

Tuesday, October 29, 2024

Bulletin #2024-AC-XXX

NOTICE TO ALL CUSTOMERS

VA Documentation Requirement for Allowable Fees

The Department of Veterans Affairs (VA) published via [Circular 26-24-19](#) their invoice requirements for itemized fees and charges paid by or to be paid by the veteran and the updates to [State Fees and Charges Deviations List](#) on a VA guaranteed loan effective with loans closing on or after January 1, 2025.

In [Circular 26-24-19](#), VA calls for lenders to document the fees charged to or to be paid by the Veteran with an invoice or other similar document that clearly identifies the transaction and verifies the fees/charges noted on the Closing Disclosure (CD). In other words, all fees on the CD listed on the borrower's column must have corresponding invoices or similar documents in order to be charged to the veteran. If the lender is unable to provide an invoice or other similar document to support the charge, the lender must provide a refund to the Veteran for the fees/charges and evidence of the refund is to be properly documented.

The invoice requirement does not apply to

- Fees included in the lender's 1% origination fee to cover unallowable fees,
- The Funding Fee, or
- Fees in the Seller-Paid or Paid by Others columns on the Closing Disclosure (CD).

It is important to mention that having the veteran paid charges or fees listed on the Closing Disclosure (CD) is NOT acceptable evidence in lieu of an invoice.

Any government mandated fees paid by the veteran at loan closing such as the GA Residential Mortgage Fee, or other fees specifically identified on the [State Fees and Charges Deviations List](#) do not require an invoice, but the lender cannot charge more than the amount listed. Deviations without a listed maximum amount for the fees and charges must be supported by an invoice.

To comply with VA's directive for lenders to document veteran paid fees and charges, effective with new loans finalized on or after November 12, 2024, FLCBank will require all closing costs and prepaid fees and charges to be paid by the veteran to be supported with invoices or other documents that clearly identifies the transaction and verifies the fee and associated charge shown on the Final Closing Disclosure (CD). These fees include but are not limited to:

- Appraisal fee,
- Appraisal Repair Inspection fee,
- Credit Report,
- Flood Determination,
- Recording fees and Recording Taxes including Tangible Tax Incident to recordation,
- Pre-paid Items, applicable Real Estate Property Taxes, Hazard Insurance, Flood Insurance, and Assessments,
- Homeowners Association Dues/Fees (if any)

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- Title examination (including title searches),
- Title insurance, and endorsements (if any),
- Mortgage Electronic Registration Service (MERS) fee (if any),
- Survey, etc.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).

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