



Attorneys At Law

2905 Corporate Circle

Flower Mound, TX 75028

Phone: 972-353-4174

Fax: 972-221-9316

Partners

Shawn P. Black¹

Ryan Black²

Daniel S. Engle³

Steven Kubik

Senior Lawyers

Margaret A. Noles

Sydney Davis

Associates

Kyle Beckwith

Joshua Verkerk

Of Counsel

David M. Tritter

Calvin C. Mann, Jr.

Thomas E. Black, Jr.

Gregory S. Graham⁴

Retired Partner(s)

Calvin C. Mann, Jr.

Thomas E. Black, Jr.

Gregory S. Graham⁴

¹ Also Licensed in Kentucky and New York

² Also Licensed in District of Columbia

³ Also Licensed in New York

⁴ Also Licensed in Georgia

March 7, 2024

To: Clients and Friends

From: Daniel S. Engle

Subject: VA Announces Supplemental Notice of Proposed Rulemaking for IRRRL Recoupment Period

In the March 7, 2024 issue of the Federal Register (89 FR 16491, [click here](#)), the Department of Veterans Affairs issued a supplemental notice of proposed rulemaking to revise a November 1, 2022 proposed rule to amend its regulations on VA-backed interest rate reduction refinancing loans (November 2022 proposed rule can be found at 87 FR 65700, [click here](#)). The November 2022 proposed rule (Proposed 38 CFR Part 36.4307(a)(8)) would create a recoupment formula for fees, closing costs, and expenses to be recouped within thirty-six months of a loan's "issue date". The original proposed rule was to measure the "issue date" from the Note date. The revision to the proposed rule will instead measure the "issue date" and the thirty-six-month recoupment period from the date of first payment.

This "issue date" interpretation would be specific to IRRRL loans. The policy reasons for the VA's revision can be found in the supplemental notice. Stakeholders have until May 6, 2024, to submit comments on the revision to the proposed rule.

This Memorandum is provided as general information in regard to the subject matter covered, but no representations or warranty of the accuracy or reliability of the content of this information are made or implied. Opinions expressed in this memorandum are those of the author alone. In publishing this information, neither the author nor the law firm of Black, Mann & Graham L.L.P. is engaged in rendering legal services. While this information concerns legal and regulatory matters, it is not legal advice and its use creates no attorney-client relationship or any other basis for reliance on the information. Readers should not place reliance on this information alone but should seek independent legal advice regarding the law applicable to matters of interest or concern to them. The law firm of Black, Mann & Graham L.L.P. expressly disclaims any obligation to keep the content of this information current or free of errors.