

Wednesday, December 04, 2019

Bulletin #2019-AC-028

## NOTICE TO ALL CUSTOMERS

### Important Announcement Regarding New VA Funding Fee Requirements

#### VA New Funding Fee (Blue Water Navy Vietnam Act)

This communication is to provide guidance to customers regarding FLCBank's Funding Fee disclosure requirement for loan applications "finaled on/or after December 15, 2019" to ensure compliance with the new requirements applicable with VA loans closing on or after January 1, 2020:

All VA loan applications "finaled" to FLCBank on/or after December 15, 2019 must reflect the new funding fee per the table below. Please note that the changes to the funding fee apply to Purchase and Cash Out Refinance transactions closing on or after January 1, 2020 through December 31, 2021.

Loan Fee Structure for Guaranteed Loans			
Active Duty, Reserves, National Guard			
Transaction	Down Payment	Funding Fee for First Time Use	Funding Fee for Subsequent Use
Purchase Transaction and Single Closing Construction*	None	2.30%	3.6%
	5% but < 10%	1.65%	1.65%
	10% or more	1.40%	1.40%
Cash Out Refinance	N/A	2.30%	3.60%
IRRRLs Refinance	N/A	0.50%	0.50%
Loan Assumptions*	N/A	0.50%	0.50%

\*Single Closing Construction and Loan Assumptions are not eligible transactions at FLCBank. Reduced funding fee rates apply to loans made to purchase or single closing construction of a dwelling with a down payment of five percent or more of the purchase price. Reduced funding fee rates do not apply to refinance loans.

**IMPORTANT:** Note that VA loans currently in the pipeline "finaled" before December 15, 2019 must close by December 31, 2019; otherwise, the new funding fee must be disclosed to the consumer with its accompanying COC.

Resources: [VA Circular 26-19-23](#) , [VA Circular 26-19-30](#)

The Product Guidelines will be updated in the next few days, in the meantime, use the policy in this bulletin. Updated guides will be posted on the FLCB website at [www.flcbmtg.com](http://www.flcbmtg.com). Changes will be noted in blue font for easy reference.