

# VA Loan Guaranty Service

## VA Updates Home Loan Benefits to Help Veterans Remain Competitive



### VA Loan Guaranty Service (LGY) Takes Action Following National Association of Realtors® (NAR) Settlement

In March 2024, the National Association of REALTORS® (NAR) reached a settlement in a class-action lawsuit that required NAR to change its brokerage fee rules. In anticipation of the settlement taking effect, VA announced a temporary lift on the policy preventing VA homebuyers from paying real estate agent commissions. VA Circular 26-24-14, allows eligible Veterans, active-duty service members and surviving spouses using their VA home loan benefit to pay for certain real estate buyer-broker fees when purchasing a home. The effective date of this change was for purchase contracts executed on or after August 10, 2024.

### What is the impact to Veteran buyers?

The policy variance provides Veterans with equal opportunities as other buyers in real estate transactions. By allowing payment of buyer commissions, Veterans can compete fairly in the housing market with professional representation.

### Why does this potential change matter for Veterans using the VA-guaranteed home loan benefit?

Previously, Veterans could not pay buyer-broker fees when purchasing a home with a VA home loan. In light of the settlement, Veterans could be at a disadvantage in the evolving homebuying market. VA released this updated guidance to promote access to homeownership by ensuring that Veterans using the VA-guaranteed home loan benefit remain competitive buyers with professional representation.

### What does this mean for you?

Veterans using their VA home loan benefit can negotiate and may pay for their real estate professional's buyer-broker charges (including commissions and any other broker-related fees), subject to certain safeguards. VA encourages Veterans to seek out the services of mortgage lending and real estate professionals who have experience with the VA home loan program to ensure they are familiar with the specifics of compensation negotiations and the impact of the settlement on individual home purchase contracts.

## Should you negotiate these fees?

VA encourages Veterans to negotiate buyer-broker fees with their real estate professional. All buyer-broker fees charged to Veterans using the home loan benefit must be reasonable and customary within local markets.

Veterans can also still ask sellers to cover the buyer-broker fees at closing. In VA's program, it has still been common practice for sellers to pay for the Veteran's buyer-broker fees.

## Will there be future updates?

The full impact of the settlement on the real estate market is yet to be determined. The temporary measures will help ensure that Veterans are not negatively impacted by the class-action settlement. VA will continue to monitor how the settlement affects the brokerage market, as well as new models of real estate agent commissions that may emerge, and do what it can to help lower costs, boost competition and increase avenues to home ownership. Rest assured: VA will do everything in its power to make sure Veterans are not disadvantaged in the homebuying process.

For additional information about this update, please visit: [Circulars: Calendar Years 2021 to Present – VA Home Loans](#).