



# Loan Guaranty

## Home Loan Guaranty Program Objectives

The objective of the VA Home Loan Guaranty program is to help eligible Veterans, active-duty personnel, surviving spouses, and members of the Reserves and National Guard purchase, retain, and adapt homes in recognition of their service to the Nation.

## Current Benefits

VA home loans may be used to:

- Purchase a home;
- Purchase a residential unit in certain condominium projects;
- Build a home;
- Refinance an existing home loan; or
- Improve a home by installing solar heating or other energy conservation measures.

740,389 Loans Guaranteed  
 Average Loan \$254,866  
 Total Loan Amount:  
 \$189 Billion

The Loan Guaranty Program was originally part of a national effort to move from a wartime economy to a peacetime economy and to avoid the economic recession historically associated with postwar periods. The program was one of the innovations advanced by the Servicemen's Readjustment Act of 1944 (PL 78-346), known as the GI Bill of Rights. By providing loan guaranties, the government could aid Veterans in their efforts to readjust to civilian life.



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### Release history

Version & changes	Date
Data as of	09/30/2017



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## Program Information

There are two types of guaranteed loans: purchase and refinance. A purchase loan is used to obtain a home. The other loan type is a refinance, and there are two kinds of refinance loans: interest rate reduction and other refinance (i.e., cash-out refinancing). Interest rate reduction is typically the most common reason for refinancing a loan.

While there is no maximum VA loan amount, secondary market limitations determine how much lenders will loan and therefore create an effective loan limit for VA. These effective loan limits vary by county and are based on the Department of Housing and Urban Development's (HUD) area median prices that are used by Federal Housing Finance Administration (FHFA) to set the Government Sponsored Enterprise (GSE) (Fannie Mae and Freddie Mac) loan limits. The VA county loan limits are adjusted annually each January and are available at [http://www.benefits.va.gov/homeloans/purchaseco\\_loan\\_limits.asp](http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp).

Veterans pay a funding fee ranging from 1.25% to 3.30% of the loan amount (0.5% for interest rate reduction refinancing loans). The funding fee can be included in the loan. Veterans receiving VA disability compensation (or who would be receiving compensation, but for the receipt of retirement pay or active service pay) are exempt from the fee. Also a surviving spouse of a Veteran who died on active-duty service or later from service-connected causes is exempt from paying the fee.

VA will guaranty loans up to 100% of the home value. Additionally, the Honoring Veterans and Caring for Camp Lejeune Families Act of 2012 (Public Law 112-154), further expanded assistance to Veterans and their families. This authority was extended as part of Public Law 113-175, and included the following:

- Established permanent authority to guarantee adjustable-rate and hybrid adjustable-rate mortgages;
- Expanded home loan benefits for certain surviving spouses; and
- Allowed an active-duty Servicemember's dependent child to satisfy the occupancy requirement.



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## Specialty Adapted Housing Program (SAH)

Severely-disabled Veterans and Servicemembers, primarily those who are wheelchair bound or who have lost the use of both arms at or above the elbow, may be entitled to obtain SAH grants.

Special Housing Adaptation (SHA) grants are also available to disabled individuals who have blindness in both eyes, or have anatomical loss or loss of use of both hands.

These distinctive programs help eligible individuals buy, build, or modify homes specifically adapted for their use. In addition to no time limitation or deadline for applying for either grant benefit, multiple grant uses are available as authorized under Title 38, United States Code (U.S.C.) section 2101(a) or section 2101(b). The Honoring Veterans and Caring for Camp Lejeune Families Act of 2012 (Public Law 112-154) further expanded the SAH benefit. Specifically, section 202 authorized SAH assistance for certain Veterans who served in the Armed Forces on or after September 11, 2001 and are entitled service-connected disability due to the loss or loss of use of one lower extremity, severely affecting the functions of balance or propulsion.

The Veterans Housing Opportunity and Benefits Act of 2008 (PL 110-289), enacted on July 30, 2008, included the following changes:

- Increased the maximum grant amounts;
- Authorized cost indexing on an annual basis on October 1 of each year (beginning in calendar year 2009);
- Established eligibility for housing assistance for individuals with severe burn injuries; and
- Authorized assistance for individuals residing outside the United States who may now, at the Secretary's discretion, use adaptive housing benefits.

These benefits can be used for, but are not limited to:

- Wider doorways and hallways to accommodate wheelchairs;
- Ramps or platform lifts instead of steps; and
- Wheelchair accessible bathrooms.

The Honoring American Veterans and Caring for Camp Lejeune Families Act of 2012 (PL 112-154), enacted October 1, 2012, included the following changes:

- Temporarily expanded eligibility for SAH assistance for certain Veterans;
- Expanded eligibility for SHA assistance for Veterans with vision impairment;
- Increased and indexed the temporary residence adaptation (TRA) grant and extended this authorization to provide housing assistance to individuals temporarily residing in a home owned by a family member;
- Authorized additional SAH assistance to Veterans whose homes have been destroyed or damaged by natural disaster; and
- Removed the TRA grant from the aggregate amount of assistance available from the SAH/SHA program.

**Specialty adapted housing data can be found at the bottom of page 14**



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## Native American Direct Loan (NADL) Program

The Native American Veterans Direct Loan Program helps Native American Veterans or Native American non-Veterans finance the purchase of homes on Federal Trust. VA has entered into memorandums of understanding (MOU) with 98 participating Native American tribes. During FY 2017, VA closed 24 loans under this program. Since its inception, VA has made 1,029 loans to Native American Veterans.

In FY 2017, LGY promoted the NADL program in 18 major regional and national outreach events across the United States. LGY entered into 5 MOUs during FY 2017. The NADL program currently has 509 active loans totaling \$60.3 million, and expended close to \$5 million in loan funding during FY 2017.

## Loan Administration

The Loan Administration Program helps to ensure that Veterans who have VA-guaranteed loans receive assistance during times of financial hardship. VA provides this assistance through oversight of mortgage loan servicers to ensure they offer options for home retention and alternatives to foreclosure. To ensure every Veteran has the option to retain his/her home, VA made approximately 502,847 attempts to contact delinquent borrowers and mortgage servicers. In FY 2017, VA helped 96,139 borrowers retain homeownership and/or avoid foreclosure. These actions resulted in a \$2.76 billion savings in estimated foreclosure costs to the Government.

For a Veteran or Servicemember who may have obtained a conventional loan, VA can offer general guidance and financial counseling through Loan Technicians in VA's 8 Regional Loan Centers. However, unlike a VA-guaranteed home loan, VA has no legal authority or standing to intervene on the borrower's behalf. VA's toll-free number for all Veterans and Servicemembers to call for home loan assistance is (877) 827-3702.

[Loan administration data can be found on page 15](#)



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## Quick Reference

This quick reference guide highlights information most requested from the Loan Guaranty Service.

In FY 2017, interest rate reduction refinance loans were 26% of the total loan volume. For the same year, all refinanced loans made up 48% of the total loan volume.

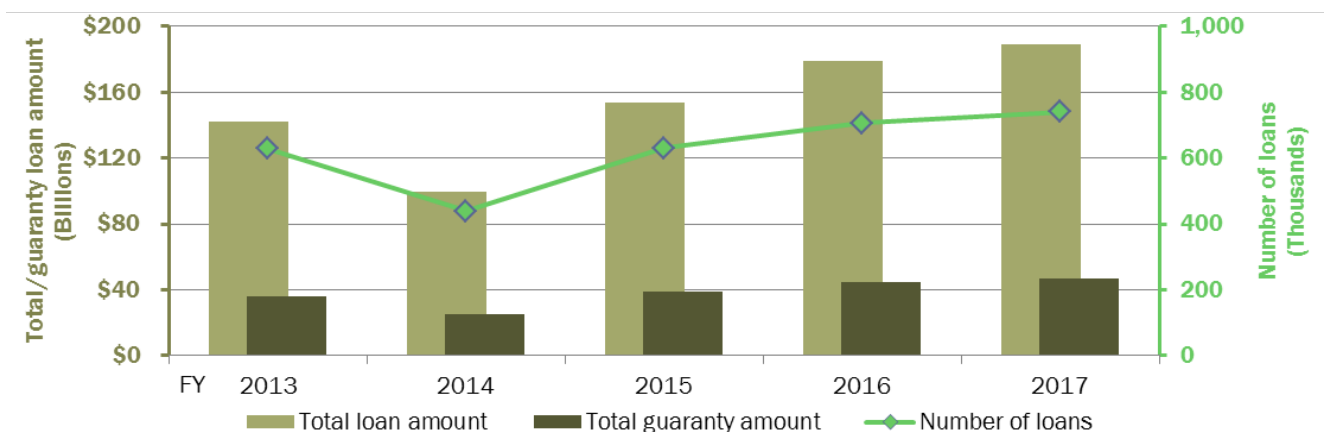
### Fiscal year 2017 loan guaranty program highlights

Loans guaranteed	740,389
Interest rate reduction loans	190,914
Total loan amount	\$188,699,744,440
Average amount per loan	\$254,866

### VA loans guaranteed by fiscal year

	2013	2014	2015	2016	2017
Number of loans	629,312	438,398	631,142	705,474	740,389
Total loan amount	\$141,975,397,598	\$99,574,287,360	\$153,477,242,762	\$178,656,669,563	\$188,699,744,440
Average loan amount	\$225,604	\$227,132	\$243,174	\$253,243	\$254,866
Total guaranty amount	\$36,239,738,792	\$25,273,854,382	\$38,606,820,465	\$44,646,704,530	\$46,955,375,319
Average guaranty amount	\$57,586	\$57,650	\$61,170	\$63,286	\$63,420

### VA loans guaranteed by fiscal year





## Summary of Home Loan Guaranty Entitlements and Other Eligibility Criteria

The table below summarizes eligibility criteria for the Loan Guaranty Program. All Veterans must have been discharged or released from active duty under other than dishonorable conditions. If the Veteran served less than the minimum required time period, he or she could be eligible if discharged because of a service-connected disability.

Period of service or entitlement	Service dates	Length of service or other criteria
World War II	9/16/40 - 7/25/47	90 days
Post-World War II	7/26/47 - 6/26/50	181 continuous days
Korean Conflict	6/27/50 - 1/31/55	90 days
Post-Korean Conflict	2/1/55 - 8/4/64	181 continuous days
Vietnam Era	8/5/64 - 5/7/75	90 days (for Veterans who served within Vietnam, the beginning date is 2/28/1961)
Specific entitlement for post-Vietnam Era	5/8/75 - 9/7/80	181 continuous days
Enlisted	9/8/80 - 8/1/90	2 years
Officers	10/17/81 - 8/1/90	2 years
Gulf War Era	8/2/90 - present	2 years or period called to active duty (not less than 90 days)
Active duty personnel	—	On active duty, after having served continuously for at least 181 days (90 days for Gulf War Era duty) unless discharged or separated from a previous qualifying period of active duty service.
Reservists	—	6 years
Unmarried surviving spouse	N/A	Married to an eligible Veteran who died as a result of service or service-connected conditions.
Spouse of MIA/ POW	N/A	Active duty member who is missing in action (MIA) or who is a prisoner of war (POW).
Restored entitlement	—	Veterans who previously used the home loan benefit, but had entitlement restored because the loan was paid in full and property disposed of.





## Home Loan Guaranty Data

### Types and characteristics of VA loans guaranteed by fiscal year

Characteristic/ type	2013	2014	2015	2016	2017
First time home buyer	98,094	112,522	134,808	146,634	155,620
Previous home buyer	143,111	159,179	187,307	206,368	224,817

Purchase loans only

Without down payment	202,609	221,936	264,057	287,884	302,815
With down payment	38,596	49,765	58,058	65,118	77,622

Purchase loans only

Purchase loans	241,205	271,701	322,115	353,002	380,437
Interest rate reduction	308,333	94,180	194,805	215,561	190,914
Cash out/ other refinancing	79,774	72,517	114,222	136,911	169,038
<b>Total</b>	<b>629,312</b>	<b>438,398</b>	<b>631,142</b>	<b>705,474</b>	<b>740,389</b>

### Types and characteristics of VA loans guaranteed during fiscal year 2017

Characteristic/ type	Number of loans	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
First time home buyer	155,620	\$36,292,202,424	\$233,210	\$9,220,222,033	\$59,248
Previous home buyer	224,817	\$63,105,481,357	\$280,697	\$15,269,478,882	\$67,920

Purchase loans only

Without down payment	302,815	\$73,203,005,275	\$241,742	\$18,526,267,160	\$61,180
With down payment	77,622	\$26,194,678,506	\$337,465	\$5,963,433,756	\$76,827

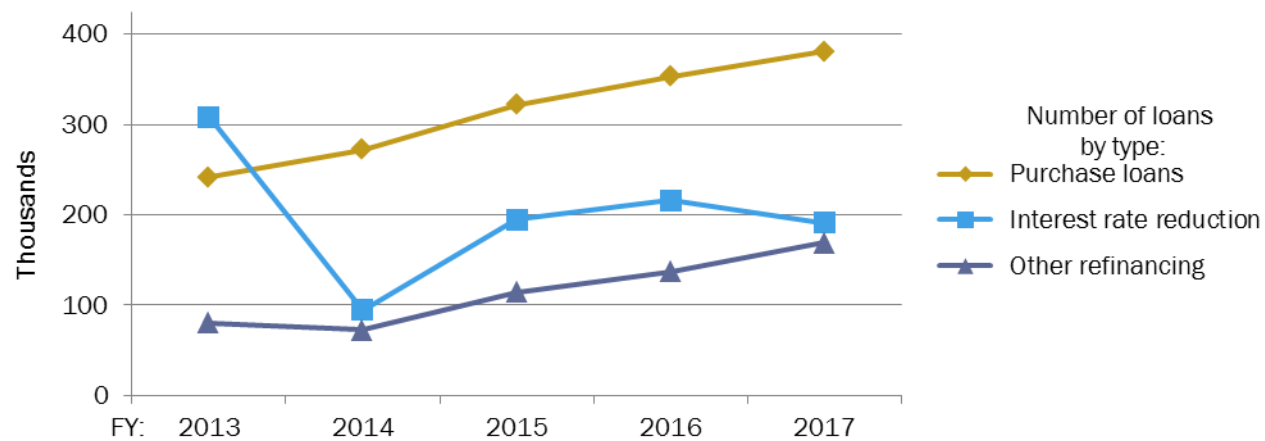
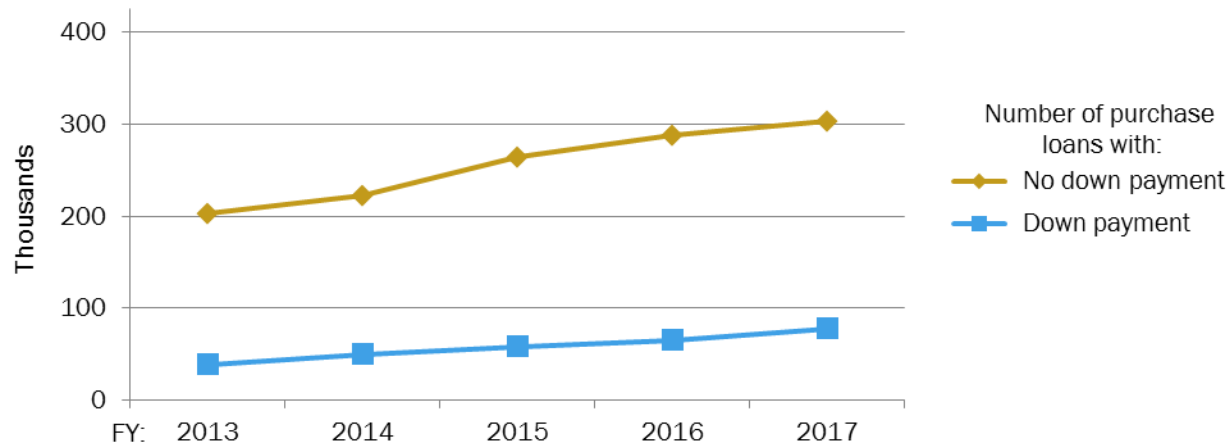
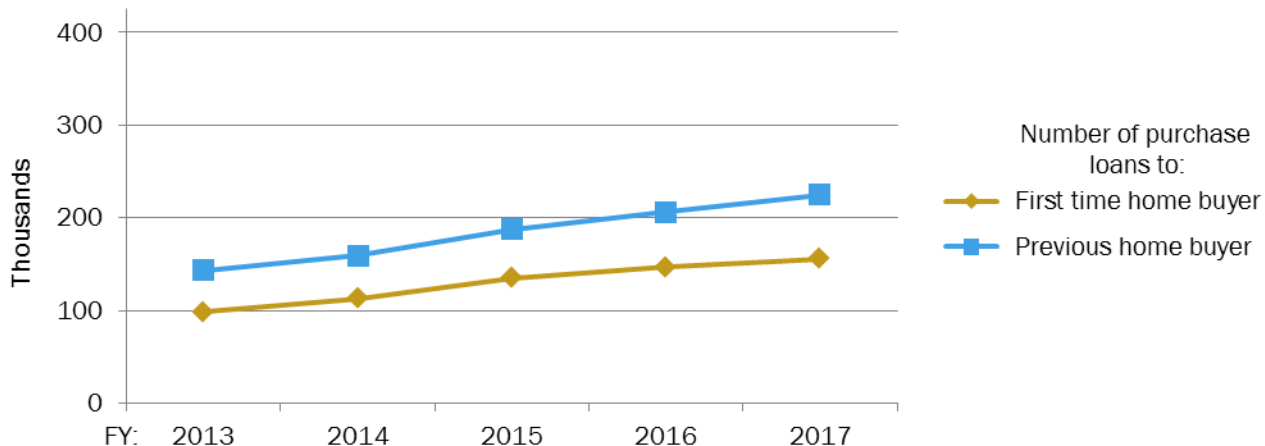
Purchase loans only

Purchase loans	380,437	\$99,397,683,781	\$261,272	\$24,489,700,915	\$64,373
Interest rate reduction	190,914	\$46,436,079,404	\$243,230	\$11,883,516,091	\$62,245
Cash out / other refinancing	169,038	\$42,865,981,255	\$253,588	\$10,582,158,314	\$62,602
<b>Total</b>	<b>740,389</b>	<b>\$188,699,744,440</b>	<b>\$254,866</b>	<b>\$46,955,375,319</b>	<b>\$63,420</b>





### Types and characteristics of VA loans guaranteed by fiscal year (data on preceding page)





### VA loans guaranteed by fiscal year and period of service/ entitlement

Period of service/ entitlement	2013	2014	2015	2016	2017
World War II	733	475	562	492	421
Post-World War II	206	123	197	174	148
Korean Conflict	1,242	865	1,135	1,059	992
Post-Korean Conflict	6,248	5,134	7,171	7,318	7,337
Vietnam Era	32,359	25,589	36,327	37,843	38,829
Post-Vietnam Era	35,763	27,756	38,272	41,673	42,461
Gulf War Era	174,465	137,075	185,124	201,523	205,032
Restored entitlement	256,705	162,298	262,569	309,242	335,427
Service personnel	108,778	68,246	84,501	88,295	90,804
Reservists	10,319	8,468	12,168	14,141	14,749
Un-remarried survivors	2,494	2,369	3,116	3,714	4,189
Spouses of POWs	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>629,312</b>	<b>438,398</b>	<b>631,142</b>	<b>705,474</b>	<b>740,389</b>





**VA loans guaranteed during  
fiscal year 2017 by period of service/ entitlement**

Period of service/ entitlement	Number of loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
World War II	421	0.06%	\$87,935,831	\$208,874	\$22,727,131	\$47,134
Post-World War II	148	0.02%	\$30,933,242	\$209,008	\$7,967,852	\$47,722
Korean Conflict	992	0.13%	\$203,800,364	\$205,444	\$52,462,043	\$46,696
Post-Korean Conflict	7,337	0.99%	\$1,518,567,145	\$206,974	\$392,158,121	\$49,003
Vietnam Era	38,829	5.24%	\$8,202,066,971	\$211,236	\$2,104,570,000	\$50,675
Post-Vietnam Era	42,461	5.73%	\$9,375,722,589	\$220,808	\$2,383,829,949	\$52,673
Gulf War Era	205,032	27.69%	\$50,319,431,909	\$245,422	\$12,576,132,149	\$56,453
Restored entitlement	335,427	45.30%	\$90,382,428,306	\$269,455	\$22,310,861,168	\$62,653
Service personnel	90,804	12.26%	\$24,102,484,382	\$265,434	\$5,978,407,462	\$64,680
Reservists	14,749	1.99%	\$3,645,301,007	\$247,156	\$910,811,889	\$58,099
Un-remarried survivors	4,189	0.57%	\$831,072,694	\$198,394	\$215,447,557	\$48,637
Spouses of POWs	N/A					
<b>Total</b>	<b>740,389</b>	<b>100%</b>	<b>\$188,699,744,440</b>	<b>\$226,200</b>	<b>\$46,955,375,319</b>	<b>\$63,420</b>



### VA loans guaranteed by fiscal year and age

Age	2013	2014	2015	2016	2017
18 - 25	19,101	18,003	21,070	22,103	23,207
26 - 35	153,742	109,537	145,353	157,784	162,979
36 - 45	162,708	102,118	141,871	154,537	155,889
46 - 55	132,334	85,256	127,691	145,191	153,717
56 - 65	94,870	64,517	92,656	101,404	105,900
66 - 75	53,132	47,502	83,477	101,462	112,439
76 - 80	8,173	6,895	11,283	13,914	15,791
Over 80	5,252	4,570	7,741	9,079	10,466
<b>Total<sup>1</sup></b>	<b>629,312</b>	<b>438,398</b>	<b>631,142</b>	<b>705,474</b>	<b>740,389</b>

### VA loans guaranteed during fiscal year 2017 by age

Age	Number of Loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
18 - 25	23,207	3.1%	\$4,636,133,092	\$199,773	\$1,194,772,070	\$51,483
26 - 35	162,979	22.0%	\$40,818,316,892	\$250,451	\$10,202,570,681	\$62,601
36 - 45	155,889	21.1%	\$44,582,565,881	\$285,989	\$10,915,261,479	\$70,019
46 - 55	153,717	20.8%	\$42,353,106,955	\$275,526	\$10,405,843,709	\$67,695
56 - 65	105,900	14.3%	\$25,326,208,245	\$239,152	\$6,362,690,928	\$60,082
66 - 75	112,439	15.2%	\$25,241,231,918	\$224,488	\$6,406,455,066	\$56,977
76 - 80	15,791	2.1%	\$3,459,852,932	\$219,103	\$884,156,165	\$55,991
Over 80	10,466	1.4%	\$2,282,164,636	\$218,055	\$583,584,250	\$55,760
<b>Total<sup>1</sup></b>	<b>740,389</b>	<b>100.0%</b>	<b>\$188,699,744,440</b>	<b>\$230,714</b>	<b>\$46,955,375,319</b>	<b>\$57,953</b>



<sup>1</sup> Totals include one loan in the amount of \$163,889 and a guaranty amount of \$40,972 with no age indicated in the record.



### Percentage of VA loans guaranteed by fiscal year and age

Age	2013	2014	2015	2016	2017
18 - 25	3.04%	4.11%	3.34%	3.13%	3.13%
26 - 35	24.43%	24.98%	23.03%	22.37%	22.01%
36 - 45	25.85%	23.29%	22.48%	21.91%	21.06%
46 - 55	21.03%	19.45%	20.23%	20.58%	20.76%
56 - 65	15.08%	14.72%	14.68%	14.37%	14.30%
66 - 75	8.44%	10.84%	13.23%	14.38%	15.19%
76 - 80	1.30%	1.57%	1.79%	1.97%	2.13%
Over 80	0.83%	1.04%	1.23%	1.29%	1.41%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100.0%</b>

### VA loans guaranteed during fiscal year 2017 by Veteran participant annual income

Income	Number of loans	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
Less than \$25,000	3,183	\$294,363,174	\$92,480	\$101,211,318	\$31,797
\$25,000 to \$34,999	13,172	\$1,662,971,810	\$126,251	\$486,522,497	\$36,936
\$35,000 to \$44,999	29,887	\$4,677,085,164	\$156,492	\$1,257,587,762	\$42,078
\$45,000 to \$54,999	47,339	\$8,723,824,590	\$184,284	\$2,254,167,959	\$47,618
\$55,000 to \$64,999	50,055	\$10,586,130,292	\$211,490	\$2,683,880,486	\$53,619
\$65,000 to \$74,999	44,912	\$10,632,644,070	\$236,744	\$2,667,643,622	\$59,397
\$75,000 and over	191,889	\$62,820,664,681	\$327,380	\$15,038,687,271	\$78,372
<b>Total</b>	<b>380,437</b>	<b>\$99,397,683,781</b>	<b>\$261,272</b>	<b>\$24,489,700,915</b>	<b>\$64,373</b>

Purchase loans only

### Veteran participant income and asset information

Average income	\$86,333
Median income	\$75,300
Median assets	\$9,601



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### Number of VA loans guaranteed by fiscal year and race

Race	2013	2014	2015	2016	2017
White	444,454	307,876	439,680	484,165	504,436
Black/ African American	60,025	46,180	67,939	79,974	86,539
Hispanic	45,059	34,104	50,338	57,223	61,335
Asian/ Pacific Islander/ Native Hawaiian	3,110	11,427	18,740	21,888	23,433
American Indian/ Alaskan Native	10,111	36,136	51,948	60,313	62,957

### VA loans guaranteed during fiscal year 2017 by race

Race	Number of loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
White	504,436	68.3%	\$126,780,937,691	\$251,332	\$31,514,577,825	\$62,475
Black/ African American	86,539	11.7%	\$21,813,159,261	\$252,062	\$5,464,070,045	\$63,140
Hispanic	61,335	8.3%	\$16,198,191,920	\$264,094	\$4,030,109,083	\$65,707
Asian/ Pacific Islander/ Native Hawaiian	23,433	3.2%	\$7,417,334,638	\$316,534	\$1,814,998,030	\$77,455
American Indian/ Alaskan Native	62,957	8.5%	\$16,239,394,809	\$257,944	\$4,061,265,549	\$64,509

### SAH and NADL Program Data

#### Specially adapted housing grants and direct loans during fiscal year 2017 by program

Number or amount of loan or grant	Specially adapted housing grants <sup>2</sup>	Special housing adaptation grants	Direct loans to Native Americans
Number of grants / loans	1,732	194	24
Amount of grants / loans	\$ 95,848,185	\$ 2,308,241	\$ 4,978,834



<sup>2</sup> Grants, not to exceed the maximum amounts, can be used up to three times.



## Loan Administration Data

Loan Administration helps to ensure that Veterans who have VA-guaranteed loans receive assistance during times of financial hardship. VA provides this assistance through oversight of mortgage loan servicers to ensure they offer options for home retention and alternatives to foreclosure.

### Number of borrowers saved from foreclosure

96,139

### Loan administration actions by fiscal year

Action	2014	2015	2016	2017
Borrowers saved from foreclosure	79,814	90,262	97,368	96,139
Potential claim savings	\$2,707,242,614	\$2,803,451,393	\$3,082,674,193	\$2,757,896,777
Foreclosures completed	19,813	18,027	18,519	16,626
Claim payments	\$1,004,360,268	\$1,016,723,872	\$742,576,524	\$856,964,525

### Loan administration actions in fiscal year 2017

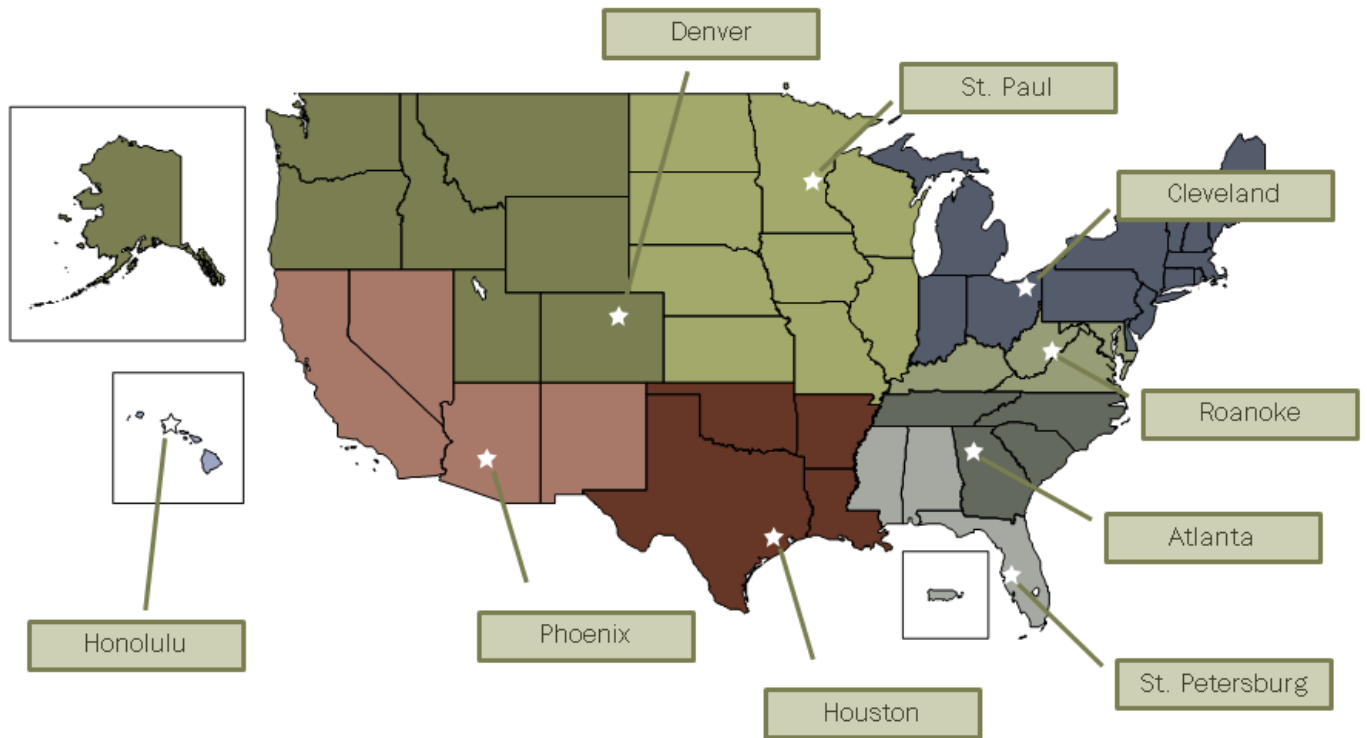
Action	Number/Amount
Borrower contact	293,601
Servicer contact	209,246
Potential claim savings	\$2,757,896,777
Default resolution rate (percent)	85.31%
Defaults reported	97,948
Foreclosures completed <sup>3</sup>	16,626
Borrowers saved from foreclosure	96,139

<sup>3</sup> Foreclosures completed can include prior year defaults as foreclosure processing timeframes vary by states.





## Appendix – Map of Regional Loan Centers



### Contact Information

**Home Loan Guaranty information:**  
1-877-827-3702

**Annual Benefits Report (Office of Performance Analysis & Integrity)**  
202-461-9040

**Department of Veterans Affairs home page**  
[www.va.gov](http://www.va.gov)

**Veterans Benefits Administration home page**  
[benefits.va.gov](http://benefits.va.gov)

**eBenefits (Online forms and applications)**  
[www.ebenefits.va.gov](http://www.ebenefits.va.gov)

**Home Loan Guaranty home page**  
[www.benefits.va.gov/homeloans](http://www.benefits.va.gov/homeloans)

