



H. R. 299 - Blue Water Navy Vietnam Veterans Act of 2019 116th Congress

Summary: On June 25, 2019, the President signed into law the **Blue Water Navy Vietnam Veterans Act of 2019 (the Act)**, [Public Law 116-23, 133 Stat. 966](#). The Act, including the provisions that impact VA's Loan Guaranty Service (LGY), will become effective January 1, 2020. VA's Loan Guaranty Service will publish any changes in policies or procedures prior to the January 1 effective date.

There are several changes to the VA home loan program with H.R. 299's passage and signing:

Appraisals

- The new law authorizes VA to establish policies that enable VA-designated appraisers to rely upon third parties for appraisal-related information.

VA-Guaranteed Home Loan Program Loan Limit

- The new law removes effective loan limits for the VA home loan guaranty program.
- This enhances Veteran access to the home loan benefit 'higher cost' markets, and for Veterans seeking to obtain what are commonly referred to as a "jumbo" loans (loans that exceed the Federally established loan limits for Fannie Mae and Freddie Mac).
- Prior to the law, Veterans seeking to purchase higher-priced homes, and/or homes in areas where house prices exceeded the Fannie Mae/Freddie Mac limits were often required to make a downpayment in order to use their home loan benefit.
- Veterans may now obtain no-downpayment VA-backed home loans in all areas of the country, regardless of house prices.

Native American Direct Loan (NADL) program

- Removes the loan limit of \$80,000 for Veterans using their entitlement for a direct loan from VA to build or purchase a home on Federal trust land. VA has historically been authorized to make loans exceeding this \$80,000 limit if housing costs on Federal trust lands are significantly higher than the national average. But, eliminating the loan limit will enhance access to home loan benefits for Native American Veterans.

Funding Fee Table

- Replaces the previous loan fee table and temporarily increases rates for VA-guaranteed purchase loans by 0.15-0.30%. In addition, the law eliminates differences in funding fees between Reservist and Veteran borrowers.

Purple Heart Recipients

- The law makes service members on active duty who have received the Purple Heart exempt from the VA Home Loan funding fee. Servicemembers must provide VA necessary evidence of the Purple Heart award on or before the date of loan closing.