

## **FEES AND CHARGES THE VETERAN-BORROWER CAN PAY**

The veteran may pay any or all of the following itemized fees and charges in amounts that are reasonable and customary.

<b>CHARGE</b>	<b>DESCRIPTION</b>
<b>APPRAISAL AND COMPLIANCE INSPECTIONS</b>	<ul style="list-style-type: none"> <li>The veteran can pay the fee of a VA appraiser and VA compliance inspectors.</li> <li>The veteran can also pay for a second appraisal if he or she is requesting reconsideration of value.</li> </ul>
<b>CREDIT REPORT</b>	The veteran can pay for the credit report obtained.
<b>FLOOD ZONE DETERMINATION</b>	<p>The veteran can pay the actual amount charged for a determination of whether a property is in a special flood hazard area, if made by a third party who guarantees the accuracy of the determination.</p> <p>The veteran can pay a charge for a life-of-the-loan flood determination service purchased at the time of loan origination.</p> <ul style="list-style-type: none"> <li>A fee may not be charged for a flood zone determination made by LHFS or a VA appraiser.</li> </ul>
<b>HAZARD INSURANCE</b>	<ul style="list-style-type: none"> <li>The veteran can pay the required hazard insurance premium. This includes flood insurance, if required.</li> </ul>
<b>MORTGAGE ELECTRONIC REGISTRATION SYSTEM (MERS) FEE</b>	<ul style="list-style-type: none"> <li>The veteran may pay a fee for MERS. MERS is a one-time fee for the purpose of electronically tracking the ownership of the beneficial interest in a loan and its servicing rights.</li> </ul>
<b>OTHER FEES AUTHORIZED BY VA</b>	<ul style="list-style-type: none"> <li>Additional fees attributable to local variances may be charged to the veteran only if specifically authorized by VA. LHFS may submit a written request to the Regional Loan Center for approval if the fee is normally paid by the borrower in a particular jurisdiction and considered reasonable and customary in the jurisdiction.</li> </ul>
<b>PREPAID ITEMS</b>	<ul style="list-style-type: none"> <li>The veteran can pay that portion of taxes, assessments, and similar items for the current year chargeable to the borrower and the initial deposit for the tax and insurance account.</li> </ul>
<b>RECORDING FEES</b>	<ul style="list-style-type: none"> <li>The veteran can pay for recording fees and recording taxes or other charges incident to recordation.</li> </ul>
<b>REFINANCING ALLOWABLE FEES</b>	<ul style="list-style-type: none"> <li>A maximum of two discount points can be rolled into the loan.</li> </ul> <p>If the borrower pays more than two points, the remainder must be paid in cash.</p>
<b>SPECIAL MAILING FEES FOR REFINANCING LOANS</b>	<ul style="list-style-type: none"> <li>For refinancing loans only, the veteran can pay charges for Federal Express, Express Mail, or a similar service when the saved per diem interest cost to the veteran will exceed the cost of the special handling.</li> </ul>
<b>SURVEY</b>	<ul style="list-style-type: none"> <li>The veteran can pay a charge for a survey, if required by the LHFS or veteran. Any charge for a survey in connection with a condominium loan must have the prior approval of VA.</li> </ul>
<b>TITLE EXAMINATION AND TITLE INSURANCE</b>	<ul style="list-style-type: none"> <li>The veteran may pay a fee for title examination and title insurance, if any.</li> <li>If LHFS decides that an environmental protection lien endorsement to a title policy is needed, the cost of the endorsement may be charged to the veteran.</li> </ul>
<b>VA FUNDING FEE</b>	<ul style="list-style-type: none"> <li>Unless exempt, each veteran must pay a Funding Fee to VA.</li> </ul>

*\*\* In addition, the borrower may not pay a duplicate fee for services that have already been paid for by another party.*



## **FEES AND CHARGES THE VETERAN-BORROWER CANNOT PAY**

The following items cannot be charged to the veteran:

- Broker Fee
- Real Estate Agent/Brokerage Fees/Commissions—including Short Sale Negotiation/Transaction Coordinator Fees
- Any portion of the seller's lien(s) on short sale purchases (no short sale fees of any kind may be paid by the Veteran)
- Pre-payment penalties financed through the refinance transaction—Veteran MAY pay for this fee out of their own funds only—these fees may NOT be financed
- VA Inspection Fees for builders (Normal new construction inspection fees may be paid for by the Veteran when required by the VA Appraiser)
- Purchases (including REO purchases): Cost of required repairs/inspections must be paid for by the seller. The Veteran is only allowed to pay for MINOR termite damage repairs

## **NON-ALLOWABLE VETERAN-PAID CLOSING COSTS**

*(The sum of the non-allowable items may not exceed 1% of the base loan amount)*

- 3rd Party Fees, regardless of affiliation with the lender
- Assignment Fees
- Attorney Fees
- Commitment Fees or Marketing Fees of Secondary Purchasers
- Escrow Fees
- Fax, Email, Copying, Postage, Stationary, Telephone, or Other Overhead Charges
- Interest Rate Lock-In Fees
- Lender's appraisal (I.E. secondary appraisals for reconsiderations of value)
- Lender's inspections (except for construction loan inspections as required by the appraiser/NOV)
- Loan Closing/Settlement Fees
- Notary Fees
- Tax Service Fees
- Termite Report
- Trustee Fees

**\*\*The Non-Allowable Fees that are listed above can ONLY be paid for by the Veteran IF there is NO ORIGATION FEE CHARGED—AND—the fee(s) is/are NOT listed as one of the fees that the Veteran may never pay, up to a MAXIMUM aggregate of 1% of the purchase price.**

## **HELPFUL LINKS:**

### **LAND HOME FINANCIAL ADDITIONAL RESOURCES:**

- [eScenarios](#)
- [LHFSWholesale.com](#)
- [VA - Submission Checklist \(LHFS Disclosed\)](#)
- [VA - Submission Checklist \(TPO Disclosed\)](#)
- [VA - Matrix](#)
- [VA - Manufactured Housing Matrix](#)
- [VA - IRRRL Matrix](#)
- [VA - IRRRL Manufactured Housing Matrix](#)

### **AGENCY GUIDELINES:**

- [VA Lenders Handbook](#)
- [VA Maximum Mortgage Worksheet](#)
- [Certificate of Eligibility](#)
- [Appraiser Fee Schedule](#)
- [Instructions ordering VA Appraisals](#)
- [VA County Loan Limits](#)
- [Guaranty Calculation Example](#)

