VA Lenders Handbook (VA Pamphlet 26-7), Chapter 1, Topic 10 — Participation Fees for Supervised and Non-supervised

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10. Participation Fees for Supervised and Non-supervised Automatic Lenders Change Date February 1, 2019 • This chapter has been revised in its entirety. a. Introduction Per 38 C.F.R. 36.4348, VA is authorized to collect fees from lenders with automatic authority to help defray the costs of administering the VA Home Loan program. Always submit fees to the RLC with jurisdiction over the lender's home office. Fees consist of annual participation fees, and administrative fees (for processing lender requests). If the lender submits a request for administrative action without the correct processing fee, VA will delay processing of the request until the fee is received. Fees are nonrefundable, even if the request is denied (except in cases of accidental overpayment). Pay all fees by lender's check to the Department of Veterans Affairs. If an agent, underwriter, or SAR approved by VA for a role with one lender begins work for another lender, the new lender must request and pay the fee for a new VA recognition or approval of that individual. b. Annual Fees for Non- supervised Automatic Lenders Remit fees within 120 days of the end of the lender's fiscal year to the RLC with jurisdiction of the lender's home office. If the lender has ongoing VA- recognized agency relationships, a list of agent relationships is required. Continued on next page VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-35 10. Participation Fees for Supervised and Non-supervised Automatic Lenders, continued b. Annual Fees for Non- supervised Automatic Lenders, continued The fees are as follows: • $200 annual recertification fee. • $100 for annual renewal of each agent that acts for the lender and was recognized by VA as the lender's agent as of the end of its fiscal year. Note: No annual fee is due for an agent if VA's letter of recognition is dated within the last quarter of the lender's most recent fiscal year. • $500 for processing an application for automatic authority. The required fee includes any requests submitted simultaneously for the review of underwriter nominees, and does not include simultaneous requests for recognition of agents. This requires an additional $100 fee per agent. c. Other Administrative Fees for Non- supervised Automatic Lenders Remit fees along with requests for approval, recognition, or other VA actions related to lender status. The required fees are: • $100 for processing requests for approval of each nominee for underwriter. This is not required if submitted with the request for automatic authority, • $100 for processing requests for VA recognition of each lender agent, • $200 for processing requests for reinstatement of lapsed or terminated automatic authority, and • a minimum fee of $100 per request for any other VA administrative actions pertaining to a lender's participation in the automatic lending program. Examples: • Submission from a lender that undergoes a merger. • If the fee to process a request is greater than $100, VA will notify the lender. Continued on next page VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-36 10. Participation Fees for Supervised and Non-supervised Automatic Lenders, continued d. Annual Fees for Supervised Lenders Annual fees for supervised lenders are only required of lenders with ongoing agency relationships. Remit fees by January 31 of each year based on the lender's agent relationships in the previous

calendar year, along with a list of agent relationships the lender wants to renew. The required fee is $100 for annual renewal of each lender agent that acts for the lender and has been recognized by VA as the lender's agent. Note: an annual fee is not due for an agent if VA's letter of recognition is dated within the last quarter of the most recent calendar year. e. Administrative Fees for Supervised Lenders The fee is $100 for processing requests for VA recognition of each lender agent. f. LAPP Fees Lenders must pay a one-time $100 fee for each SAR applicant. Remit the fee with the SAR application to the appropriate VA office. The fee is non-refundable, even if the applicant is found not to be acceptable. If a SAR is approved and subsequently moves to another lender, a $100 application fee must be paid by the new employer. For detailed information on the LAPP, see Chapter 15 of this handbook. VA Pamphlet 26-7, Revised Chapter 1: Lender Approval Guidelines 1-37

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