

# Changes to the VA Home Loan Program Effective January 1, 2020

On June 25, 2019, the President signed Public Law 116-23 the Blue Water Navy Vietnam Veterans Act. The changes made by the Act will be effective January 1, 2020.

## Loan Limits

For veterans with full entitlement, there will be no loan limit cap. The VA will guarantee 25% of the loan amount.

For veterans who have previously used their entitlement and such entitlement has not been restored, the maximum amount of guaranty is the lesser of 25% of the loan amount OR the maximum amount of guaranty entitlement available (which is equal to 25% of the Freddie Mac conforming loan limit, reduced by the amount of entitlement previously used and not restored. If the previous entitlement has been restored, then the veteran is able to use the full entitlement, with no cap.

## Waiver for Purple Heart Recipients

Members of the Armed Forces who are serving on active duty and provide, on or before the date of loan closing, certificate or military orders of having been awarded the Purple Heart will not be required to pay a funding fee.

## Funding Fee Increases

The below table summarizes funding fee rates for the most common types of loans for all Veterans (Regular Military, Reserves, and National Guard) for loans closed on or after January 1, 2020, and before January 1, 2022.

Type of Loan	Downpayment	Percentage for First Time Use	Percentage for Subsequent Use
Purchase and Construction Loans	None	2.30%	3.60%
	5% but less than 10%	1.65%	1.65%
	10% or more	1.40%	1.40%
Cash-Out Refinance Loans	n/a	2.30%	3.60%
IRRRLs	n/a	0.50%	0.50%
Loan Assumptions	n/a	0.50%	0.50%