

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 3, Topic 8 — Maturity

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8. Maturity Change Date April 10, 2009, Change 9 • This section has been updated to correct hyperlinks and make minor grammatical edits. a. Maximum Maturity • Amortized loans: 30 years and 32 days, • Nonamortized loans: 5 years. In addition, every loan must be repayable within the estimated economic life of the property securing the loan. The period for repayment of a loan is measured from the date of the note or other evidence of indebtedness. b. Maturity Extending Beyond the Maximum VA regulations provide that any amounts, which fall due beyond the maximum maturity automatically, fall due on the maximum maturity date. Thus, if a lender inadvertently makes a loan that exceeds the maximum maturity, it may still be subject to guaranty. However, the regulations also limit the amount that can be collected as a final installment, such as, they prohibit excessive ballooning. The holder of a loan that violates this provision may desire to correct the situation through means which are legally proper in the jurisdiction. VA Pamphlet 26-7, Revised Chapter 3: The VA Loan and Guaranty 3-20

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