

VA Funding Fee



LENDER RESPONSIBILITIES:

1. Verify if Veteran may be exempt from the funding fee
2. Determine the amount of funding fee
3. Collect funding fee at closing
4. Remit funds to VA timely
5. Obtain proof of payment online
6. Submit proof of paid funding fee or exemption to VA with the closed loan package, when applicable

VETERAN MAY BE EXEMPT IF:

1. Veteran is receiving VA compensation from service-connected disabilities or would be if they did not receive retirement pay.
2. Surviving spouse of Veteran who died in service or from a service-connected disability.

If needed per COE VA Form 26-8937, Verification of VA Benefits, must be submitted to the RLC with jurisdiction.

For St. Paul RLC requests, Fax to:
Loan Production Section
215.991.5043

Questions?
Call 1.800.827.0611 Option 3

Did you know?

VA form 26-8937 should only be faxed to VA for processing if the COE states that there is insufficient information to determine a Veteran's exemption status.

VA Funding Fee

Schedule



Funding Fee for Purchase and Construction Loans

Type of Veteran	Down Payment	1st Time Use	Subsequent Use
Active Duty (AD) Veterans of (AD) Service	None	2.15%	3.30%**
	5% - 10%	1.5%	1.50%
	10% or more	1.25%	1.25%
Reserves/ National Guard*	None	2.40%	3.30%**
	5%-10%	1.75%	1.75%
	10% or more	1.5%	1.50%

*If a reservist qualifies using either their active duty service, charge the lower percentage when calculating the funding fee.

**The higher subsequent use fee does not apply if the veteran's only prior use of entitlement was for a manufactured home loan.

EXAMPLE



Joe Smith has been in the reserves for 10 years (which qualifies him for a VA Home Loan as a reservist). He is called to active duty in support of Operation Iraqi Freedom, and is sent to Iraq, where he serves 12 months. Once Joe has been on active duty in Iraq for more than 90 days, he would be eligible for benefits as an active duty serviceman.

Funding Fee for Other Loan Types

Type of Loan	1st Time and Subsequent Use
IRRRL	.5%
VA Assumption	.5%

Funding Fee for Cash-Out Refinancing Loans

Type of Veteran	1st Time Use	Subsequent Use
Active Duty (AD)/ Veterans of (AD) Service	2.15%	3.30%**
Reserves/ National Guard*	2.40%	3.30%**

Funding Fee Payment System (FFPS)



What is FFPS?

An online system enabling lender's to input loan information and pay the appropriate VA funding fee.

A screenshot of the VA FFPS (Funding Fee Payment System) login page. The page features the VA logo at the top left. Below it, there is a 'VA FFPS Login' section with fields for 'Username:' and 'Password:', and a 'Login' button. An arrow points from the 'Login' button to the first step of the 'How do I use FFPS?' list. Below the login section are three menu items: 'Public Information' (with sub-links for Contact Information/ Forgot Password, Privacy Policy, and FAQs), and 'Lender Registration' (with a link for Register Lender).

How do I use FFPS?

1. Access Online: <https://va.pay.gov>
2. Enter Lender ID and Password to log into system
3. Select the function you would like to complete eg. Submit new payment or Search

Things to Note

- When inputting a new funding fee, the system will automatically calculate the amount owed.
- After a funding fee payment is made, a receipt will be available to print off within 24 hours.
- Loans cannot be guaranteed for 24 hours after funding fee payment is made.
- A record needs to be generated for all veterans, exempt or not.

For Funding Fee Payment System
problems, contact FFPS customer service:

1.800.624.1373
pay.gov.clev@clev.frb.org