Conventional Maximum Loan Amount & Sales Price

EXAMPLES

Example 1

- Prince William County
- Conventional (non-bond) with Plus Second Mortgage
- Sales Price $858,505
- Loan Amount $832,750

Is this acceptable?

Yes, because the sales limit does not apply to the Conventional (non-bond) program, including when originated with the Plus Second Mortgage, and the loan amount is within the conforming loan limit.

Example 2

- Henrico County
- Conventional (non-bond) with Plus Second Mortgage
- Sales Price $650,000
- Loan Amount $630,500

Is this acceptable?

Yes, because the sales price limit does not apply to the Conventional (non-bond) program, including when originated with the Plus Second Mortgage, and the loan amount is within the conforming loan limit.

Example 3

- Virginia Beach City (not targeted area)
- Conventional Bond with DPA Grant
- Sales Price $725,000
- Loan Amount $703,250

Is this acceptable?

No, because the sales price exceeds the Norfolk-VA Beach-Newport News area limit of $575,000 that applies to the Conventional Bond program.

If the loan is changed to the Conventional (non-bond) program, the DPA Grant cancelled (since it's not eligible with Conventional non-bond), and the Plus Second Mortgage added, this higher sales price is acceptable since there is no sales price limit and it is within the conforming loan limit.

Example 4

- Albemarle County
- Conventional (non-bond) with Plus Second Mortgage
- Sales Price $850,000
- Loan Amount $832,750

Is this acceptable?

No, because the loan-to-value (LTV) exceeds 97%, which is the maximum LTV for a Virginia Housing Convenitonal loan.

If the loan amount is reduced to $824,500, this is acceptable at 97% LTV; the sales price is acceptable since there is no sales price limit and the loan amount is within the conforming loan limit.