Purpose of this reference material: Wholesale clients can charge Borrower paid compensation* (BPC) on VA loans at a maximum of 1%.

LION Create Loan Estimate Workflow

*This Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.
When clients select the Borrower paid option* in the Create Loan Estimate Workflow, the “No Fee Pricing” option will auto-check. This cannot be changed after the loan has been disclosed.

*The Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.
Clients can also charge a Third-Party Processing Fee on VA BPC loans. The maximum for a Third-Party Processing Fee is $800. This processing fee is part of the 1% VA allowable fees.

A client can add a Third-Party Processing Fee up to an amount that when combined with the BPC is less than or equal to 1% of the allowable VA fees.

In the example below, BPC is reduced by .15% and the $300 Third Party Processing fee can now be included.
**Borrower paid**

You have selected Borrower Paid Compensation. Please note that you are capped at 1% on VA loan products. You may lower the % amount, or enter a fixed dollar amount however the total of the entered fees may not exceed 1%

- **BPC Amount**: 0.8750%
- **Check to Override as $ amount**: ✓ $2,100.00
- **Flat Amount**: $0.00

- **Check the following box to add a Third Party Processing Fee. Third party processing companies must be NMLS approved and fees are subjected to QM testing. The max fee allowed by NFP is $800. For Va BPC loans this fee is considered part of the 1% allowable charges.**

  - **Third Party Processing Fee**: $300.00

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**Broker Compensation Detail**

- **Entry Date**: 08/14/2016
- **Effective Date**: 08/14/2016
- **% of Loan Amount**: 1.500%

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*This Compensation Method screen calculation is based on the Base Loan Amount. Comp will update in the Loan Estimate Fees to a percentage of the Total Loan Amount.*

**LE Fees**: The amount of BPC, line 824, calculation updates here based on the Total Loan amount (Base amount + financed Funding Fee = Total Loan amount). Line 816 reflects the Third-Party Processing fee.

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**LION Locking a VA BPC loan**

Pricing structure for VA BPC loans in Products & Pricing by program.
New VA BPC loan products will be available in Marksman. When a VA BPC product is selected, the following pricing should be added to the loan.