

Date: 12/9/19

Topics: 2020 FHA Loan Limits, VA Maximum Guaranty, Updated VA Funding Fee Table

Channels: Broker and Correspondent

Products: FHA & VA

Effective Date: 1/1/2020

2020 FHA Loan Limits

FHA has announced the 2020 maximum loan limits as follows:

Effective for case numbers assigned on or after January 1, 2020, the FHA national low cost area mortgage limits, which are set at 65% of the national conforming limit of \$510,400 for a one unit property are by property unit number as follows:

One Unit: \$331,760

Two Unit: \$424,800

Three Unit: \$513,450

Four Unit: \$638,100

High Cost Area Limits:

One Unit: \$765,600

Two Unit: \$980,325

Three Unit: \$1,184,925

Four Unit: \$1,472,550

A list of loan limits by county are available on the FHA Maximum Mortgage Limits webpage.

VA Maximum Guaranty:

VA has not yet officially announced that the maximum guaranty for non-IRRRL transactions without full entitlement will be based on the 2020 Freddie Mac conforming limits. Per the VA Circular 26-19-23, *Blue Water Navy Vietnam Veterans Act of 2019*, conforming loan limits are no longer a factor for Veterans with full entitlement, however, are still utilized for determining maximum guaranty for Veterans with partial entitlement.

Limits for Veterans with full entitlement is still being reviewed. Future communication will be delivered within the next few weeks.

VA Funding Fee Table Updates:

Effective for closed loans on or after January 1, 2020, the below Funding Fee table will apply. The updated table summarizes funding fee rates for the most common types of loans for all military (regular military, reserves and National Guard).

MLS's system is updated to reflect these changes for loans closing on or after 1/1/2020.



Type of Loan	Down Payment	Percentage for First Time Use	Percentage for Subsequent Use
Purchase or 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	N/A	2.30%	.50%
IRRRLs	N/A	.50%	.50%
Assumptions	N/A	.50%	.50%

If you have any questions regarding this announcement please contact your assigned Account Executive.

Thank you for your business and for being a valued partner!