

NATIONAL ASSOCIATION OF REALTORS SETTLEMENT

Need-to-know about Veterans Affairs (VA) Loans

The Department of Veterans Affairs (VA) recently announced that it has temporarily lifted its ban on buyers paying for real estate agent representation. Veteran buyers now have more options, ensuring they can have professional access to representation in their home buying process.

How does the VA's new policy differ from the previous policy?

Previously, when financing with a VA loan, buyers could not directly compensate their agent. When filling out a buyer-broker agreement, REALTORS® and their client agree that the REALTOR® will be paid a certain amount, regardless of whether the seller is offering that amount.

Example: When using a buyer-broker agreement, if a buyer agrees that their agent should be paid 3% of the sale and the seller only offers 2%, the buyer is responsible for that 1% difference. This would not have been allowed under the old VA loan policy and ensures that Veterans are able to make the right home buying decision for their families, regardless of the compensation offered by the seller.

When will the new VA Loan policy take effect?

The VA's new policy takes effect on August 10, 2024.

