

Announcement # 24-128

Date: December 16, 2024

VA Update: Requirements for Itemized Fees and Charges, and State Fees & Charges Deviations List

VA regulations limit the fees and charges that may be charged to or paid by a Veteran, surviving spouse, or assumer (hereafter Veteran) obtaining or assuming a VA-guaranteed loan. Fees and charges not expressly permitted by VA may not be charged to or paid by the Veteran obtaining a VA-guaranteed loan.

The Veteran may pay a reasonable and customary amount for itemized fees and charges designated by VA, if incidental to the loan as outlined in the VA Lenders Handbook.

Effective for loans closed on or after January 1, 2025, the following guidance applies:

- Lenders must support the amount charged to or paid by the Veteran with an invoice or other document that clearly identifies the transaction and verifies the fee and associated charge.
- Lenders may not charge the Veteran more than the actual amount charged for the fee or service performed and may not charge the Veteran for services already paid for by another party.
- Invoices must be maintained in the loan file.
- An invoice is not required for the VA funding fee.
- If the lender is unable to support the charge with an invoice, a refund must be provided to the Veteran.
- If an overcharge is refunded, evidence of the refund must be maintained in the loan file.
- The invoice requirement does not apply to fees included in the lender's one percent.
- The invoice requirement does not apply to fees in the "Seller-Paid" or "Paid by Others" columns on the closing disclosure.

State Fees & Charges Deviations List

VA may authorize, in advance, local fee variances for additional fees and charges that may be charged to and paid by the Veteran based on the location of the subject property. VA publishes [a list of these deviations](#) on their website. Effective immediately, VA will no longer publish maximum dollar amounts for most fees and charges on this list.

- Certain government mandated fees paid by the Veteran at close may not be received by the state or municipality immediately at closing, and therefore do not have an invoice (example: Georgia Residential Mortgage Fee). These fees, specifically identified on the State Fees & Charges Deviations List do not require an invoice, but the lender may not charge more than the amount listed.
- The Veteran may pay reasonable and customary amounts for the fees and charges listed on the State Fees & Charges Deviations list without a maximum dollar amount listed, provided they are supported by an invoice.
- Veterans may not be charged more than the amount invoiced for the fee or service performed or for services already paid for by another party.
- Invoices must be maintained in the loan file.

- If the lender is unable to support the charge with an invoice, a refund must be provided to the Veteran.
- If an overcharge is refunded, evidence of the refund must be maintained in the loan file.
- Note: A principal reduction is acceptable in cases where the overcharged fee was included in the loan amount, such as on an Interest Rate Reduction Refinancing Loan.
- Lenders are responsible for ensuring the amount charged is compliant with any state maximums set for the fee or service listed.

Pennymac is aligning with these changes.

Please contact your Sales Representative with any questions.