

Bulletin 19-46

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

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.