1. Purpose. This Circular announces that the 2014 county loan limits (http://go.usa.gov/Z4rP) have been posted. Note that there is no maximum Department of Veterans Affairs (VA) home loan, which means lenders can make VA loans in excess of the loan limit for a county; however VA’s guaranty will be limited to 25 percent of the county loan limit.

2. Interest Rate Reduction Refinancing Loans (IRRRLs). The county loan limits do NOT apply to IRRRLs. VA will guarantee 25 percent of the principal balance on an IRRRL, regardless of whether the loan exceeds the limit for the particular county.

3. Loan Applications in Process. In instances where a county loan limit has decreased, VA will honor the previous higher limit on a purchase loan provided the sales contract has been ratified by all parties and the Uniform Residential Loan Application (URLA) is signed by both parties prior to January 1, 2014. If the borrower is originating a non-IRRRL refinance loan, the URLA must be signed by the lender and the borrower prior to January 1, 2014, and provided to VA with a time stamp substantiating the date the URLA was printed. Lenders should contact the appropriate VA Regional Loan Center, if they have questions on a particular loan.

4. Rescission: This Circular is rescinded January 1, 2015.

By Direction of the Under Secretary for Benefits

Michael J. Frueh
Director, Loan Guaranty Service

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