



## DEPARTMENT OF VETERANS AFFAIRS

[Docket No. VA-2025-VACO-0002]

### Loan Guaranty: Maximum Allowable Fees for Legal Services

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Notice.

**SUMMARY:** This notice provides updated information to participants in the Department of Veterans Affairs (VA) Home Loan Guaranty program concerning the maximum allowable fees for legal services performed in connection with the foreclosure of single-family housing loans. This notice also provides updated information concerning the legal fees for bankruptcy-related services. The table in this notice contains the amounts the Secretary of Veterans Affairs has determined to be reasonable and customary in all states, following an annual review of the amounts allowed by other Government-related home loan programs.

**DATES:** The new maximum allowable fees for legal services will be allowed for all guaranty claims submitted to VA for loans terminated on or after [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** Mr. Andrew Trevayne, Assistant Director for Loan and Property Management, Loan Guaranty Service, Veterans Benefits Administration, (202) 632-8795.

**SUPPLEMENTARY INFORMATION:** The VA Home Loan Guaranty program, authorized by 38 U.S.C. Ch. 37, offers a partial guaranty against loss to lenders who make home loans to Veterans. VA regulations concerning the payment of loan guaranty claims are set forth at 38 CFR 36.4300, *et seq.* Filing and computation of guaranty claims is addressed in 38 CFR 36.4324, which states that holders shall file a claim for payment under the guaranty no later than 1 year after the completion of the liquidation

sale, also referred to as loan termination in 38 CFR 36.4322. 38 CFR 36.4324(d)(1)(i). Section 36.4324 also states one part of the indebtedness upon which the guaranty percentage is applied is the “[a]llowable expenses/advances as described in [38 CFR 36.4314].” 38 CFR 36.4324(a)(2). Section 36.4314(b)(5)(ii) describes the procedures to be followed in determining what constitutes the reasonable and customary fees for legal services performed in connection with the foreclosure of single-family housing loans. 38 CFR 36.4314(b)(5)(ii).

Pursuant to section 36.4314(b)(5)(ii), the Secretary is required to annually review allowances for legal fees in connection with the foreclosure of single-family housing loans, including bankruptcy-related services, issued by the Department of Housing and Urban Development (HUD), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac). On November 8, 2021, VA published in the Federal Register a notice providing updated information concerning the legal fees for foreclosure and bankruptcy-related services. 86 FR 61856 (Nov. 8, 2021). In updating VA’s maximum allowable fees for legal services, VA noted that it considered recently announced updates by HUD, Fannie Mae, and Freddie Mac. *Id.* VA’s new maximum allowable fees for legal services announced applied to all guaranty claims submitted to VA on or after December 8, 2021. *Id.*

Following VA’s publication of updated fees, Fannie Mae issued revisions to their allowances for legal fees in December 2022 and December 2024. Fannie Mae, Servicing Guide Announcement (SVC-2022-08) (Dec. 21, 2022) at <https://singlefamily.fanniemae.com/media/33141/display>; Fannie Mae, Servicing Guide Announcement (SVC-2024-07) (Dec. 18, 2024) at <https://singlefamily.fanniemae.com/media/41196/display>. These revisions also had the effect of amending HUD’s allowable fees, as the Federal Housing Administration (FHA) directs mortgagees to follow Fannie Mae’s fee structure. See HUD, FHA Single Family

Housing Policy Handbook 4000.1, Appendix 5.0: HUD Schedule of Standard Possessory Action and Deed-in-Lieu of Foreclosure Attorney Fees (May 20, 2024) at [www.hud.gov/sites/dfiles/OCHCO/documents/40001-hsgh-update15-052024.pdf](http://www.hud.gov/sites/dfiles/OCHCO/documents/40001-hsgh-update15-052024.pdf). Freddie Mac also announced new allowances for legal fees, effective August 9, 2023. Freddie Mac, Exhibit 57A Approved Attorney Fees and Title Expenses, Seller/Servicer Guide (Aug. 09, 2023) at <https://guide.freddiemac.com/app/guide/exhibit/57A>.

VA reviewed and considered the updated legal fees allowed by each entity. After considering increases in fees for legal services announced by these Government-related home loan programs, the Secretary is publishing a table in the Federal Register setting forth the revised amounts the Secretary has determined to be reasonable and customary. The table reflects the primary method for foreclosing in each state, either judicial or non-judicial, with the exception of those states where either judicial or non-judicial is acceptable. The use of a method not authorized in the table will require prior approval from VA. 38 CFR 36.4314(b)(5)(ii). This table will be available throughout the year at [www.benefits.va.gov/HOMELOANS/servicers\\_valeri\\_rules.asp](http://www.benefits.va.gov/HOMELOANS/servicers_valeri_rules.asp).

There has been no change to the amounts VA will allow for bankruptcy filing fees, but VA is increasing the amount allowed for multiple bankruptcy filings under either chapter to be consistent with Freddie Mac. See Freddie Mac, Exhibit 57A Approved Attorney Fees and Title Expenses, Seller/Servicer Guide (Aug. 09, 2023) at <https://guide.freddiemac.com/app/guide/exhibit/57A>. The new fee is reflected in the following table. Neither Fannie Mae nor HUD lists multiple bankruptcy filings in their Allowable Bankruptcy Attorney Fees Exhibit. VA will continue to monitor fees for legal services on an annual basis and publish updates in the Federal Register as VA deems necessary.

The revised table will apply to all guaranty claims submitted to VA for loans terminated on or after 30 days of the date of publication in the Federal Register. The holder's fees for

legal services are incurred prior to loan termination. However, as noted herein, holders have up to 1 year after loan termination in which to file a claim for payment under the guaranty. See 38 CFR 36.4324(d)(1)(i). As such, VA will apply the revised fees to future loan terminations to avoid holders being subject to different maximum allowable rates for legal services incurred on the same date solely because of when the holder submits the claim for payment under the guaranty.

The following table reflects the Secretary's determination of the reasonable and customary fees for legal services for the primary method for foreclosing in each state.

<b>Jurisdiction</b>	<b>VA Non-Judicial Foreclosure<sup>1,2</sup></b>	<b>VA Judicial Foreclosure<sup>1,2</sup></b>	<b>Deed-in-Lieu of Foreclosure</b>
Alabama	\$1,850	N/A	\$400
Alaska	\$2,325	N/A	\$400
American Samoa	\$1,600	N/A	\$400
Arizona	\$1,850	N/A	\$400
Arkansas	\$1,925	N/A	\$400
California	\$1,850	N/A	\$400
Colorado	\$2,500	N/A	\$400
Connecticut	N/A	\$4,025	\$400
Delaware	N/A	\$2,675	\$400
District of Columbia	\$1,650	\$3,150	\$400
Florida	N/A	\$4,800	\$400
Georgia	\$1,850	N/A	\$400
Guam	\$2,600	N/A	\$400
Hawaii	N/A	\$5,850	\$400
Idaho	\$1,575	N/A	\$400
Illinois	N/A	\$3,300	\$400

<b>Jurisdiction</b>	<b>VA Non-Judicial Foreclosure<sup>1,2</sup></b>	<b>VA Judicial Foreclosure<sup>1,2</sup></b>	<b>Deed-in-Lieu of Foreclosure</b>
Indiana	N/A	\$3,300	\$400
Iowa	\$1,275	\$2,675	\$400
Kansas	N/A	\$2,675	\$400
Kentucky	N/A	\$3,300	\$400
Louisiana	N/A	\$2,750	\$400
Maine	N/A	\$4,225	\$400
Maryland	\$3,300	N/A	\$400
Massachusetts	N/A	\$4,700	\$400
Michigan	\$2,200	N/A	\$400
Minnesota	\$2,375	N/A	\$400
Mississippi	\$1,650	N/A	\$400
Missouri	\$1,850	N/A	\$400
Montana	\$2,050	N/A	\$400
Nebraska	\$1,575	N/A	\$400
Nevada	\$2,200	N/A	\$400
New Hampshire	\$1,850	N/A	\$400
New Jersey	N/A	\$5,325	\$400
New Mexico	N/A	\$4,425	\$400
New York—Western Counties <sup>3</sup>	N/A	\$5,300	\$400
New York—Eastern Counties	N/A	\$6,350	\$400
North Carolina	\$2,575	N/A	\$400
North Dakota	N/A	\$2,600	\$400
Ohio	N/A	\$3,500	\$400
Oklahoma	N/A	\$2,950	\$400

<b>Jurisdiction</b>	<b>VA Non-Judicial Foreclosure<sup>1,2</sup></b>	<b>VA Judicial Foreclosure<sup>1,2</sup></b>	<b>Deed-in-Lieu of Foreclosure</b>
Oregon	\$1,850	\$4,050	\$400
Pennsylvania	N/A	\$3,425	\$400
Puerto Rico	N/A	\$3,500	\$400
Rhode Island	\$2,475	N/A	\$400
South Carolina	N/A	\$3,125	\$400
South Dakota	N/A	\$2,475	\$400
Tennessee	\$1,650	N/A	\$400
Texas	\$1,850	N/A	\$400
Utah	\$1,850	N/A	\$400
Vermont	N/A	\$3,500	\$400
Virgin Islands	N/A	\$3,250	\$400
Virginia	\$2,400	N/A	\$400
Washington	\$2,050	N/A	\$400
West Virginia	\$1,580	N/A	\$400
Wisconsin	N/A	\$2,750	\$400
Wyoming	\$1,780	N/A	\$400

<sup>1</sup> When a foreclosure is stopped due to circumstances beyond the control of the holder or its attorney (including, but not limited to bankruptcy, VA-requested delay, property damage, hazardous conditions, condemnation, natural disaster, property seizure, or relief under the Servicemembers Civil Relief Act) and then restarted, VA will allow a \$400 restart fee in addition to the base foreclosure attorney fee. This fee recognizes the additional work required to resume the foreclosure action, while also accounting for the expectation that some work from the previous action may be used in starting the new action.

<sup>2</sup> VA will allow attorney fees of \$1,050 (Chapter 7) or \$1,500 (initial Chapter 13) for an initial bankruptcy filing, regardless of whether a bankruptcy release is obtained. For multiple bankruptcy filings under either chapter, VA will allow an additional \$600.

<sup>3</sup> Western Counties of New York for VA are Allegany, Cattaraugus, Chautauqua, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Steuben, Wayne, Wyoming, and Yates. The remaining counties are in Eastern New York.

### **Signing Authority**

Douglas A. Collins, Secretary of Veterans Affairs, approved this document on

September 11, 2025, and authorized the undersigned to sign and submit the document

to the Office of the Federal Register for publication electronically as an official document  
of the Department of Veterans Affairs.

**Taylor N. Mattson,**

*Alternate Federal Register Liaison Officer, Department of Veterans Affairs.*

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