



U.S. Department  
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# News Release

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Media Relations

Washington, DC 20420  
(202) 461-7600  
[www.va.gov](http://www.va.gov)

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## VA's Home Loan Guaranty program notifies Veterans of potential loan fee waivers

**WASHINGTON** — The U.S. Department of Veterans Affairs (VA) announced May 13 that Veterans who qualify for a [VA Home Loan funding fee](#) waiver are now being notified in their [home loan eligibility certificate](#) and disability compensation award letter.

The recent change to the [Home Loan Guaranty program](#) aims to improve benefits delivery to Veteran homebuyers.

“Through an internal quality improvement effort, VA has put a plan in place to better inform Veterans through key communications when the law allows VA to waive the fee for a Veteran,” said VA Secretary Robert Wilkie.

VA also modified the “home loan welcome” letter to make sure Veterans know they may qualify for a loan fee waiver, should they later obtain a VA disability compensation award.

Historically, VA tasked lenders with verifying the “exempt” status of Veteran homebuyers and the department would identify waiver cases using its own internal loan audit process or by relying on Veterans contacting VA directly. Further internal procedural changes will provide a more regular review of program data and VA will soon issue policy and procedural changes to ensure a Veteran’s up-to-date status for the fee waiver is correctly identified.

A major issue under review is how VA credits borrowers who, after loan closing, were awarded disability compensation with retroactive effective dates. The department is working to determine how far VA can go to provide relief, given the current restrictions of applicable laws.

VA’s ongoing quality review looked at millions of loans dating back to 1998 originations. Since the initiative is ongoing, VA has not totaled how many borrowers might be helped by the new efforts. VA notes that it routinely returns funding fees when appropriate. Since 2014, the department has provided an average total of \$75-\$100 million to roughly 5,000 Veterans each year.

More information about the VA funding fees and refunds is available in [VA’s Lenders Handbook](#). Veterans who think they may be eligible for a refund should visit VA’s website at: [https://www.benefits.va.gov/homeloans/purchaseco\\_loan\\_fee.asp](https://www.benefits.va.gov/homeloans/purchaseco_loan_fee.asp).

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