

A non-VA buyer assumes a VA loan

Existing VA loan assumed: **\$503,385.00**

Washington State transaction. Figures below are adapted from the supplied final buyer's statement, with totals adjusted for this example.

Closing / transaction fees	\$5,745.28
Prepays, escrow deposits and tax proration	\$4,319.62
Total costs and prepays (adjusted)	\$10,064.90

Where the buyer's cash went

Purchase price	\$727,500.00
Less assumed loan balance	(\$503,385.00)
Cash needed to cover seller equity	\$224,115.00
Plus adjusted costs and prepays	\$10,064.90
Total buyer funds, including prior deposit	\$234,179.90
Less third-party deposit shown on statement	(\$7,150.00)
Final balance due from buyer	\$227,029.90

VA funding fee: \$2,516.93 = 0.5% of \$503,385

An eligible Veteran receiving VA compensation for a service-connected disability is exempt. Other VA exemptions also exist. The exemption belongs to the **buyer assuming the loan**; the seller's disability status does not exempt a non-VA buyer. [A, B]

The equity gap is separate from closing costs. A non-VA buyer cannot substitute VA entitlement, so the seller's entitlement stays tied to the loan until it is paid off. Servicer approval is required. [A]

Fidelity National Title Company of Washington, Inc.

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FINAL BUYER'S STATEMENT

REDACTED EDUCATIONAL EXAMPLE

Washington State | Non-VA buyer | Existing VA loan assumed

Buyer / seller names and mailing addresses	
Property address and legal description	
Loan, escrow and related file identifiers	
Closing dates and individual contact details	

Adjusted example. Numbered circles match the fee key on pages 4-5.

			\$	DEBITS	\$	CREDITS
FINANCIAL CONSIDERATION						
Sale Price of Property				727,500.00		
Existing Loan(s) Assumed or Taken Subject to						503,385.00
Third Party Deposit						7,150.00
PRORATIONS/ADJUSTMENTS						
1	County Taxes at \$3,100.29	19-day closing proration		325.44		
ASSUMPTION LOAN CHARGES						
Adjusted loan charges subtotal: \$5,260.91						
4	Processing Fees	Mortgage Research Center LLC DBA Veterans United Home Loans		300.00		
5	Credit Report Fee	Equifax Mortgage Solutions		101.80		
6	VA Funding Fee	Department of Veteran Affairs		2,516.93		
7	Homeowner's Insurance	Mortgage Research Center LLC DBA Veterans United Home Loans		275.34		
	2.000 Months at \$137.67 per Month					
8	Property Taxes	Mortgage Research Center LLC DBA Veterans United Home Loans		2,066.84		
	4.000 Months at \$516.71 per Month					
TITLE & ESCROW CHARGES						
11	Title - Escrow Fee	Fidelity National Title Company of Washington, Inc.		1,306.80		
12	GAP 2006	Fidelity National Title Company of Washington, Inc.		608.75		
13	Title - Recording Service Fee	ValueCheck, Inc.		15.00		
GOVERNMENT CHARGES						
14	Recording Fees	County Auditor's Office		616.00		
	SWD/ Assumption Agreement					
	Deed of Trust - Clark WA	\$309.50				
	Deed - Clark WA	\$306.50				
15	Foreclosure Prevention Fee	Washington State Dept of Commerce		80.00		
MISCELLANEOUS CHARGES						
18	Homeowner's Insurance Premium	State Farm		1,652.00		
	12 months					

Loan costs and prepaid deposits

1	County tax proration	\$325.44
	PREPAID / PRORATION	
	Buyer reimbursed the seller for 19 days of property taxes allocated to the buyer after closing.	
4	Servicer assumption-processing fee	\$300.00
	CLOSING COST	
	The servicer charges this fee to review and process an assumption; the amount can vary. This example uses \$300. Bill reports a recent Freedom Mortgage quote of \$700 with credit-card payment requested. That report is not independently verified; confirm the current fee and payment instructions directly with Freedom's assumption department. [C]	
5	Credit report	\$101.80
	CLOSING COST	
	Cost of obtaining the buyer's credit information for the assumption review.	
6	VA funding fee	\$2,516.93
	CLOSING COST	
	One-time assumption funding fee: $\$503,385 \times 0.5\%$, rounded to cents. Paid in this non-VA buyer example. An eligible disability-exempt Veteran assuming the loan would not pay this fee. [A, B]	
7	Homeowners insurance escrow deposit	\$275.34
	ESCROW DEPOSIT	
	Two months at \$137.67 per month, held for future insurance bills. This is separate from the annual premium in [18].	
8	Property tax escrow deposit	\$2,066.84
	ESCROW DEPOSIT	
	Four months at \$516.71 per month, held for future tax bills. This is separate from the tax proration in [1].	

The adjusted loan-charge subtotal is \$5,260.91. It includes items [4]-[8] and is not an additional fee. All amounts in this example have been recalculated to match the retained charges.

Title, recording and insurance

11	Title / escrow settlement fee	\$1,306.80
	CLOSING COST	
	Charge for coordinating settlement, handling funds and completing the closing.	
12	GAP 2006 title charge	\$608.75
	CLOSING COST	
	Title-company charge listed as "GAP 2006." The statement does not identify the precise coverage or service; confirm the description with title.	
13	Recording service fee	\$15.00
	CLOSING COST	
	Service charge for submitting documents for recording, separate from the county charges in [14].	
14	County recording fees	\$616.00
	CLOSING COST	
	Charges to record the closing documents in Clark County, WA. The statement itemizes \$309.50 for the deed of trust and \$306.50 for the deed. These are parts of \$616, not extra charges.	
15	Foreclosure prevention fee	\$80.00
	CLOSING COST	
	Washington State Department of Commerce charge shown on this closing. It does not mean the buyer is in foreclosure.	
18	Annual homeowners insurance premium	\$1,652.00
	PREPAID INSURANCE	
	Twelve months of homeowners insurance paid at closing. The additional insurance escrow deposit in [7] funds future bills.	
20	Mobile signing fee	\$200.00
	CLOSING COST	
	Charge for a mobile signing service to complete the closing paperwork.	