

## Bulletin 19-58

### VA Loan Limits for 2020

**Brokers are encouraged to read this communication in its entirety as it contains specific Homebridge requirements regarding VA maximum loan amounts**

The 2020 conventional loan limits set by the Federal Housing Finance Agency (FHFA) for Fannie Mae and Freddie Mac will apply to VA loans when determining the maximum guaranty amount, if applicable

Conforming Loan Limits			High-Cost Area Loan Limits*	
Units	Contiguous States	Alaska, Hawaii	Contiguous States	Alaska, Hawaii
1	\$510,400	\$765,600	\$765,600	N/A
2	\$653,550	\$980,325	\$980,325	N/A
3	\$789,950	\$1,184,925	\$1,184,925	N/A
4	\$981,700	\$1,472,550	\$1,472,550	N/A

The new loan limits are effective for VA loans with closing (signing) on and after January 1, 2020

As a reminder, loan limits and entitlement changes do not apply to IRRRLs

#### **Loan Amount: First Time Use, Veteran has Full Entitlement or Full Entitlement will be Restored**

The Blue Water Navy Act of 2019 eliminated the use of county limits to determine the maximum guaranty for Veterans **with full entitlement**.

While VA has eliminated the use of county limits when determining the guaranty for Veterans with first time use, full entitlement, or full entitlement will be restored, Homebridge will apply the following to VA transactions with 100% financing for all LTVs:

- The maximum total loan amount for a VA loan will be \$1,500,000. Loan amounts > \$1,000,000 to \$1,500,000 will require Homebridge management review and approval
- Loan amounts up to \$2,000,000 will be considered **on a case-by-case** basis with Homebridge management review and approval. **A down payment, determined by Homebridge management, will be required on loan amounts > \$1,500,000 to \$2,000,000**
- 1-unit transactions will be subject to the following credit score and loan amount restrictions:

Credit Score	Maximum Total Loan Amount
580-679	\$765,600
680-699	\$999,999
700+	\$1,500,000

- 2-4 unit transactions **will be limited to the applicable county limit where the property is located even if the veteran has full entitlement/full entitlement restored/first time use:**

Minimum Credit Score	Number of Units	Maximum Total Loan Amount
580	2-units	\$980,325*
580	3-units	\$1,184,925*
580	4-units	\$1,472,550*

\*Actual loan limits for certain high-cost areas may be lower than the maximum loan amount listed above

To view Freddie Mac 2020 loan limits by county click here: [Federal Housing Finance Agency](#)

## Loan Amount: Veteran has Partial Entitlement or Entitlement Cannot be Restored

There is **no change** to current VA policy for Veterans who have partial entitlement or entitlement cannot be restored:

- **County limits apply and are used to calculate the maximum guaranty amount**
- Loan amounts that exceed the applicable county limit will require a down payment from the Veteran
- Homebridge limits the maximum loan amount to \$1,000,000 excluding Hawaii; Hawaii maximum is \$1,500,000

As a reminder, the loan amount under “One-Unit Limit” column on the [FHFA Table](#) is always used to determine the guaranty regardless of the number of units (i.e. the 1-unit county limit applies to all transactions regardless of the number of units)

FIPS State Code	FIPS County Code	County Name	State	CBSA Number	One-Unit Limit	Two-Unit Limit	Three-Unit Limit	Four-Unit Limit
01	001	AUTAUGA COUNTY	AL	33860	\$ 510,400	\$ 653,550	\$ 789,950	\$ 981,700
01	003	BALDWIN COUNTY	AL	19300	\$ 510,400	\$ 653,550	\$ 789,950	\$ 981,700

## Summary of Changes

- Transactions with a loan amount  $\leq$  \$144,000 **OR** the Veteran does **not have** full entitlement (regardless of loan amount):
  - **No change** to current VA policy
- Transactions with a loan amount  $>$  \$144,000 **AND** it is first time use, or full entitlement, or entitlement restored:
  - Freddie Mac loan limits **no longer** apply
- Transactions with a loan amount  $>$  \$144,000 **AND** Veteran has partial entitlement or entitlement **cannot** be restored:
  - Freddie Mac loan limits **AND** new entitlement requirements apply
- Transactions involving dual entitlement (married Veterans):
  - If one or both Veterans have full entitlement available (first time use or full entitlement restored), loan limits do not apply
  - If both Veterans have partial entitlement, both Freddie Mac loan limits **AND** new entitlement requirements apply
- Transactions involving joint loans (unmarried Veterans):
  - If **both** Veterans have full entitlement (first time use, or full entitlement restored) Freddie Mac loan limits do not apply
  - If one Veteran has full entitlement and one Veteran has partial entitlement or both Veterans have partial entitlement, both Freddie Mac loan limits **AND** new entitlement requirements apply
- Transactions involving joint loans (Veteran and non-veteran)
  - No change to VA existing policy

---

The VA guidelines have been updated and posted on the Homebridge website at [www.homebridgewholesale.com](http://www.homebridgewholesale.com). Homebridge [Bulletin 19-57](#) details VA entitlement/guaranty updates

If you have any questions, please contact your Account Executive