



## WHOLESALE ANNOUNCEMENT 2019-50

December 2, 2019

### Guideline Update

#### VA

As a result of the Blue Water Navy Vietnam Veterans Act of 2019, VA has changed the statutes regarding the maximum amount of entitlement available to Veterans, the maximum guaranty of loans in excess of \$144,000, the VA loan (funding) fee table and the additional waiver of the funding fee. In November, FCM announced the changes in the funding fees effective with closing dates on or after Jan 1, 2020.

**All VA loans must meet Ginnie Mae minimum 25% guaranty requirement.** The amount of cash down payment plus the amount of available VA guaranty must equal at least 25% of the purchase price of the property or the Certificate of Reasonable Value, whichever is less.

**Full Entitlement:** For Veterans with full entitlement, the maximum amount of guaranty entitlement available to the Veteran, for a loan above \$144,000 shall be 25 percent of the loan amount.

**Partial Entitlement:** For Veterans who have previously used entitlement and such entitlement has not been restored, the maximum amount of guaranty entitlement available to the Veteran, for a loan above \$144,000 shall be 25 percent of the Freddie Mac conforming loan limit, reduced by the amount of entitlement previously used (not restored) by the Veteran

**The maximum base loan amount for all VA IRRRL and VA Non-IRRRL transactions is \$1mill.**

#### **1.08.06.01 Transaction Types in a Construction/Permanent Home Loan:**

FCM does not allow the Veteran to act as their own contractor, and/or hire subcontractors to build their home.

#### CONV

#### **1.04.03 Non-Occupant Co-Borrowers:**

Removed the overlay not allowing non-occupant co borrowers on cash out refinances.

#### **1.03.07.01 Mortgage Insurance overview:**

FNMA and Freddie Mac have worked with approved mortgage insurers to update their master primary policies and related endorsements and other forms. This section has been updated to reflect loans with application dates on or after March 1, 2020 must have the new forms that are required.

12/02/2019