

# VA Loan Guaranty Service

## Eligibility Information for Today's VA Home Loan

### Putting the Benefit You Earned to Work

The original G.I. Bill in 1944 established the VA Loan Guaranty Service (LGY) and was designed to help Veterans, active-duty Service members, National Guard and Reserve members, and eligible surviving spouses purchase a home by removing many financial barriers that exist with conventional home loans. When you use a VA home loan, VA guarantees a portion of your loan with your lender, often allowing lenders to offer better financing terms.



### Am I Eligible for a VA Home Loan?

Eligibility for a VA-guaranteed home loan is based on your service history and duty status. There are many ways a homebuyer may be eligible for this benefit.

- » Eligibility groups are found on the Eligibility Requirements for VA Home Loan Programs webpage at <https://www.va.gov/housing-assistance/home-loans/eligibility/>.
- » In addition to Veteran and active-duty Service members, eligibility may be available for persons with service in the Reserves or National Guard. Certain surviving spouses are also eligible if the Veteran died while on active duty, died from a service-connected disability, or (in certain situations) died after having been rated totally disabled.
- » Your lender can request a Certificate of Eligibility (COE) during the loan pre-approval process to determine your eligibility for a VA home loan.

### What Steps Can I Take To Prepare To Apply for a VA Home Loan?

Here are key steps you can take to prepare for a VA home loan application:

- » Check Your Credit Score
  - Review your credit report and credit score. While VA does not have a minimum credit score requirement, lenders will use your credit history to assess your creditworthiness. A higher credit score may help you qualify for better loan terms.
- » Assess Your Finances
  - Develop a budget and assess your financial situation. Consider your monthly income, expenses, and debts to determine how much you can afford to borrow for a home.
- » Save for a Down Payment/Expenses (if required)
  - While VA home loans typically do not require a down payment (with full eligibility), having some savings set aside can help cover closing costs and unforeseen expenses that can arise.

» Gather Required Documents

- Pay stubs and W-2 forms or tax returns for the past two years
- Bank statements
- Employment history
- Proof of any additional income sources
- List of your current debts and monthly expenses

» Find a VA-Approved Lender

- Research and compare lenders to find one that offers favorable loan terms and excellent customer service.

» Get Pre-Approved

- Contact your chosen lender and request pre-approval for a VA home loan. This will help you understand how much you can afford and what interest rates you may qualify for.

While VA has streamlined many processes when obtaining a VA home loan, it is still essential to stay organized, communicate effectively with your lender, and seek assistance from experts if needed. If you have additional questions about the process, you can call a VA home loan representative at 1-877-827-3702. The VA home loan toll-free number operates Monday – Friday from 8 a.m. – 6 p.m. EST.

## VA Home Loans at a Glance

- » Typically, no down payment is required.
- » No private mortgage insurance (PMI) premiums or mortgage insurance premiums (MIP).
- » No loan limit if the Veteran has full entitlement and can meet the lender's financial guidelines.
- » Potential to own more than one property at a time if the borrower has ample entitlement, financially qualifies, occupies the property, and follows all VA loan guidelines.
- » VA does not require a minimum credit score; however, the lender may set a credit score limit.
- » Competitively low interest rates compared to other loan programs.
- » No VA funding fee for eligible service-connected disabled Veterans and certain surviving spouses.
- » May be used to purchase an existing home or residential condominium, build a new home, refinance the current home, or purchase a multi-unit property that serves as the homebuyer's residence.

