

VA Blue Water Navy Vietnam Veterans Act of 2019 – Entitlement and Guaranty

Purpose

This announcement includes the following topic:

- ✓ VA Entitlement and Guaranty
-

VA Entitlement and Guaranty

[VA Circular 26-19-23 Blue Water Navy Vietnam Veterans Act of 2019](#) amends 38 U.S.C. § 3703(a)(1) to expand the maximum guaranty amounts for purchases, construction loans and cash-out refinance loans greater than the Freddie Mac Conforming Loan Limits (CLL). The Act does not change the maximum amount of guaranty entitlement available to Veterans for loans equal to or less than \$144,000 regardless of the Freddie Mac CLL. The Act adjusts the maximum amount of guaranty entitlement for purchases, construction loans and cash-out refinance loans above \$144,000 as follows:

- **Full Entitlement:** Veterans with full entitlement, the maximum amount of guaranty entitlement available to the Veteran, for a loan above \$144,000 is 25% of the loan amount;
 - **Partial Entitlement:** 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, will be 25% of the Freddie Mac CLL reduced by the amount of entitlement previously used (not restored) by the Veteran.
-

Continued on next page

VA Blue Water Navy Vietnam Veterans Act of 2019 – Entitlement and Guaranty, Continued

VA Entitlement and Guaranty, continued

Effective January 1, 2020:

FSM will have a maximum loan amount of \$1,000,000.00 with a minimum FICO score of 700

- AUS approval required
- Cash-out LTV/CLTV not to exceed 90%
- DTI 45%
 - All DTI's over 41%:
 - ✓ require 10% down

Note: VA residual income requirements still apply if the DTI is over 41%

Effective Date

As noted within

Questions

Retail – Please contact your Manager with any questions
Mod Corr – Please contact your Account Executive with any questions
