



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.

1,246,817 Loans Guaranteed

Average Loan \$301,044

Total Loan Amount:
\$375.3 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.



VA



**U.S. Department
of Veterans Affairs**

Veterans Benefits
Administration

Table of Contents

Loan Guaranty	189
Home Loan Guaranty Program Objectives	189
Current Benefits	189
Table of Contents	190
Program Information	191
Specialty Adapted Housing Program (SAH)	192
The Native American Veterans Direct Loan Program	193
Loan Administration	193
Quick Reference	194
Fiscal year 2020 loan guaranty program highlights	194
VA loans guaranteed by fiscal year	194
VA loans guaranteed by fiscal year	194
Summary of Home Loan Guaranty Entitlements and Other Eligibility Criteria	195
Home Loan Guaranty Data	196
Types and characteristics of VA loans guaranteed by fiscal year	196
Types and characteristics of VA loans guaranteed during fiscal year 2020	196
Types and characteristics of VA loans guaranteed by fiscal year	197
VA loans guaranteed by fiscal year and period of service/entitlement	198
VA loans guaranteed during fiscal year 2020 by period of service/entitlement	199
VA loans guaranteed by fiscal year and age	200
VA loans guaranteed during fiscal year 2020 ² by age	200
Percentage of VA loans guaranteed by fiscal year and age	201
VA loans guaranteed during fiscal year 2020 by age	201
VA loans guaranteed during fiscal year 2020 by Veteran participant annual income	202
Veteran participant income and asset information	202
Number of VA loans guaranteed by fiscal year and race	203
VA loans guaranteed during fiscal year 2020 by race	203
VA loans guaranteed by fiscal year and gender	204
VA loans guaranteed during fiscal year 2020 by gender	204
SAH and NADL Program Data	204
Specialty adapted housing grants and direct loans during fiscal year 2020 by program	204
Loan Administration Data	205
Number of borrowers saved from foreclosure	205
Loan administration actions by fiscal year	205
Loan administration actions in fiscal year 2020	205
Appendix - Map of Regional Loan Centers	206
Contact Information	206

Release history

Version & changes	Date
Data as of	09/30/2020



U.S. Department
of Veterans Affairs
Veterans Benefits
Administration



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, however in 2020 Interest Rate Reduction refinancing was the most common reason.

After January 1, 2020, most Veterans may obtain no-down payment VA-guaranteed loans that are over \$144,000 in all areas of the country, regardless of home prices. In most instances, Veterans living in higher-cost markets, will no longer be subject to the Federally-established conforming loan limit maximums. The VA county loan limits are adjusted annually each January and are available at http://www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp.

Veterans pay a funding fee ranging from 1.4% to 3.60% 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 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.



VA



**U.S. Department
of Veterans Affairs**
Veterans Benefits
Administration

Specially 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:

- 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.

Specially adapted housing data can be found at the bottom of page 204



U.S. Department
of Veterans Affairs
Veterans Benefits
Administration



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 Land. VA has entered into memorandums of understanding (MOU) with 105 participating Native American tribes and Pacific Islanders. During FY 2020, VA closed 27 loans under this program. Since its inception, VA has made 1,097 loans to Native American Veterans.

In FY 2020, LGY promoted the NADL program in 20 major regional and national outreach events across the United States. LGY did not enter into new MOUs during FY 2020. The NADL program currently has 527 active loans totaling \$65.4 million, and expended over \$7.5 million in loan funding during FY 2020.

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 689,188 attempts to contact delinquent borrowers and mortgage servicers. In FY 2020, VA helped 119,513 borrowers retain homeownership and/or avoid foreclosure. These actions resulted in a \$3.41 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 205



VA



**U.S. Department
of Veterans Affairs**

Veterans Benefits
Administration



Quick Reference

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

In FY 2020, interest rate reduction refinance loans were 53.1% of the total loan volume. For the same year, all refinanced loans made up 66% of the total loan volume.

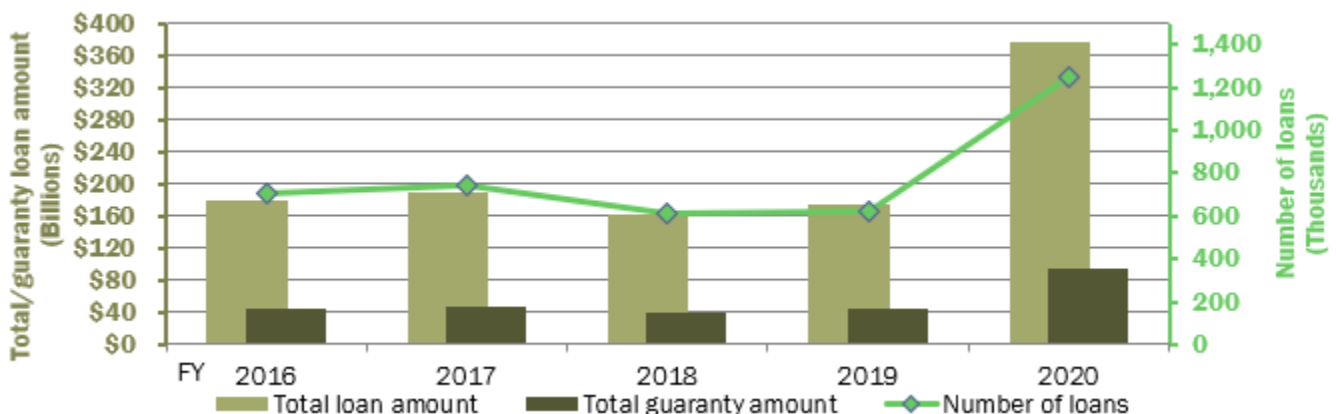
Fiscal year 2020 loan guaranty program highlights

Loans guaranteed	1,246,817
Interest rate reduction loans	662,065
Total loan amount	\$375,346,777,738
Average amount per loan	\$301,044

VA loans guaranteed by fiscal year

	2016	2017	2018	2019	2020
Number of loans	705,474	740,389	610,513	624,546	1,246,817
Total loan amount	\$178,656,669,563	\$188,699,744,440	\$161,295,513,770	\$175,638,600,656	\$375,346,777,738
Average loan amount	\$253,243	\$254,866	\$264,197	\$281,226	\$301,044
Total guaranty amount	\$44,646,704,530	\$46,955,375,319	\$39,939,956,683	\$43,477,935,388	\$93,719,486,331
Average guaranty amount	\$63,286	\$63,420	\$65,420	\$69,615	\$75,167

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	2016	2017	2018	2019	2020
First time home buyer	146,634	155,620	159,714	161,171	178,171
Previous home buyer	206,368	224,817	223,401	223,326	250,251

Purchase loans only

Without down payment	287,884	302,815	303,337	306,879	350,094
With down payment	65,118	77,622	79,778	77,618	78,328

Purchase loans only

Purchase loans	353,002	380,437	383,115	384,497	428,422
Interest rate reduction	215,561	190,914	67,347	94,861	662,065
Cash out/other refinancing	136,911	169,038	160,051	145,188	156,330
Total	705,474	740,389	610,513	624,546	1,246,817

Types and characteristics of VA loans guaranteed during fiscal year 2020

Characteristic/type	Number of loans	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
First time home buyer	178,171	\$48,589,659,459	\$272,714	\$12,251,016,958	\$68,760
Previous home buyer	250,251	\$82,013,782,491	\$327,726	\$20,028,455,021	\$80,033

Purchase loans only

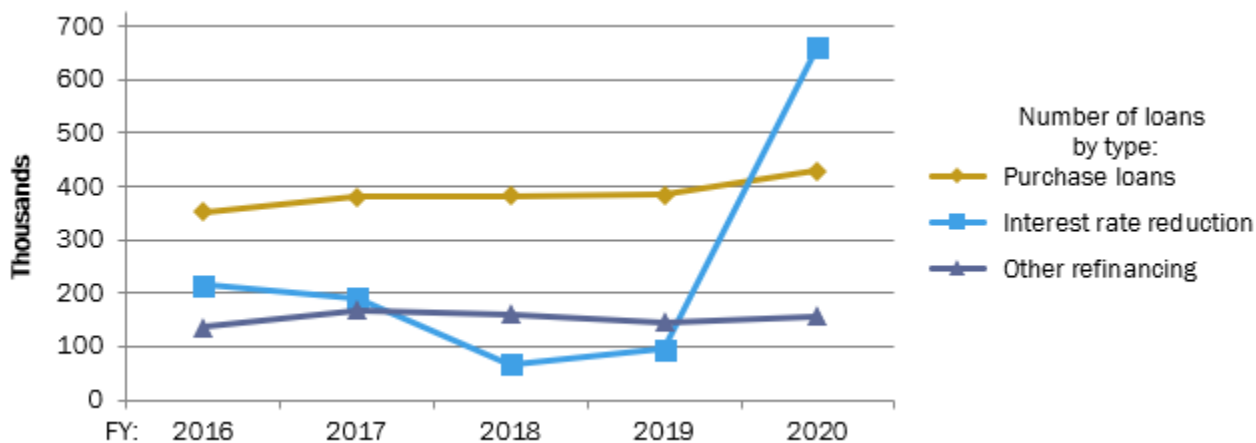
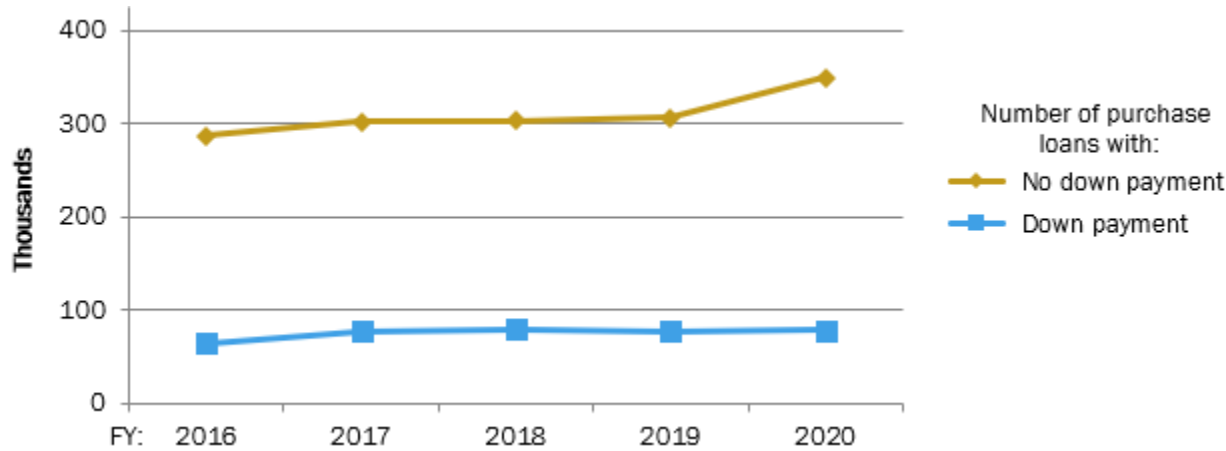
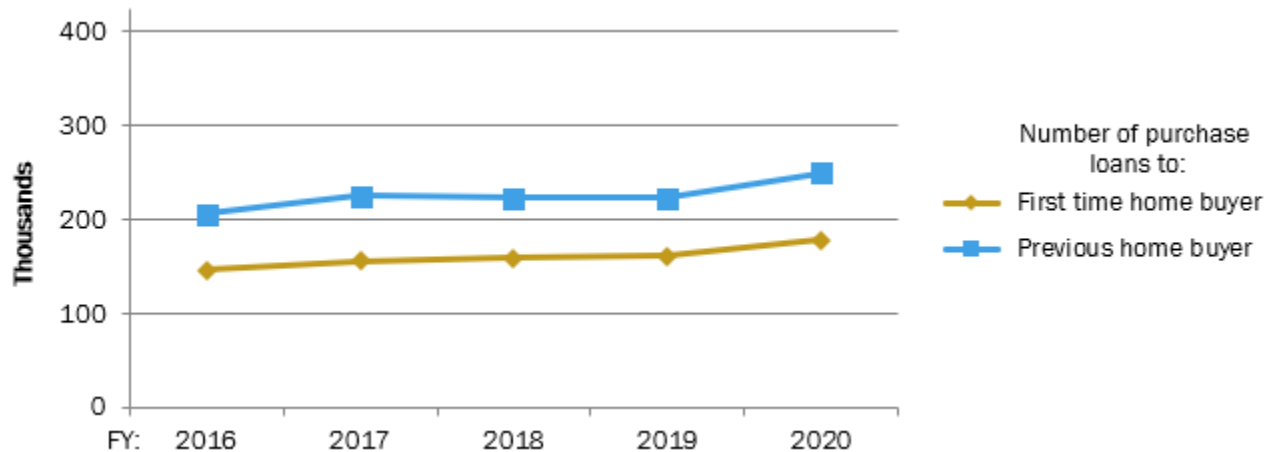
Without down payment	350,094	\$101,866,562,138	\$290,969	\$25,502,761,282	\$72,845
With down payment	78,328	\$28,736,879,812	\$366,879	\$6,776,710,698	\$86,517

Purchase loans only

Purchase loans	428,422	\$130,603,441,950	\$304,848	\$32,279,471,979	\$75,345
Interest rate reduction	662,065	\$198,972,013,386	\$300,532	\$50,080,680,706	\$75,643
Cash out / other refinancing	156,330	\$45,771,322,402	\$292,787	\$11,359,333,646	\$72,663
Total	1,246,817	\$375,346,777,738	\$301,044	\$93,719,486,331	\$75,167



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	2016	2017	2018	2019	2020
World War II	492	421	253	135	223
Post-World War II	174	148	90	58	70
Korean Conflict	1,059	992	647	455	612
Post-Korean Conflict	7,318	7,337	5,153	3,606	6,253
Vietnam Era	37,843	38,829	28,749	22,330	40,224
Post-Vietnam Era	41,673	42,461	33,081	28,970	49,793
Gulf War Era	201,523	205,032	172,830	171,383	308,296
Restored entitlement	309,242	335,427	273,700	296,545	659,894
Service personnel	88,295	90,804	80,241	85,813	154,171
Reservists	14,141	14,749	11,703	11,116	21,204
Un-remarried survivors	3,714	4,189	4,066	4,135	6,077
Spouses of POWs	N/A	N/A	N/A	N/A	N/A
Total	705,474	740,389	610,513	624,546	1,246,817



VA loans guaranteed during fiscal year 2020 by period of service/entitlement

Period of service/entitlement	Number of loans	Percent ¹ of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
World War II	223	<0.1%	\$57,853,107	\$259,431	\$14,639,930	\$65,650
Post-World War II	70	<0.1%	\$18,163,970	\$259,485	\$4,570,892	\$65,298
Korean Conflict	612	<0.1%	\$152,820,289	\$249,706	\$39,006,391	\$63,736
Post-Korean Conflict	6,253	0.5%	\$1,478,013,977	\$236,369	\$378,107,174	\$60,468
Vietnam Era	40,224	3.2%	\$9,778,718,486	\$243,107	\$2,487,088,101	\$61,831
Post-Vietnam Era	49,793	4.0%	\$12,441,375,531	\$249,862	\$3,152,677,148	\$63,316
Gulf War Era	308,296	24.7%	\$88,594,161,712	\$287,367	\$22,130,865,318	\$71,784
Restored entitlement	659,894	52.9%	\$207,946,239,429	\$315,121	\$51,820,397,928	\$78,528
Service personnel	154,171	12.4%	\$47,488,008,338	\$308,022	\$11,832,502,825	\$76,749
Reservists	21,204	1.7%	\$5,959,265,302	\$281,044	\$1,495,510,944	\$70,530
Un-remarried survivors	6,077	0.5%	\$1,432,157,597	\$235,669	\$364,119,680	\$59,918
Spouses of POWs	N/A					
Total	1,246,817	100%	\$375,346,777,738	\$301,044	\$93,719,486,331	\$75,167

¹ Percentages may not sum to Total due to rounding.



VA loans guaranteed by fiscal year and age

Age	2016	2017	2018	2019 ²	2020 ³
18 - 25	22,103	23,207	24,466	27,822	41,508
26 - 35	157,784	162,979	143,400	150,916	263,729
36 - 45	154,537	155,889	126,452	133,685	281,554
46 - 55	145,191	153,717	120,085	119,394	251,973
56 - 65	101,404	105,900	83,947	84,235	180,459
66 - 75	101,462	112,439	89,741	84,960	173,772
76 - 80	13,914	15,791	13,651	14,968	34,965
Over 80	9,079	10,466	8,771	8,565	18,855
Total	705,474	740,389	610,513	624,546	1,246,817

VA loans guaranteed during fiscal year 2020³ by age

Age	Number of Loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
18 - 25	41,508	3.3%	\$9,890,095,143	\$238,270	\$2,500,120,975	\$60,232
26 - 35	263,729	21.2%	\$77,532,548,600	\$293,986	\$19,361,464,776	\$73,414
36 - 45	281,554	22.6%	\$94,488,657,473	\$335,597	\$23,429,898,856	\$83,216
46 - 55	251,973	20.2%	\$82,406,676,368	\$327,046	\$20,482,657,943	\$81,289
56 - 65	180,459	14.5%	\$51,983,293,050	\$288,062	\$13,027,054,215	\$72,188
66 - 75	173,772	13.9%	\$45,123,652,578	\$259,672	\$11,395,056,509	\$65,575
76 - 80	34,965	2.8%	\$9,060,125,298	\$259,120	\$2,290,773,602	\$65,516
Over 80	18,855	1.5%	\$4,861,252,457	\$257,823	\$1,232,340,263	\$65,359
Total	1,246,817	100%	\$375,346,777,738	\$238,386	\$93,719,486,331	\$59,596

² Total includes 1 Veteran and \$ 498,977 in loan with no age indicated in the record.

³ Total includes 2 Veterans and \$476,771 in loan with no age indicated in the record.

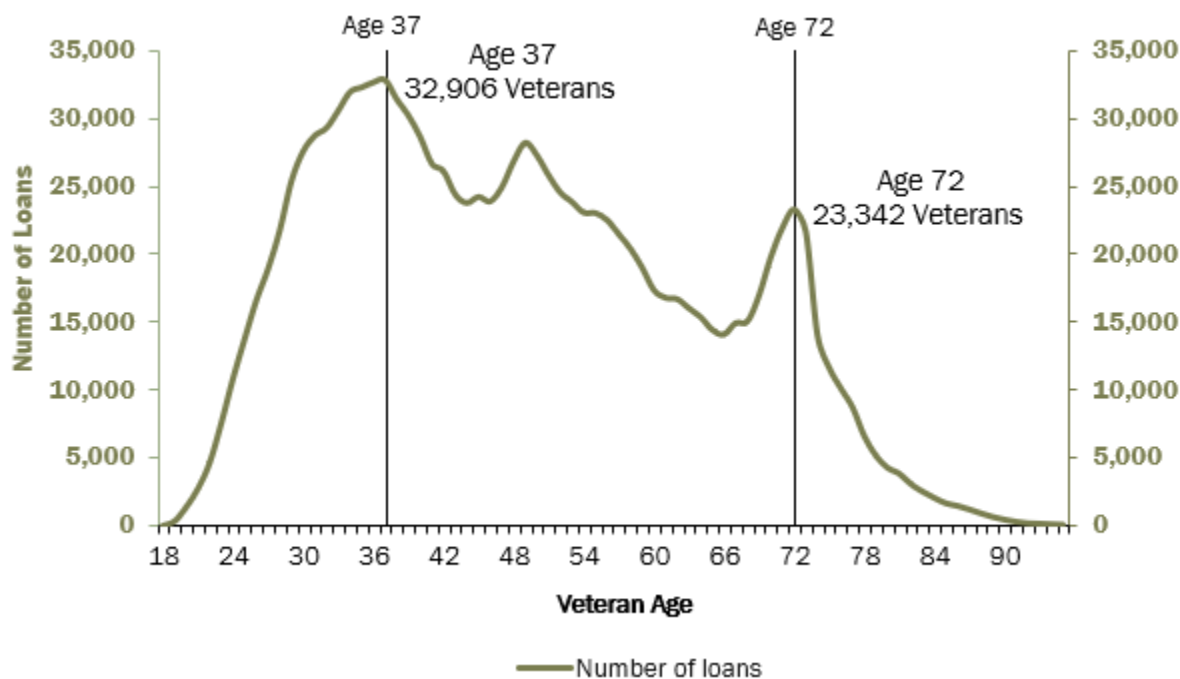




Percentage of VA loans guaranteed by fiscal year and age

Age	2016	2017	2018	2019	2020
18 - 25	3.1%	3.1%	4.0%	4.5%	3.3%
26 - 35	22.4%	22.0%	23.5%	24.2%	21.2%
36 - 45	21.9%	21.1%	20.7%	21.4%	22.6%
46 - 55	20.6%	20.8%	19.7%	19.1%	20.2%
56 - 65	14.4%	14.3%	13.8%	13.5%	14.5%
66 - 75	14.4%	15.2%	14.7%	13.6%	13.9%
76 - 80	2.0%	2.1%	2.2%	2.4%	2.8%
Over 80	1.3%	1.4%	1.4%	1.4%	1.5%
Total	100%	100%	100%	100%	100.0%

VA loans guaranteed during fiscal year 2020 by age





VA loans guaranteed during fiscal year 2020 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	1,988	\$211,187,572	\$106,231	\$67,971,472	\$34,191
\$25,000 to \$34,999	9,192	\$1,319,025,681	\$143,497	\$365,835,598	\$39,799
\$35,000 to \$44,999	25,666	\$4,529,315,991	\$176,471	\$1,182,527,984	\$46,074
\$45,000 to \$54,999	46,900	\$9,704,916,732	\$206,928	\$2,467,260,166	\$52,607
\$55,000 to \$64,999	53,578	\$12,663,410,712	\$236,355	\$3,184,037,957	\$59,428
\$65,000 to \$74,999	50,700	\$13,378,134,403	\$263,869	\$3,346,536,751	\$66,007
\$75,000 and over	240,398	\$88,797,450,859	\$369,377	\$21,665,302,053	\$90,123
Total	428,422	\$130,603,441,950	\$304,848	\$32,279,471,979	\$75,345

Purchase loans only

Veteran participant income and asset information

Average income	\$92,884
Median income	\$80,556
Median assets	\$11,179



Number of VA loans guaranteed by fiscal year and race

Race	2016	2017	2018	2019	2020
White	484,165	504,436	406,379	409,480	812,254
Black/ African American	79,974	86,539	73,369	76,905	144,235
Hispanic	57,223	61,335	50,802	53,043	108,317
Asian/ Pacific Islander/ Native Hawaiian	21,888	23,433	19,435	19,532	43,411
American Indian/ Alaskan Native	60,313	62,957	59,873	64,846	134,718

VA loans guaranteed during fiscal year 2020 by race

Race	Number of loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
White	812,254	65.1%	\$241,124,126,332	\$296,858	\$60,188,572,752	\$74,101
Black/ African American	144,235	11.6%	\$42,076,695,826	\$291,723	\$10,531,109,610	\$73,014
Hispanic	108,317	8.7%	\$33,860,025,489	\$312,601	\$8,442,163,290	\$77,939
Asian/ Pacific Islander/ Native Hawaiian	43,411	3.5%	\$15,698,816,104	\$361,632	\$3,902,032,027	\$89,886
American Indian/ Alaskan Native	134,718	10.8%	\$41,534,017,674	\$308,303	\$10,389,968,244	\$77,124
Unknown	3,882	0.3%	\$1,053,096,313	\$271,277	\$265,640,407	\$68,429



VA loans guaranteed by fiscal year and gender

Gender	2016	2017	2018	2019	2020
Male	629,954	658,622	539,368	548,851	1,099,572
Female	75,520	81,767	71,145	75,695	147,245
Total	705,474	740,389	610,513	624,546	1,246,817

VA loans guaranteed during fiscal year 2020 by gender

Gender	Number of Loans	Percent of total	Total loan amount	Average loan amount	Total guaranty amount	Average guaranty amount
Male	1,099,572	88.2%	\$331,392,467,754	\$301,383	\$82,729,876,103	\$75,238
Female	147,245	11.8%	\$43,954,309,984	\$298,511	\$10,989,610,228	\$74,635
Total	1,246,817	100.0%	\$375,346,777,738	\$301,044	\$93,719,486,331	\$75,167

SAH and NADL Program Data

Specially adapted housing grants and direct loans during fiscal year 2020 by program

Number or amount of loan or grant	Specially adapted housing grants ⁴	Special housing adaptation grants	Direct loans to Native Americans
Number of grants / loans	1,900	186	27
Amount of grants / loans	\$114,482,644	\$2,329,475	\$7,514,835

⁴ 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

119,513

Loan administration actions by fiscal year

Action	2017	2018	2019	2020
Borrowers saved from foreclosure	96,139	104,752	101,980	119,513
Potential claim savings	\$2,757,896,777	\$2,661,555,870	\$2,627,518,597	\$3,412,897,121
Foreclosures completed	16,626	14,836	14,655	7,882
Claim payments	\$856,964,525	\$699,755,664.89	\$528,169,644	\$530,320,725

Loan administration actions in fiscal year 2020

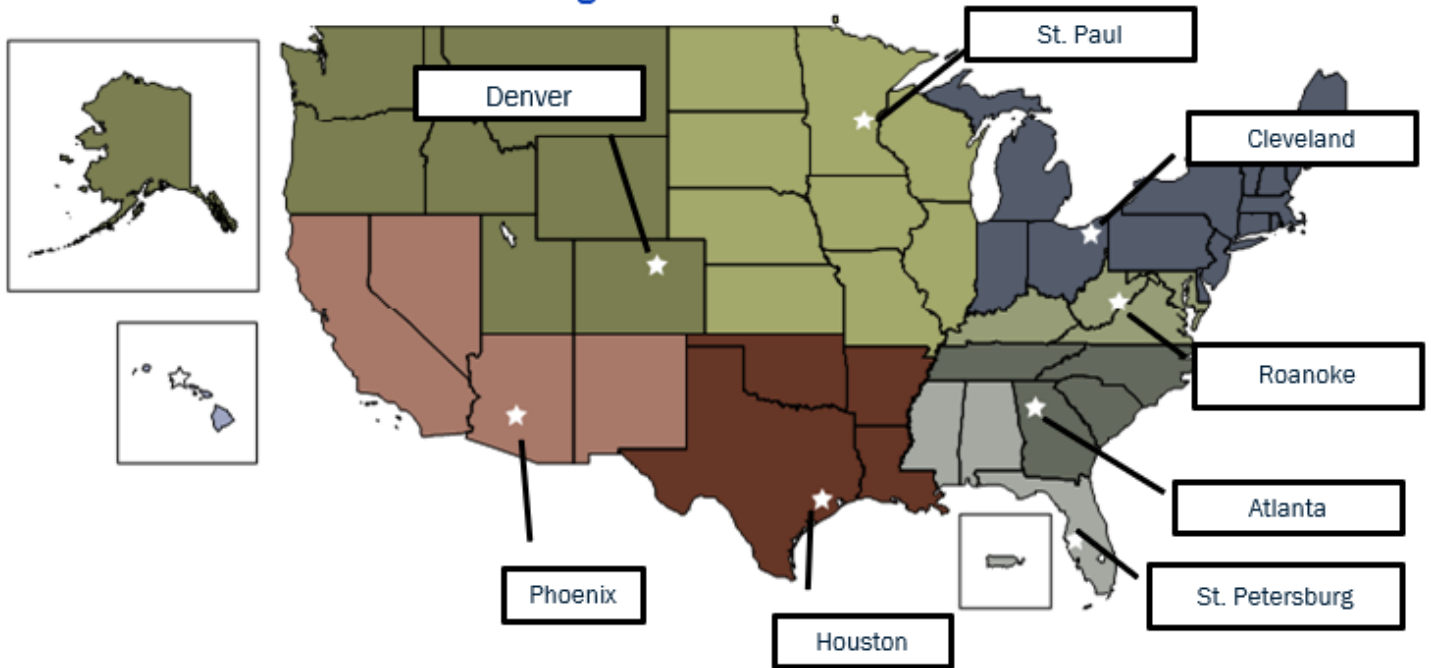
Action	Number/Amount
Borrower contact	460,200
Servicer contact	228,988
Potential claim savings	\$3,412,897,121
Default resolution rate (percent)	93.81%
Defaults reported	316,465
Foreclosures completed ⁵	7,882
Borrowers saved from foreclosure	119,513

⁵ Foreclosures completed can include prior year defaults as foreclosure processing timeframes vary by state.





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

Veterans Benefits Administration home page

benefits.va.gov

eBenefits

(Online forms and applications)

www.ebenefits.va.gov

Home Loan Guaranty home page

www.benefits.va.gov/homeloans



U.S. Department of Veterans Affairs
Veterans Benefits Administration

