

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 3, Topic 4 — Maximum Guaranty on VA Loans

Register va-m26-7-ch03-t04

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 3, Topic 4 — Maximum Guaranty on VA Loans.

1 verbatim provision(s). Each quote is a verified substring of the regulator-published source snapshot, not retyped.

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 3, Topic 4 — Maximum Guaranty on VA Loans

4. Maximum Guaranty on VA Loans Change Date November 8, 2012, Change 21 • This section has been updated to note that Public Law 112-154 extended the temporary guaranty increase from December 31, 2011 to December 31, 2014. • This section has been updated to correct hyperlinks and make minor grammatical edits. a. Maximum Guaranty Table Public Law 112-154, the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012, signed August 6, 2012, extended the temporary increase in the maximum guaranty. The increase expired December 31, 2011, but Public Law 112-154, extended it through December 31, 2014. The maximum guaranty varies depending on the location of the property. While VA does not have a maximum loan amount, there are effective “loan limits” for high-cost counties. The limits are derived by considering both the median home price for a county and the Freddie Mac conforming loan limit. To aid lenders in determining the maximum guaranty in high-cost counties, VA has created a Loan Limit chart, with instructions. This will be updated yearly. • In general, maximum guaranty, assuming the veteran has full entitlement, is as shown in the table below. Loan Amount Maximum Potential Guaranty Special Provisions Up to \$45,000 50 percent of the loan amount. Minimum guaranty of 25 percent on IRRRLs. \$45,001 to \$56,250 \$22,500 Minimum guaranty of 25 percent on IRRRLs. \$56,251 to \$144,000 40 percent of the loan amount, with a maximum of \$36,000. Minimum guaranty of 25 percent on IRRRLs. \$144,001 to \$417,000 25 percent of the loan amount Minimum guaranty of 25 percent on IRRRLs. Greater than \$417,000 The lesser of: • 25 percent of the VA county loan limit, or • 25 percent of the loan amount Minimum guaranty of 25 percent on IRRRLs VA Pamphlet 26-7, Revised Chapter 3: The VA Loan and Guaranty 3-11 4. Maximum Guaranty on VA Loans, Continued a. Maximum Guaranty Table (continued) Note: The percentage and amount of guaranty is based on the loan amount including the funding fee portion when the fee is paid from loan proceeds. For the maximum guaranty on loans for manufactured homes that are not permanently affixed (i.e., not considered real estate) see 38 U.S.C. 3712 and/or contact VA. VA Pamphlet 26-7, Revised Chapter 3: The VA Loan and Guaranty 3-12

Source: VA Lenders Handbook (VA Pamphlet 26-7), Chapter 3, Topic 4 — Maximum Guaranty on VA Loans · snapshot 73e5d344e2743889