

Veterans Benefits Administration  
Department of Veterans Affairs  
Washington, DC 20420

Circular 26-11-19  
November 22, 2011

FUNDING FEE UPDATE AS OF NOVEMBER 22, 2011

1. Purpose. On November 21, 2011, the President signed H.R. 674. Section 265 of the law raises funding fees to the pre-November 18, 2011 levels. The fees specified in Section 265 are valid through September 30, 2016.

2. Proper Funding Fee Charges

a. *Loans closed November 18 through and including November 21, 2011*: Funding fees for loans closed during this period will be the lower fees cited in the Department of Veterans Affairs (VA) [Circular 26-11-12](#), dated September 8, 2011.

b. *Loans closed November 22 through and including September 30, 2016*: Funding fees for loans closed during this period will be the same as those that existed prior to October 1, 2011. See Exhibit A attached for a complete breakdown of current fees.

c. *Interest Rate Reduction Refinancing Loans and Assumptions*: Funding fees for these loans remains at .50 percent.

3. Rescission: This circular is rescinded on October 1, 2012.

By Direction of the Under Secretary for Benefits

Michael J. Frueh  
Acting Director, Loan Guaranty Service

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<b>Loan Fee Structure for VA-Guaranteed Loans</b>		
	Veteran	Reservist/National Guard
<b>First Time Use</b>		
Downpayment		
Less than 5 percent <sup>1</sup>		
* November 18, 2011 through November 21, 2011	1.40%	1.65%
* November 22, 2011 through September 30, 2016	2.15%	2.40%
At least 5 percent but less than 10 percent		
* November 18, 2011 through November 21, 2011	0.75%	1.00%
* November 22, 2011 through September 30, 2016	1.50%	1.75%
10 percent or more		
* November 18, 2011 through November 21, 2011	0.50%	0.75%
* November 22, 2011 through September 30, 2016	1.25%	1.50%
<b>Second and Subsequent Use</b>		
Downpayment		
Less than 5 percent <sup>1</sup>		
* November 18, 2011 through November 21, 2011	2.80%	2.80%
* November 22, 2011 through September 30, 2016	3.30%	3.30%
At least 5 percent but less than 10 percent		
* November 18, 2011 through November 21, 2011	0.75%	1.00%
* November 22, 2011 through September 30, 2016	1.50%	1.75%
10 percent or more		
* November 18, 2011 through November 21, 2011	0.50%	0.75%
* November 22, 2011 through September 30, 2016	1.25%	1.50%
<b>Refinancing Loans</b>		
Interest Rate Reduction	0.50%	0.50%
<b>Other</b>		
Assumptions	0.50%	0.50%
Service-connected Veterans	0.00%	0.00%

<sup>1</sup> includes 'Cash-Out' Refinancing loans