

VA FUNDING FEE PAYMENT SYSTEM

1. PURPOSE. The purpose of this circular is to announce our new web-based Funding Fee Payment System (FFPS). FFPS is a fully automated system accessible via the Internet.

2. BACKGROUND. FFPS is part of the pay.gov initiative by the Department of the Treasury. The new FFPS system will replace the current terminal method of paying funding fees via communication software with Mellon Bank. No special software is needed to use the new system, however, since it is a web-based application, Internet access is required. **Note:** FFPS is not compatible with Netscape browsers.

- ◆ SYSTEM FEATURES. Some of the benefits of the new system include:
 - ◆ Self-registration for lenders (no need to submit applications to VA).
 - ◆ Fees are automatically calculated (including late fees and interest if owed).
 - ◆ In most cases online receipts will be available for printing the day after the funding fee is paid.
 - ◆ Refunds can be requested and processed online.
 - ◆ Lenders can view payment data up to 2 years after payment was made.
- ◆ WEBSITE ADDRESS. FFPS can be accessed at <https://www.pay.gov/va>
- ◆ USER'S GUIDE. This guide, which provides step-by-step instructions, can be viewed and/or downloaded at www.homeloans.va.gov/new.htm.
- ◆ ADDITIONAL FIELDS. Input of the following additional fields will be required in the new system:
 - ◆ Veteran's full name.
 - ◆ Veteran's social security number.
 - ◆ Property state.
 - ◆ Property county.

Also, the loan amount entered under this system will be the base loan amount (the loan amount **before** the funding fee is added). This differs from the current system which asks for the total loan amount (including the funding fee).

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7. REGISTRATION. All lenders will be required to self-register online, **even if they are already registered** on the Mellon funding fee payment system. Instructions on how to self-register are on page 6 of the user's guide. When you access the system, the registration screen will have the address pre-filled with information currently on file with VA. If the address is incorrect and VA needs to update your lender information, please contact your Regional Loan Center (RLC) **before** continuing the registration process. RLC phone numbers are provided on page 29 of the user's guide. If the address is correct, but you want the pin number to be mailed to a different address, contact customer service at 1-877-807-4135. Also if you have any problems registering, contact customer service.

8. BLOCKED ACCOUNTS. Payments made through the new system will create debits to your bank account originating from transit routing numbers 042736028 or 04273602 (Federal Reserve) with a company ID of 3600120001 (Veterans Affairs). Some lenders may have internal controls on their bank accounts that block transactions from unapproved transit routing and company identification numbers. **Lenders need to check with their bank to ensure that there is no block, or if there is, that these numbers will be authorized.**

9. EFFECTIVE DATE. Payments can be made using the new system starting April 24, 2002. The old system will be available until June 30, 2002, to allow time for the transition. After that date, payments will no longer be accepted and the new FFPS **must** be used.

10. RESCISSION: This circular is rescinded October 1, 2003.

By Direction of the Under Secretary for Benefits

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