

**Department: Capital Markets**  
**Announcement: Increased maximum VA loan amount and 2022 FHA, VA and USDA loan limits**  
**Date:** December 10, 2021



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Good news! Effective today, December 10, 2021, Sierra Pacific is accepting submissions and locks on the 2022 loan limits for FHA, VA and USDA loans. In addition, Sierra Pacific is increasing the maximum VA loan amount to \$2,000,000!

The AllRegs announcements regarding these changes were sent early this morning, so for details on these enhancements please refer to those announcements and the updated guides posted in Sierra's AllRegs. Copied below is a summary.

2022 FHA, VA, and USDA loan limits:

**Forward FHA mortgage limits for calendar year 2022 are effective for case numbers assigned on or after January 1, 2022.**

The FHA national low-cost area mortgage limits, which are set at 65 percent of the national conforming limit of \$647,200 for a one-unit Property, are, by property unit number, as follows:

- 1) One-unit: \$420,680
- 2) Two-unit: \$538,650
- 3) Three-unit: \$651,050
- 4) Four-unit: \$809,150

**VA – 2022 Loan Limits are EFFECTIVE WITH LOANS CLOSED (Loan Funds Disbursed) ON OR AFTER JANUARY 1, 2022.** Loans Funded on or before December 31, 2021, will be limited to and priced according to 2021 loan limits.

As a reminder:

- Effective January 1, 2020, Freddie Mac loan limits are no longer a factor for **veterans with full entitlement**. Veterans with full entitlement, and loan amounts of \$144,001 or greater, will automatically receive a 25% guarantee based on the loan amount
- For veterans with **previously used entitlement** that has not been restored, the maximum guarantee is the lesser of 25% of the loan amount or the remaining amount of entitlement available. *When calculating the remaining entitlement, 25% of the Freddie Mac CLL must be used, and reduced by the amount of un-restored entitlement.*
- This update does not change the maximum amount of entitlement available to veterans for loans equal to or less than \$144,000.

**USDA – USDA does not publish maximum loan amount limits, however FHFA loan limits are used. EFFECTIVE WITH LOANS CLOSED (Note Date) ON OR AFTER JANUARY 1, 2022, the 2022 FHFA 1 unit loan limit will be available.**

**Loans with documents drawn on or before December 31, 2021 will be limited to and priced according to 2021 loan limits.**

**VA – INCREASED MAXIMUM LOAN AMOUNT TO \$2 MILLION**

**For loan amounts > \$1.5 million < \$2 million are subject to the following overlays.**

**Highlights:**

- 5) **Product Codes: T200J: VA 30 - Year or 20 -Year Fixed;**
- 6) **Purchase Transactions Only**
- 7) **AUS findings “Approved /Eligible”. (Manual UW not allowed)**
- 8) **Maximum DTI 45%**
- 9) **Minimum Fico 720**
- 10) **Maximum Total Loan Amount \$2 million (Base Ln Amt + VA FF)**
- 11) **Maximum LTV/CLTV 90%**
- 12) **1 – 4 Units, PUD, Condo**
- 13) **Borrowers must have a primary housing history (can include or be a combination of OR/Mortgages/documentated live rent free) of 0x30x12 for the most recent consecutive 12-month period, ending with the application date.**
- 14) **The 25% guarantee must be composed entirely of the veteran’s entitlement.** The use of cash down payment or equity may not be used to meet the 25% guarantee requirement

**The above is not all inclusive, please refer to the SPMC AllRegs for full details and restrictions.**