



# AAFMAA<sup>®</sup>

COMPASSION • TRUST • PROTECTION

## AAFMAA Mortgage Services LLC

### The VA Funding Fee

What are my options?

# Who is AAFMAA Mortgage Services LLC?



Our commitment is to make sure you, as a part of the military community, are well-informed and taken care of at every step of the lending process.

Plus, being part of the longest-standing, not-for-profit, member-owned association enables us to offer low-rate and low-cost mortgages to servicemembers and Veterans.



# Meet The Presenter

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NMLS 1423968

# Agenda

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- What is the funding fee?
- Who pays the funding fee?
- What are your options?
- Funding fee benefits



The VA funding fee is a one-time loan fee paid to the Department of Veterans Affairs (VA). The VA uses the money received through the VA funding fee to help pay for a variety of veteran-centric programs, including the VA home loan program.

# Who pays the Funding Fee?

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Typically, the **Veteran is responsible** for the funding fee.

However, it **doesn't have to come out of pocket**. It is typically **added to the purchase price**, or loan amount. It can be paid upfront, but it can be a pricey option to do so.

# Funding Fee Options



**1**

2.3% (1<sup>st</sup> time use)

**2**

3.6% (subsequent use)

**3**

1.65% (5% DP)

**4**

1.45% (10% or more DP)

**5**

.5% VA IRRRL

**6**

0% if one receives any  
VA disability

# Benefits of the VA Funding Fee

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The funding fee itself is a small price to pay relative to your overall VA Home Loan.

If your other option is a conventional loan, you can plan on putting at least a 5% down payment, and conventional rates trend to be higher than a VA mortgage.



# VA Funding Fee Examples

## Loan Amount and Funding Fee

- 2.3% 1<sup>st</sup> time use  $\$200,000 + \$4,600 = \$204,600$
- 3.6% Multiple use  $\$200,000 + \$7,200 = 207,200$
- 1.65% (5% DP)  $\$200,000 + \$3,300 = \$203,300$
- 1.45% (10% or more DP)  $\$200,000 + \$2,900 = \$202,900$

# Questions

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- Am I exempt?
- Should I put money down?
- Should I pay out of pocket?

With the various options available, ask us to assist you in determining what is best for you. Every mortgage is different, and we want what is best for our Veterans and servicemembers!!



THANK  
YOU FOR  
YOUR  
SERVICE!

You have earned this benefit,  
and we look forward to  
making sure we give you the  
best service, and mortgage  
that meets your needs!

# We're Here to Help

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