



**MFM Bulletin: 018-2024**

**Date:** June 23, 2024

**Subject:** VA real estate broker compensation changes

VA has issued Circular 26-24-14 granting a temporary variance for charges related to real estate broker or agent (buyer-broker) compensation.

VA has had a long-standing rule that prohibited a veteran from paying real estate brokerage charges under any circumstances. In response to the proposed National Association of Realtors (NAR) settlement agreement, VA will now allow veterans to pay reasonable and customary amount for any buyer-broker charges (including commissions and any other brokers related fees) under the following conditions:

- Buyer-Broker fees cannot be included in the loan amount.
- Veteran must have sufficient funds documented to pay the fees.
- The total amount must be disclosed on the LE and Closing Disclosure.
- A copy of the Buyer-Broker Agreement must be uploaded into WEBLGY with the purchase contract and must be retained in the file.
- The temporary variance does not prevent the seller from paying the Buyer-Broker charges.
- VA will not treat seller paying of Buyer Broker charges as a seller concession.

VA has determined this variance will allow veterans to remain competitive buyers in the market and will develop a more permanent policy as new practices take hold.

WEBLGY has been updated so lenders can indicate if the Veteran paid any buyer-broker charges, and if so, to indicate the total amount paid in the applicable fields when requesting the Loan Guaranty Certificate (LGC).

**This policy goes into effect with purchases contracts signed on or after August 10<sup>th</sup>, 2024**

Please contact the MFM Underwriting Dept. ([underwriting@memberfirstmortgage.com](mailto:underwriting@memberfirstmortgage.com)) if you have any questions or concerns.

Thank you