



MFM Bulletin: 008-2023

Date: February 24, 2023

Subject: VA Funding Fee changes

We are pleased to announce that VA has issued Circular 26-23-06 reducing the VA funding fees for loans **closing on or after April 7th, 2023**. Blue Sage will be updated shortly with these changes. All loans closing before April 7th must use the current funding fee percentages.

The following are the new funding fee rates:

VA Purchase or Construction Loans

	Down Payment Amount	Funding Fee Percentage
First Time Use	Less than 5%	2.15%
	5% or more	1.5%
	10% or more	1.25%
Subsequent Use	Less than 5%	3.3%
	5% or more	1.5%
	10% or more	1.25%

VA Cash-Out Refinance Loans

	Funding Fee Percentage
First Time Use	2.15%
Subsequent Use	3.3%

Other VA Home Loans

Loan Type	Funding Fee Percentage
Interest Rate Reduction Refinance Loan (IRRRLs)	0.5%
Manufactured Home Loans (not permanently affixed)	1.0%
Loan Assumptions	0.5%
Native American Direct Loans (Non-IRRRL)	1.25%

NOTE: Reduced funding fee rates apply to loans made to purchase or construct a new home with a downpayment of 5% or more. **Reduced funding fee rates do not apply to refinance loans.**