), **OR**
  - Homebridge VA Indebtedness Questionnaire (Section II)
- If VA form 26-8937 or the Homebridge VA Indebtedness Questionnaire indicate the active duty servicemember **does** have a pending pre-discharge claim, Homebridge will contact the VA Regional Loan Center (RLC) to obtain a proposed or memorandum rating in the event the servicemember will be exempt from the funding fee.

NOTE: If the documentation is not obtained from the RLC prior to loan closing, the servicemember is **not** eligible for the funding fee exemption (if exemption was applicable)

#### Documentation

The VA Submission form has been updated to include the following requirements:

- **Active Duty Servicemembers:** One of the following:
  - VA Form [26-8937](#), **or**
  - Homebridge VA Indebtedness Questionnaire

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- **Veteran** (and COE indicates the veteran is **not exempt** from the funding fee): One of the following:
    - The Homebridge VA Pending Claims Certification, **or**
    - The Homebridge VA Indebtedness Questionnaire, **or**
    - An email/written documentation from the veteran to document pending claim status

The new documentation requirements apply to new submissions and **loans currently in the pipeline that are not cleared to close**

The VA program guidelines have been updated and posted on the Homebridge website at  
[www.homebridgewholesale.com](http://www.homebridgewholesale.com)

The forms referenced above are also posted on the Homebridge website on the Forms page under “VA Specific”.

**NOTE:** A Broker/Non-Delegated Correspondent version of the Homebridge Pending Claims Certification or Indebtedness Questionnaire is acceptable as long as it contains the same/similar language as the Homebridge version

If you have any questions, please contact your Account Executive.