VA Lenders Handbook (VA Pamphlet 26-7), Chapter 6, Topic 5 — Other Refinancing Loans

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> 5. Other Refinancing Loans Change Date April 10, 2009, Change 11 • Subsection c has been updated to note that maximum guaranty on these types of refinancing loans is limited to $36,000. • This section has been updated to make minor grammatical edits. a. What Are They? Other refinancing loans are: • construction loans, • installment land sale contracts, and • loans assumed by veterans at interest rates higher than that for the proposed refinance. b. Maximum Loan These loans may not exceed the lesser of: • the VA reasonable value plus the VA funding fee, or • the sum of the outstanding balance of the loan to be refinanced plus allowable closing costs (including the funding fee) and discounts. The cost of energy efficiency improvements can also be added to the loan. c. Maximum Guaranty The maximum guaranty for refinancing loans, noted in subsection a, is $36,000.

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