

Announcement #23-14

Date: February 27, 2023

VA Circular 26-23-06 Funding Fee Charge Update

Pennymac is aligning with VA Circular 26-23-06, *Funding Fee Charge Update* which *reduces* the funding fee rates for non-exempt Veterans on VA loans closed on or after 4/7/2023 and prior to 11/14/2031.

Please refer to the below table for a detailed breakdown of the funding fee rates in effect up to and including 4/6/2023 compared to the fees on or after 4/7/2023. The table also shows the VA Funding Fees for Purchase, Construction Loans and VA Cash-Out Refinance transactions.

Note: the funding fee for VA IRRRLs are not impacted by this change.

VA Funding Fees for Non-Exempt Veterans - Purchase or Construction Loans				
Funding Fee Rates for loans closing on or prior to 4/6/2023			Funding Fee Rates for loans closing on or after 4/7/2023	
	Down Payment Amount	Funding Fee Percentage	Down Payment Amount	Funding Fee Percentage
First Use	Less than 5%	2.30%	Less than 5%	2.15%
	5% or more	1.65%	5% or more	1.50%
	10% or more	1.40%	10% or more	1.25%
Subsequent Use	Less than 5%	3.60%	Less than 5%	3.30%
	5% or more	1.65%	5% or more	1.50%
	10% or more	1.40%	10% or more	1.25%
VA Funding Fees for Non-Exempt Veterans - Cash-Out Refinances				
Funding Fee Rates for loans closing on or prior to 4/6/2023			Funding Fee Rates for loans closing on or after 4/7/2023	
	Funding Fee Percentage		Funding Fee Percentage	
First Use	2.30%		2.15%	
Subsequent Use	3.60%		3.30%	

Please contact your Sales Representative with any questions.