



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-9000

THE GOVERNMENT NATIONAL  
MORTGAGE ASSOCIATION

November 30, 2001

01-29

**MEMORANDUM FOR:** All Participants in Ginnie Mae Programs

**FROM:** George S. Anderson, Executive Vice President

**SUBJECT:** Increase in Allowable VA Loan Limits

As part of its continuing effort to support homeownership opportunities for America's veterans and their families, Ginnie Mae is pleased to announce that it is increasing the maximum loan amount for loans guaranteed by the Department of Veterans Affairs ("VA") that are eligible to be placed in Ginnie Mae pools. Effective with pools originated January 1, 2002, the maximum VA loan eligible for pooling will be increased from \$203,000 to the maximum original loan amount for conforming home mortgages. Conforming loans are mortgage loans that meet the purchase criteria of Freddie Mac or Fannie Mae. Pursuant to Section 302 (b)(2) of the National Housing Act and Section 305 (a)(2) of the Emergency Home Finance Act of 1970, as amended, the maximum original loan amount for conforming home mortgages for 2002 is \$300,700. As conforming loan limits increase, the maximum VA loan limit will increase accordingly.

Ginnie Mae will continue to require that the amount of cash down payment plus the amount of the available VA guaranty equal at least 25% of the lesser of the purchase price or the Certificate of Reasonable Value. For example, a VA guaranteed loan in the amount of \$300,700 may be pooled if the VA guaranty plus the veteran's cash down payment is no less than \$75,175.

A copy of the revisions to the Ginnie Mae Mortgage-Backed Securities Guide 5500.3 is attached, and may also be accessed on Ginnie Mae's web site at [www.ginniemae.gov](http://www.ginniemae.gov). If you have any questions regarding this announcement, please contact your Account Executive in the Office of Customer Service at (202) 708-1535.