



**Date:** October 3, 2011

**To:** All DMI

**From:** Underwriting

**Subject:** Urgent Funding Fee information

Due to last minute congressional changes the implementation of the lower VA Funding Fee “**has been put on hold**”.

For VA loans currently on the funding table we will deal with those on a case by case basis.

For loans that are currently in process that have been disclosed at the lower Funding Fee we will let you know if they will need to be re disclosed at the higher fee once a final decision has been made by VA.

**Please read the below VA notice on the funding fee.**

**10/1/2011 – Important VA Notice:**

**LOANS CLOSED ON OR AFTER OCTOBER 1, 2011:** Due to legislation affecting funding fees that has passed both houses of Congress and is awaiting the President's signature, lenders should not submit payments for loans closed on or after October 1, 2011, until further notice. This issue should be resolved within the next several days. If the President signs the legislation, it will in effect keep funding fees at their FY2011 rates through November 17, 2011. This means the changes set to take effect per Circular 26-11-12, might only be in effect for a very short time (or not at all if the bill is signed by Saturday, October 1, 2011).

We will continue to monitor VA for updates, and we will pass on information as soon as we receive it.

Please contact underwriting if you have any questions.