

EXPIRATION OF VA AUTHORITY TO GUARANTEE ADJUSTABLE RATE MORTGAGES AND HYBRID ADJUSTABLE RATE MORTGAGES

1. **PURPOSE**: Unless Congress extends the Department of Veterans Affairs' authority to guarantee adjustable rate mortgages (ARMs) and hybrid adjustable rate mortgages (HARMs), these loan types will expire on September 30, 2008. Lenders should not accept applications for VA-guaranteed ARMs and HARMs after September 30, 2008. Lenders with an ARM or HARM application dated September 30, 2008 or earlier may obtain a VA Loan Guaranty Certificate so long as the loan closes within a reasonable time and satisfies all other VA program requirements.
2. **STATION RELEASES**: Stations should disseminate this information as widely as possible using their local websites. It is not necessary to prepare "hard copy" local releases, although, stations may do so at their discretion. Central Office will be placing this information on the Loan Guaranty website.
3. **RESCISSION**: This circular is automatically rescinded January 1, 2010.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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