

**MAXIMUM GUARANTY AMOUNTS FOR LOANS  
ORIGINATED AFTER JANUARY 1, 2009**

1. PURPOSE: On July 30, 2008, the President signed Public Law 110-289, the Housing and Economic Recovery Act of 2008. Section 2201 of the Act provides a temporary increase in VA's maximum guaranty amount through December 31, 2008. This temporary increase was detailed in VA Circular 26-08-11. Effective January 1, 2009, VA's maximum guaranty amount will change as described below.

2. GUARANTY AMOUNTS: For loans where the original principal loan amount is \$417,000 or less, the VA's maximum guaranty amount remains unchanged. For loans over \$417,000, originated on or after January 1, 2009, VA's maximum guaranty amount is 25 percent of the Freddie Mac conforming loan limit for a single-family home in the county in which the property securing the loan is located. The Freddie Mac conforming loan limits for each county are the same as the Federal Housing Administration mortgage limits. Please note that, if a veteran has previously used entitlement that has not been restored, the guaranty amount for that veteran must be reduced accordingly.

3. ANNUAL UPDATES: On January 1, 2010, and each January 1 thereafter, the Freddie Mac conforming loan limit will be updated by the Federal Housing Finance Agency to reflect changes in the national housing price index as well as changes in area median prices. This will result in changes to the guaranty amounts discussed in paragraph 2 of this circular.

4. RESCISSION: This circular is automatically rescinded January 1, 2010.

By Direction of the Under Secretary for Benefits

Judith A. Caden, Director  
Loan Guaranty Service

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