

To: Lenders and Other Participants in the VA Loan Guaranty Program

Subject: Transmittal of Change 21 to VA Pamphlet 26-7, Revised, VA Lender's Handbook

Purpose Attached are revisions to Chapters 3, 7, and 8 of the VA Lender's Handbook.

Changes

Chapter 3

- Topic 4, subsection a has been updated to note that the temporary increase in maximum guaranty is extended to December 31, 2014.
- Topic 5, subsection c has been updated to note that occupancy by a dependent child may now satisfy the occupancy requirement.
- This chapter was also updated to make minor grammatical edits.

Chapter 7

- Topic 6, subsection a has been updated to note that VA now has permanent authority to guarantee Adjustable Rate Mortgages and Hybrid Adjustable Rate Mortgages.
- This chapter was also updated to make minor grammatical edits.

Chapter 8

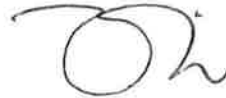
- Topic 8, subsection b has been updated to note of changes to determination of funding fee waiver criteria.
- Topic 8, subsection h has been changed to note the present fee structure is now valid through September 30, 2017.
- This chapter was also updated to make minor grammatical edits.

**Veterans Benefits Administration
Department of Veterans Affairs
Washington, D.C. 20420**

**VA Pamphlet 26-7, Revised
Change 21
November 8, 2012**

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(<http://www.benefits.va.gov/homeloans>).



Michael J. Frueh
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