



Date: October 7, 2011

To: All DMI employees

From: Underwriting

Subject: VA Funding Fee Update

Today VA has announced that the old Funding Fee structure will remain in effect for all loans that close between now and November 17th.

Loans closed on or after November 18th will be subject to the lower Funding Fee has previously announced and shown in the chart below:

VA believes it likely that Congress will pass other legislation in the coming weeks that will make additional changes to the funding fee structure. We will continue to monitor this and apprise you of any changes.

Loans in Process: Please review any loans in process that were disclosed, underwritten and or have doc's drawn at the lower amount and re-disclose at the higher rate.

Please contact underwriting if you have any questions.

Loan Fee Structure for VA-Guaranteed Loans		
	Veteran	Reservist/National Guard
First Time Use		
Downpayment		
Less than 5 percent ¹		
* October 1, 2011 until October 5, 2011	1.40%	1.65%
* October 6, 2011 until November 17, 2011	2.15%	2.40%
* On or after November 18, 2011	1.40%	1.65%
At least 5 percent but less than 10 percent		
* October 1, 2011 until October 5, 2011	0.75%	1.00%
* October 6, 2011 until November 17, 2011	1.50%	1.75%
* On or after November 18, 2011	0.75%	1.00%
10 percent or more		
* October 1, 2011 until October 5, 2011	0.50%	0.75%
* October 6, 2011 until November 17, 2011	1.25%	1.50%
* On or after November 18, 2011	0.50%	0.75%
Second and Subsequent Use		
Downpayment		
Less than 5 percent ¹		
* October 1, 2007 until October 1, 2011	3.30%	3.30%
* October 1, 2011 until October 5, 2011	2.80%	2.80%
* October 6, 2011 until November 17, 2011	3.30%	3.30%
* November 18, 2011 until October 1, 2012	2.80%	2.80%
* October 1, 2012 until October 1, 2013	2.15%	2.15%
* On or after October 1, 2013	1.25%	1.25%
At least 5 percent but less than 10 percent		
* October 1, 2011 until October 5, 2011	0.75%	1.00%
* October 6, 2011 until November 17, 2011	1.50%	1.75%
* On or after November 18, 2011	0.75%	1.00%
10 percent or more		
* October 1, 2011 until October 5, 2011	0.50%	0.75%
* October 6, 2011 until November 17, 2011	1.25%	1.50%
* On or after November 18, 2011	0.50%	0.75%
Refinancing Loans		
Interest Rate Reduction	0.50%	0.50%
Other		
Assumptions	0.50%	0.50%
Service-connected Veterans	0.00%	0.00%

¹ Includes "Cash-Out" Refinancing loans