

Washington, DC -- Congressman Vern Buchanan (R-FL 13) cosponsored legislation today to extend higher mortgage limits to loans guaranteed by the U.S. Department of Veterans Affairs (VA). The economic stimulus package raised the maximum mortgage limits in high-cost areas for other federally guaranteed loans. The "Veterans Mortgage Stimulus Clarification Act" (H.R. 5561), extends the same increased mortgage limits to VA-backed loans.

"This bill fixes a huge oversight by adding veterans to the groups of homebuyers who will benefit from lower borrowing costs," said Buchanan. "It will also help get the local real estate market moving again."

In Florida's 13th District, home sales have decreased and foreclosures have increased causing excess inventory.

"During the boom, many veterans in this region were priced out of federally backed loans. By increasing the limit for VA loans, we can show our gratitude for their service, increase homeownership and give the local real estate market a much-needed boost," said Buchanan. "It's all about making sure VA-guaranteed mortgages are treated fairly."

The economic growth package temporarily reset loan limits for Fannie Mae, Freddie Mac and the Federal Housing Administration in 71 metropolitan areas to 125 percent of the metropolitan area's median home prices, including the Sarasota, Bradenton, Venice market where the new limit is \$442,500. VA Loan Guaranty limits are normally tied to Freddie Mac limits but the language in the stimulus package did not maintain that connection. That means that unless the economic stimulus law is amended, VA-guaranteed loans will remain at the normal Freddie Mac limit of \$417,000.

Buchanan is a member of the House Veterans' Affairs Committee.