



MORTGAGE BANKERS ASSOCIATION

March 11, 2026

Mr. Patrick Zondervan
Executive Director
Loan Guaranty Service
US Department of Veterans Affairs
810 Vermont Avenue NW
Washington, D.C. 20402

RE: VA Invoice and Fee Itemization Requirement

Dear Executive Director Zondervan,

The Mortgage Bankers Association¹ (MBA) appreciates the Department of Veterans Affairs' (VA) efforts to ensure the VA Home Loan Guaranty (LGY) program protects Veterans from inappropriate fees. Recently, MBA members reported persistent challenges with borrower-specific fee itemization and invoice requirements, as enforced by Circular 26-24-19.² These requirements are impractical with respect to how certain common charges are processed. We urge the VA to adopt lender-generated documentation and bulk invoicing to better align with existing industry practices.

Veterans should only be charged fees for services permitted under VA's regulation. The recent decision, however, to shift away from prior practices permitting lender-generated documentation and bulk invoices does not reflect how the mortgage system operates. Today, third-party vendors, government entities, and local authorities often do not issue documentation in a borrower-specific format or in a way that clearly ties to a single transaction at closing. This is particularly common for recording-related charges for state and municipal records, where invoices are often not provided.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

² VA Circular 26-24-19: "If the lender is unable to support the charge with an invoice, a refund is to be provided to the Veteran. If an overcharge is refunded prior to a VA review, evidence of the refund is to be maintained in the loan file and provided to VA on request."

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Lenders also frequently receive bulk or aggregated invoices that do not separate charges at the individual borrower level. For instance, vendors bill lenders periodically for multiple credit reports across numerous transactions rather than issuing borrower-specific invoices tied to a single loan. While lenders can demonstrate that the service was provided and the Veteran was not charged more than the actual cost, the absence of borrower-level documentation increases the risk of post-closing findings or refunds, even where the underlying fee is compliant.

Compounding these operational challenges, VA Regional Loan Centers (RLSCs) are providing vague and inconsistent guidance regarding acceptable documentation when borrower-specific invoices are unavailable. Specifically, while Circular 26-24-19 notes that “other documents” may be used to support fees, RLSCs do not clarify how lenders can demonstrate borrower-level support in bulk billing scenarios, or how such documentation will be evaluated during audits or loan reviews. These inconsistent interpretations have led to uncertainty and overly conservative practices that add friction and risk to lenders, without meaningfully enhancing consumer protections.

Below are samples of inconsistencies shared by our members as a result of Circular 26-24-19:

- **Common settlement fees.** Initially, lenders were told the final Closing Disclosure would suffice; later, they were it would not and advised that a settlement agent’s ALTA statement would be acceptable instead. Other reviewers have requested standalone invoices recently.
- **Recording fees.** A VA auditor indicated that a printout from a county government website would be acceptable support for flat fees such as recording charges, provided the URL was visible and the source was a government site. However, it was ultimately not accepted when the lender provided the requested documentation.
- **MERS fees.** MERS does not issue borrower-level invoices, instead providing a bulk invoice accompanied by a spreadsheet identifying the loans included. Lenders have submitted the bulk invoice along with an excerpt tying the charge to the specific loan, which has been accepted by some VA reviewers but rejected by others, highlighting inconsistent documentation expectations.

Recommendation

To address these challenges, MBA encourages the VA to consider aligning its documentation framework with peer federal housing programs, including FHA, that balance strong consumer protections with recognition of standard industry practices. Documentation expectations are more flexible, focus on whether a fee is permissible, reasonable, and not excessive, and if audited, require the lender to demonstrate actual cost. In practice, this approach recognizes that many commonly used services, such as credit reports, flood certifications, and MERS registrations, are often billed on an aggregated basis across multiple loans. As a result, lenders can demonstrate compliance through a combination of

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settlement documentation, vendor billing records, and loan-level attribution, rather than relying solely on borrower-specific invoices.

Adopting a similar approach within the VA LGY Program would provide meaningful clarity for lenders while maintaining the VA's strong consumer protection framework. Establishing clear expectations that recognize customary industry billing practices and permit reasonable alternative supporting documentation would reduce inconsistencies across audits and reviews, improve certainty, and help preserve affordability and access within the VA Home Loan Program³.

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MBA appreciates VA's willingness to continue to engage with the industry and its consideration of these recommendations. Should you have questions or wish to discuss these issues further, please contact Darnell Peterson, at (202) 557-2922 or dpeterson@mba.org.

Sincerely,



Pete Mills
Senior Vice President
Residential Policy and Strategic Industry Engagement
Mortgage Bankers Association

³ These documentation challenges have potential affordability implications for Veteran borrowers. When refunds are driven by documentation technicalities rather than improper or excessive fees, the associated costs are typically absorbed after closing. Over time, this type of pressure can influence pricing, constrain operational flexibility, and discourage participation in the VA program. In the long run, these dynamics risk increasing costs or limiting access to credit for the Veterans the program is designed to serve.