

Bulletin 20-59

VA Loan Limits for 2021

The 2021 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.

The new loan limits are effective for VA loans with closing (signing) on and after January 1, 2021

Loan limits and entitlement requirements do not apply to IRRRLs

Conforming Loan Limits			High-Cost Area Loan Limits	
Units	Contiguous States	Alaska, Hawaii	Contiguous States	Alaska, Hawaii
1	\$548,250	\$822,375	\$822,375	N/A
2	\$702,000	\$1,053,000	\$1,053,000	N/A
3	\$848,500	\$1,272,750	\$1,272,750	N/A
4	\$1,054,500	\$1,581,750	\$1,581,750	N/A

Important Reminders Regarding VA Guaranty and Homebridge VA Maximum Loan Amount

Brokers are encouraged to read the below information as it contains specific reminders regarding Homebridge requirements and VA maximum loan amounts

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

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

- The maximum total loan amount for a VA loan is \$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 are subject to the following credit score and loan amount restrictions:

Credit Score	Maximum Total Loan Amount
620*	\$822,375
680-699	\$999,999
700+	\$1,500,000

*Reminder loans with a credit score of 620-639 have specific requirements: Purchase transactions **only**, "Approve/Eligible" AUS finding required (no manual underwrites), Max 43% DTI, and if down payment and/or reserves must be from borrowers' own funds (no gifts)

- 2-4 unit transactions are 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
620*	2-units	\$1,053,000**
620*	3-units	\$1,272,750**
620*	4-units	\$1,581,750**

* Loans with a credit score of 620-639 have specific requirements (see requirements under 1-unit transactions above)

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

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

Loan Amount: Veteran has 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)

Fannie Mae and Freddie Mac Maximum Loan Limits for Mortgages Acquired in Calendar Year 2021 and Originated after 10/1/2011 or before 7/1/2007

(These limits were determined under the provisions of the Housing and Economic Recovery Act of 2008)

Always use the amount in the 1-unit column

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	\$ 548,250	\$ 702,000	\$ 848,500	\$ 1,054,500
01	003	BALDWIN COUNTY	AL	19300	\$ 548,250	\$ 702,000	\$ 848,500	\$ 1,054,500
01	005	BARBOUR COUNTY	AL	21640	\$ 548,250	\$ 702,000	\$ 848,500	\$ 1,054,500

2021 Loan Limit Eligibility

The 2021 loan limits may be applied to new submissions and loans currently in the pipeline however the **loan cannot close/sign until on or after January 1, 2021.**

In the event a loan closes prior to January 1, 2021 and the loan amount exceeds the 2020 limit, the loan will be re-priced as a high balance transaction.

The Homebridge VA guidelines have been updated and posted on the Homebridge website at www.HomebridgeWholesale.com; refer to the VA guideline version posted as “Transactions Using 2021 Loan Limits”

If you have any questions, please contact your Account Executive