

DEPARTMENT OF VETERANS AFFAIRS

*VETERAN'S GUIDE TO
HOME BUYING*



ST. PAUL REGIONAL
LOAN CENTER
2013

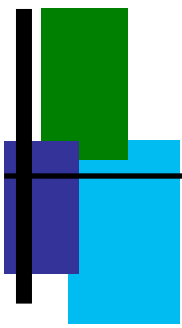


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*** This guide was created by the Saint Paul Regional Loan Center (RLC). The Saint Paul RLC has jurisdiction over the following states only: Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin.

*** This guide is not intended to provide legal guidance.

St. Paul Regional Loan Center

Contact Information

Address

Department of Veteran Affairs
Saint Paul Regional Loan Center (264)
1 Federal Drive, Fort Snelling
St. Paul, MN 55111-4050

Phone Number

1-800-827-0611

Option 1: Loan Administration

Fax: 612-970-5495

Option 2: Construction and Valuation

Fax: 612-970-5499

Option 3: Loan Production

Fax: 215-991-5043

Email and Website

rlc335@va.gov

http://benefits.va.gov/stpaul/Regional_Loan_Center.asp

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

How VA Can Help

1-800-827-0611

Loan Administration

- Audits VA payments made to mortgage servicers
- Advises delinquent borrowers of loss mitigation options
- Serves as a liaison between Veterans and their loan servicers
- Analyzes servicing efforts for VA guaranteed loans

Option 1

Construction & Valuation

Option 2

- Analyzes appraisals
- Issues Notices of Value
- Addresses questions regarding property values
- Evaluates Specially Adapted Housing grant applications
- Processes condominium and builder approvals

Loan Production

- Educates Veterans & industry partners about the VA program
- Audits closed loans to ensure compliance with VA regulations
- Underwrites loans requiring prior approval

Option 3

Learn the Basics

Contact a Lender

Find an Agent

Players

in the

Real Estate Game

Real Estate Agent

- Shows houses
- Creates purchase agreements
- Represents the buyer or seller in the transaction

Processor

- Gathers underwriting documents
- Ensures documents are complete and accurate

Department of Veteran Affairs

- Guarantees a portion of the loan to the mortgage company
- Not a lending institution



Follow the Road to Homeownership!

Mortgage Broker / Loan Officer

- Acts as an intermediary between lenders and borrowers
- Finds the best loan product to fit a borrower's needs
- Mortgage brokers work for multiple lenders as an independent contractor
- Loan officers work for one specific lender

Underwriter

- Reviews loan applications and supporting documents
- Determines if borrower qualifies for the loan

Servicer

- Collects mortgage payments after the loan has closed
- Assists with questions or concerns with monthly payments
- This can be a different company than your originating lender

Learn the Basics

Contact a Lender

Find an Agent

What Loan Product is Best for YOU?

Government Backed Loans

VA Guaranteed Mortgage

The Department of Veterans Affairs guarantees a portion of the loan for qualified Veterans. This protects the lender against losses due to borrower default.

(See page 34 for more information)



FHA Insured Mortgage

The Federal Housing Administration (FHA) insures this type of loan against losses due to borrower default. Like the VA, FHA does not lend money.

Rural Development

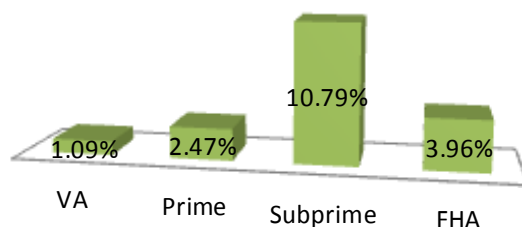
Rural Development provides direct loans and guarantees loans originated by lenders.

Conventional

Any mortgage that is not backed by the government. These mortgages typically require private mortgage insurance.



Foreclosure Rates



Loan Statistics

Learn the Basics

Contact a Lender

Find an Agent

Learn in the ago

Mortgage

The mortgage is collateral for repayment of the debt indicated on the Note. If the loan falls into default, the mortgage gives the lender the right to take the property.

Note

The Note is the contract in which a borrower promises to pay the lender a sum of money under the defined terms of the loan. The Note is not attached to the property. It is only evidence of the debt for the mortgage.

Fixed Rate Mortgage

The interest rate remains the same throughout the entire term of the loan, which means that your principal and interest payments remain the same.

Adjustable Rate Mortgage (ARM)

The interest rate can either increase or decrease throughout the term of the loan, which in turn can change the monthly principal and interest payment.

FYI:

Taxes and insurance fluctuate from year to year. This means your **MONTHLY** payment can also change.

Learn the Basics

Contact a Lender

Find an Agent

Helpful Hint

Knowing common terminology used in the real estate industry is important. This will help you make educated decisions that could potentially save you time and money!

PITI

Principal, Interest, Taxes, and Insurance typically make up the monthly mortgage payment.

Amortization

The gradual elimination of a mortgage in regular payments over a specified period of time.

Escrow Account

A separate account held by the lender in which a portion of the borrowers' monthly payment is deposited to pay property taxes and homeowners insurance premiums.

Equity

The difference between the value of the property and the amount owed on the mortgage.

Equity Example

Bob's property is worth \$200,000 and owes \$150,000 on his current mortgage. Bob has \$50,000 of **equity** in his property.

Negative Equity Example

Joe's property is worth \$200,000 and owes \$220,000 on his current mortgage. Joe has \$20,000 of **negative equity**, which can also be referred to as \$20,000 underwater.

*Learn the
Basics*

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TYPICAL MONTHLY COSTS OF A HOME

P RINCIPAL

The amount of money originally borrowed.

I NTEREST

The amount of money the loan will cost over the life of the loan.

T AXES

Monthly portion of annual property taxes added to the monthly payment.

I NSURANCE

Monthly portion of annual homeowners insurance premium added to the monthly payment.

Don't forget, private mortgage insurance, homeowners association (HOA) fees, and utilities are costs in addition to PITI!

UTILITIES

Remember you will have to pay for many utilities like sewer, water, electricity, gas, etc.

An insurance policy that protects the lender against loss if the borrower defaults on the loan. This is not required for VA loans.

PRIVATE MORTGAGE INSURANCE (PMI)

HOA FEES

Additional monthly fees paid to an association for common interest areas and affairs.



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Things to Consider When Budgeting!

Variable Expenses

In addition to your monthly mortgage payment and debts on your credit report, consider other monthly expenses such as food, clothing, transportation, cable, and phone.

Future Events

Consider future events such as having kids, changing jobs, or moving due to work.

Maintenance

Basic repairs are necessary in order to maintain the home.

Renting VS BUYING

Consider the advantages and disadvantages of both renting and buying.

Renting

Advantages

- If something breaks, your landlord will take care of it.
- You are free to move when the lease expires.

Disadvantages

- Even though you are making payments every month, you don't own the property.
- Changes to the property have to be approved by your landlord.

Buying

Advantages

- The property is an investment that you own.
- You can upgrade/change the property whenever you wish.

Disadvantages

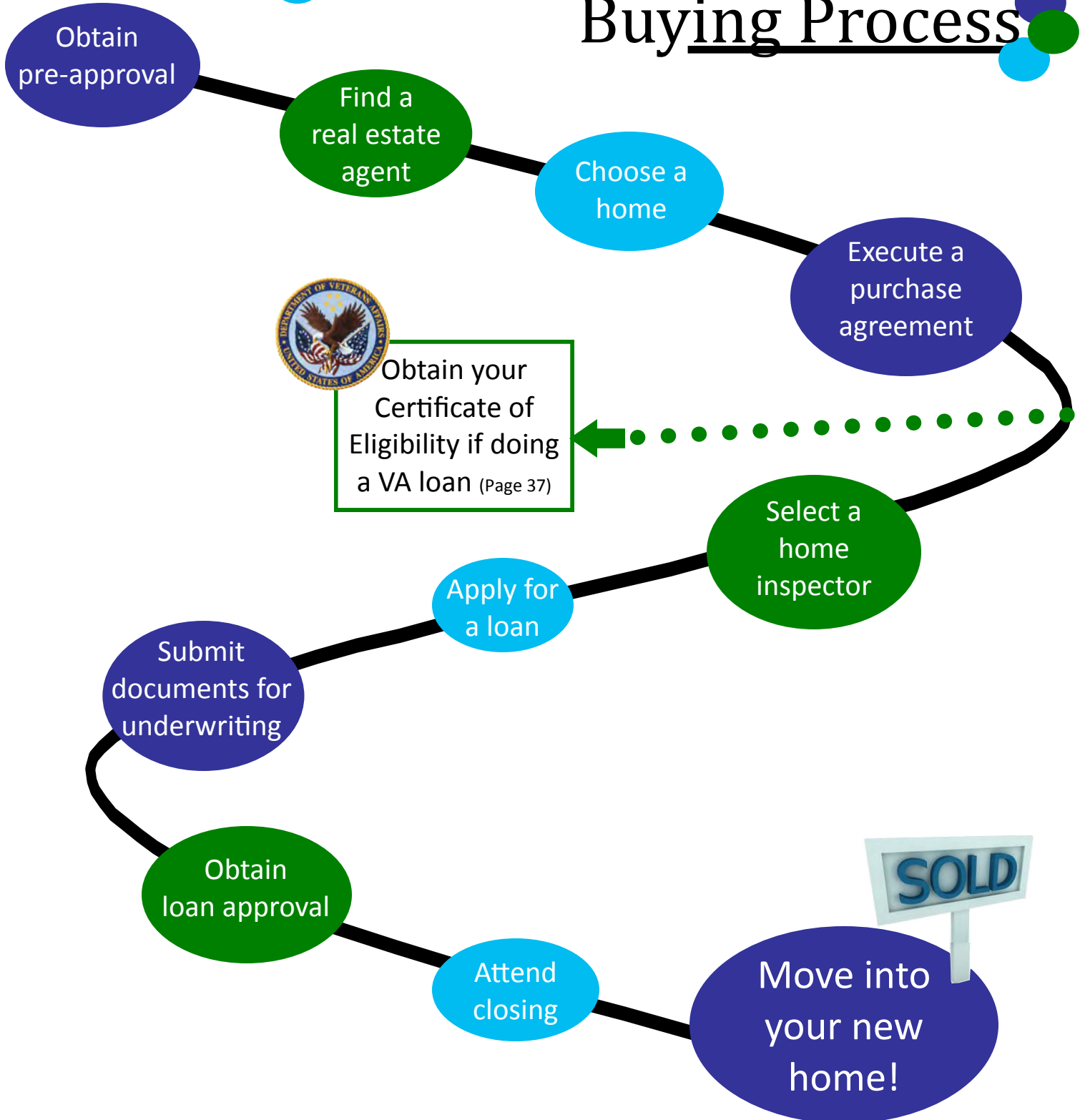
- If something breaks you have to fix and pay for it.
- If you want to move, you are still responsible for the mortgage.

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Steps in the Home Buying Process



Learn the Basics

Contact a Lender

Find an Agent

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Banks

Credit Unions

Mortgage Companies

How to Find a Lender

Ask Around!

Personal referrals are the best way to find a lender.

Do Your

Homework!

Check with the Better Business Bureau for complaints.

Research!

Many lenders are found in the yellow pages and online.

Ask Questions!

If you are unsure of something then ASK!

FYI:
VA cannot recommend lenders.

Learn the Basics

Contact a Lender

Find an Agent

How to Spot

Possible Predatory Lending:

Be cautious of flyers, direct mail from an unknown company, and telemarketers trying to pressure you over the phone.

VA does not solicit for business. Beware of flyers or mail using VA's logo! →



Beware if the representative pressures you to lie on your application.

Check to see if rates and fees appear high.

It might be suspicious if a representative tells you that bad credit is no problem or if they say no one else will offer you a loan.

Be cautious if the representative comes off as a fast talker.

If it seems fishy, go with your instinct and look into it!

Did you know?

Shopping around to a few different lenders can ensure you are getting the most competitive interest rate and closing costs.

*Learn the
Basics*

*Contact a
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Get

Pre-Approved

What

is it?

- Approximation of how much money a lender would be willing to lend you
- Shows your ability to obtain a mortgage
- Lenders should not charge you to get pre-approved
- Not a guaranty you will be approved for the loan
- Not binding, you are free to obtain a mortgage from another lender

When

should you get it?

- At the beginning of the home buying process
- BEFORE you even start looking at houses

Why

should you apply?

- Indicates how much money you could potentially borrow
- Helps you pick out a house in your price range



*Contact a
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*Find an
Agent*

*Make an
Offer*

Wants



VS

Needs



Before looking for an agent, think about what you are looking for in a property. Carefully weigh the criteria you want versus what you can actually afford!

Types of Properties

Single Family

Duplex

Multi-Plex

Townhouse

Condominium

Co-op

Manufactured
Home

Types of Sales

Traditional

Purchasing a property in which the proceeds pay off the seller's existing mortgage.

Short Sale

Purchasing a property in which the purchase price is less than what the seller owes on the existing mortgage.

Foreclosure

Purchasing a property that is owned by a mortgage company.

FYI:

A short sale may take twice as long to close than a traditional sale because it needs to be approved by the mortgage servicer.

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What the AGENT Will Do

Recommend Neighborhoods

An agent with local knowledge will be able to suggest neighborhoods that fit your criteria.

Trust your agent knows the area. They may know something you don't.

Only agents have access to set up an MLS search for you. However, you can do your own research online through other websites.

Create an Online Property Search

The agent will create a personalized multiple listing service (MLS) search based on your specific property and location criteria.

Show Properties That Fit Your Needs

Agents will search properties for sale that fit your criteria and set up showings with the sellers. They will also walk through the properties with you.

Don't refuse to go inside the house if the outside doesn't look great. You never know, the inside could be a surprise. There is a reason your agent brought you there.

Make sure to communicate with your agent. Tell him or her exactly what you are willing to offer on a specific property.

Write the Purchase Agreement

Agents will help you negotiate the terms and price of your offer with the seller's agent.

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*Find an
Agent*

*Make an
Offer*

What the AGENT Will Do

Recommend Other Services

Your agent can suggest title companies, closing companies, home inspectors, and real estate attorneys.

Agents will recommend companies or people in their professional network. But make sure to research them as well!

Be cautious of agents who pass you off to assistants.

Represent You in the Transaction

Agents have a legal obligation to represent your best interest. They will be a voice on your behalf to the seller.

Handle the Events Leading to Closing

Your agent should be in attendance for the appraisal, inspection, final walk through, and closing.

A good agent will also be available to you after closing in case you have questions or concerns.

Tips When Looking at a Property

- 1 Bring a camera and take notes.
- 2 Look at the home more than once and in the daylight.
- 3 Take note of the surroundings and unusual features.
- 4 If you find a house you love, put in an offer!

Find an Agent

Make an Offer

Apply for Financing

Sign a Purchase Agreement

What is it?

A purchase agreement is a contract, sometimes called a sales contract, that lays out the terms and conditions of the purchase. It does not include the loan information.

Who Signs?

The buyer signs first to indicate an offer for the property. The seller will then either accept, counter, or decline the offer.

Why Selling?

When determining how much to offer on a property it can be helpful to determine the seller's motivation for selling the property. If they are trying to move quickly they may be willing to accept a lower offer.

Want a Deal?

If you submit an offer for a price significantly lower than the asking price, be prepared for a counter offer. Typically, 15% below the asking price is considered a lowball offer.

Helpful
Hint

If submitting a low ball offer, do some research to support it. Make a case for the lower offer by showing comparables.

Find an Agent

Make an Offer

Apply for Financing

Information in the Purchase Agreement

Property Address

Purchase Price

Buyer and Seller

Buyer down payment

****This is not required on VA loans.****



Seller paid closing costs

Personal property included or excluded from the sale

For example, appliances and fixtures currently in the property.

Buyer earnest money

This shows the buyer is entering the agreement in good faith.

Offer expiration date

Closing date

VA Escape Clause

This is required on all VA loans.

Contingencies of the sale

See next page for details!



Find an Agent

Make an Offer

Apply for Financing

Common Contingencies

Contingencies have to be satisfied before the sale can be completed, otherwise the contract is null and void.

Earnest Money

Earnest money is a good faith deposit made by the buyer. This may be forfeited to the seller if the buyer backs out of the transaction.

Financing

Most financing clauses allow buyers to be released from the offer if they are not approved for financing.

Inspection

The buyer can elect to hire a home inspector. If the report is not satisfactory, the buyer may walk away within a specified timeframe.

Final Walk Through

The buyer can complete a final walk through to ensure the property is in the same condition as when the offer was made.

Sale of Current Property

The offer can be contingent on the sale of the buyer's current property.

Find an Agent

Make an Offer

Apply for Financing

Get an Inspection!

What is it?

A visual inspection of the property by a professional to identify major defects.

This is not a guaranty that the home will be defect free.

Why should you get it?

An inspection contingency is important in case there are major issues with the property.

It may allow the borrower to back out of the transaction if there are major defects in the property.

If there are problems the buyer can ask the seller to repair the issues, or for funds to complete the repairs.

How do you find an inspector?

As with real estate professionals, an inspector can be found by referrals, or by searching online or in the yellow pages.

Check the inspector's qualifications and prices before hiring him or her. It is worth taking the extra time to do some research!

Ask the inspector for a sample inspection report. Make sure it is thorough and comprehensive. An average report ranges from 20-50 pages and includes pictures.

Find an Agent

Make an Offer

Apply for Financing

Get an Inspection!

What does an inspector do?

Reviews the condition of the property.

Explains and shows the buyer any issues with the property.

Notes problems, safety issues, what needs to be replaced or repaired, and items to watch out for in the future.

Keep in Mind

A general inspection may not identify the following:

Asbestos, radon, mold and mildew, stucco, rodents or pest control, or lead paint

These are separate, specialized tests that can be completed.

It is a red flag if an inspector refuses to allow you to be present at the inspection!

FYI:

Plan to be present for the inspection, or at least a part of it to talk with the inspector.

Make an Offer

Apply for Financing

Proceed to Closing

General

Underwriting Documents

Pay stubs covering 30 days for all income

2 years of tax returns including W-2s

Bank account statements

Purchase contract for the property

Certificate of Eligibility see page 37 for more information

The lender will pull a credit report for the obligors on the loan

It is a good idea to get this information together early in the process!

Submit copies of all documentation to your lender.
Keep original documents in a file for your reference.

CAUTION!

Think twice before applying or opening new lines of credit or changing employment as this can affect your loan approval.

Make an Offer

Apply for Financing

Proceed to Closing

Locking an Interest Rate

Lock Letter

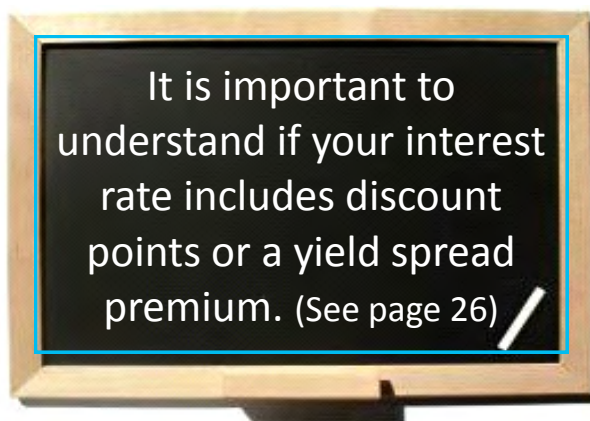
A written agreement the lender is committing to hold a specific interest rate for a specified timeframe.



When you lock your interest rate, discuss re-lock options if interest rates decrease.



If the lock expires, you lose the agreed upon rate and fees. You can re-lock but the terms may not be the same.



VA does not set interest rates for VA guaranteed loans. Interest rates are determined by the market, vary by lender, and can change daily.

Make an Offer

Apply for Financing

Proceed to Closing

Closing Costs

Costs in addition to the sales price associated with buying a home.

Veterans are not exempt from paying closing costs. However, VA does limit the amount a lender can charge to originate the loan.



Typical closing costs can include:

- o Origination Charge
- o Appraisal
- o Credit Report
- o Flood Certification
- o Tax Service
- o Title Services
- o Recording Charges
- o Taxes and Insurance
- o Daily Interest Charges
- o VA Funding Fee (See page 39)

Remember, in your purchase agreement, you can negotiate to have the seller pay some or all of your closing costs.

Closing costs can also be negotiated with your lender.

It is your responsibility to understand what you are being charged. Don't be afraid to ask your lender for an explanation and/or documentation.

Veterans receiving disability compensation are exempt from the VA funding fee.





What is a **Yield Spread Premium (YSP)**

A YSP is an optional credit which reduces the borrower's origination charges. In exchange, the borrower will pay an above-market interest rate for the term of the loan.

This can be beneficial to borrowers who plan to sell the property within a short timeframe.

Paid at Closing

Interest Rate

What are **Discount Points**

Discount points are an optional charge which increases the origination charge. In exchange, the borrower will pay a below-market interest rate for the term of the loan.

Interest Rate

Paid at Closing

This can be beneficial to borrowers who plan to keep the property long term.



Get your Good Faith Estimate (GFE)

The GFE outlines the terms of your loan and estimates the closing costs. This document limits the amount certain closing costs can change without the lender providing a new GFE.

- Lenders are required to provide a GFE within three days of receipt of application.
- Obtaining a GFE does not bind you to the issuing lender.
- If you do not understand a fee on the GFE, ask your lender!
- Keep your GFE so you can compare it with the final costs on your HUD-1. (see pg. 30)

Good Faith Estimate (GFE)

Name of Originator	Borrower
Originator Address	Property Address
Originator Phone Number	Date of GFE
Originator Email	

Purpose

This GFE gives you an estimate of your settlement charges and loan terms if you are approved for this loan. For more information, see HUD's *Special Information Booklet* on settlement charges, your *Truth-in-Lending Disclosures*, and other consumer information at www.hud.gov/respa. If you decide you would like to proceed with this loan, contact us.

Shopping for your loan

Only you can shop for the best loan for you. Compare this GFE with other loan offers, so you can find the best loan. Use the shopping chart on page 3 to compare all the offers you receive.

The GFE is a standard form and will look the same with each lender.

Make an Offer

Apply for Financing

Proceed to Closing

The Appraisal

WHAT

Determines the current market value of the property.

This is NOT an inspection.
An inspection is still recommended! (See pg. 21)

WHO

An independent and objective professional certified to determine the value of properties.

VA appraisers are not VA employees. They are approved by a board.



WHY

Used to determine the maximum amount you can borrow. If the purchase price exceeds the value, then the purchase price will need to be adjusted.

A lender will not complete a loan for more than the appraised value.



VA regulations state that the property has to be safe, sound, and sanitary.

Ordered by the lender after the purchase agreement is accepted.

WHEN

Make an Offer

Apply for Financing

Proceed to Closing

If you are...

APPROVED



- The lender has completed underwriting.
- You are a satisfactory lending risk and the property is eligible for the loan.

DENIED



- Ask for a specific explanation for denial. Lenders are required by the Equal Credit Opportunity Act to give a statement with the specific reason for denial.
- A denial from one lender doesn't necessarily mean you can't get a loan. You have the option to reapply with a different lender.

*Apply for
Financing*

*Proceed to
Closing*

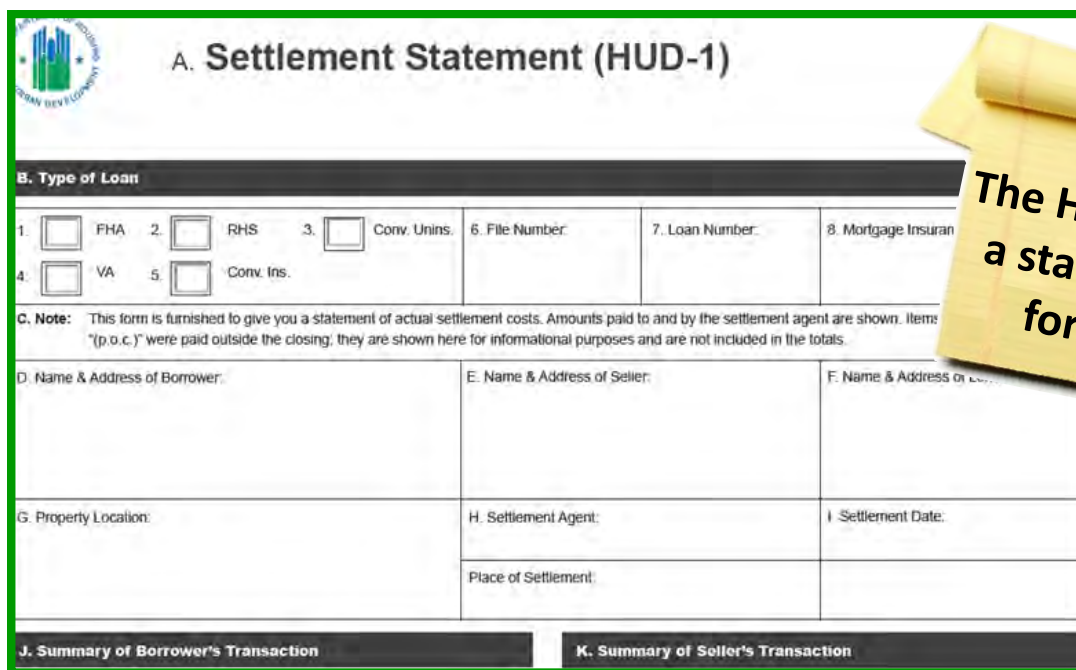
*Using Your
VA Benefit*

HUD-1

Settlement Statement

The HUD-1 provides a summary of the closing transaction including the purchase price, loan amount, credits, and closing fees for both the buyer and seller.

- Request a copy of your final HUD-1 from your lender prior to closing.
 - ➞ Compare HUD-1 charges to your final GFE.
- Note amount due from borrower on the bottom of page 1 of the HUD-1.
- Ask your lender any questions you have regarding HUD-1 charges.

The image shows a sample of the HUD-1 Settlement Statement form. It is titled "A. Settlement Statement (HUD-1)" and features the HUD logo. The form is divided into several sections: "B. Type of Loan" with checkboxes for FHA, RHS, Conv. Unins., VA, and Conv. Ins.; "C. Note" with explanatory text; "D. Name & Address of Borrower", "E. Name & Address of Seller", and "F. Name & Address of Lender"; "G. Property Location", "H. Settlement Agent", and "I. Settlement Date"; "J. Summary of Borrower's Transaction"; and "K. Summary of Seller's Transaction". A yellow sticky note is placed over the right side of the form, stating "The HUD-1 is a standard form."

*Apply for
Financing*

*Proceed to
Closing*

*Using Your
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Prepare for Closing

Make arrangements to pay closing costs by electronic wire or certified check.

Make sure you have valid proof of identification.

Obtain homeowners insurance on your new property.

Compare your loan terms and costs on your GFE to your final HUD-1.

If there are discrepancies, ask your lender before closing.

Expect to sign a lot of paperwork. Don't be afraid to ask questions if you don't understand something!

Power of Attorney (POA)

A document that appoints another individual to legally act on your behalf.

A POA can sign the loan documents if you are unable to attend closing.

*Apply for
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*Proceed to
Closing*

*Using Your
VA Benefit*

Final Walk Through of the Property

Why?

The purpose of the final walk through is to make sure the property is in the condition as specified in the purchase agreement. If there is an issue, talk to your Realtor ***before*** closing.

Typically this is completed within 24 hours of closing.

When?

What to look for?

Make sure all items included in the contract are in place and repairs agreed upon have been completed

Turn on all light fixtures, appliances, fans, heater, and air conditioning

All debris has been removed from the home

Run the water in all sinks, tubs and toilets

Inspect ceilings, walls, and floors

Open all doors and windows

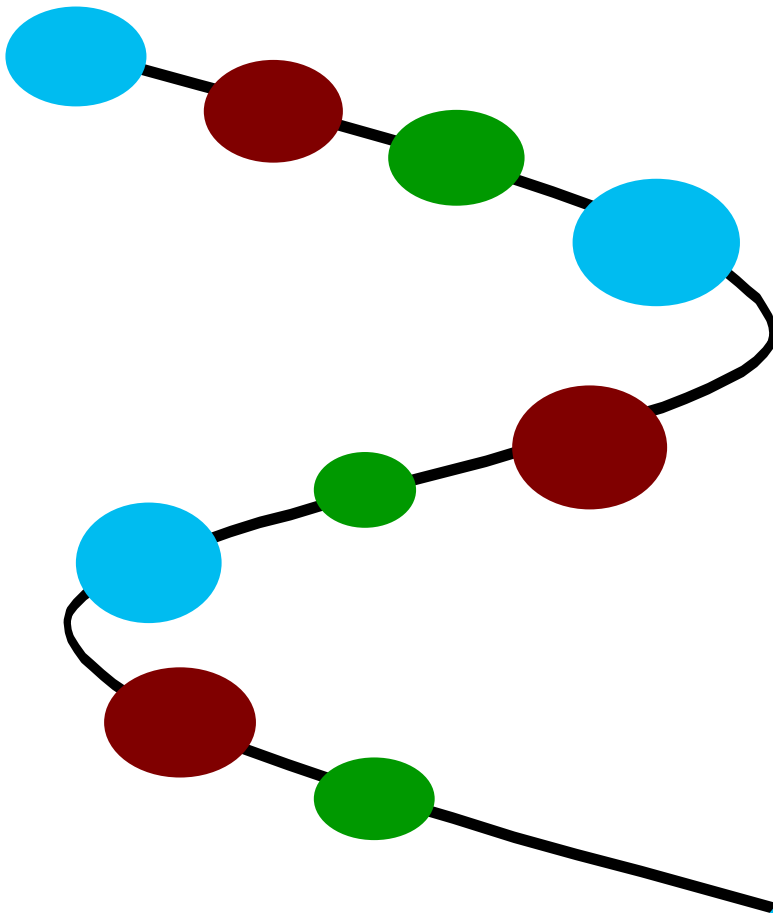


*Apply for
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*Using Your
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Steps in the Home Buying Process



CONGRATULATIONS

You made it through the
home buying process.
You can now move into your
new home!

Keep reading for
VA specific info!

*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

Use Your Benefit

BUY

- Single family
- Multi-family unit up to four units, where one is owner-occupied by the Veteran
- Townhome
- Approved condominium

BUILD

- New construction less than one year old
- New construction based on plans and specifications

REFINANCE

Cash-Out Refinance:

- Refinance any existing property lien
- Get cash at closing to pay off debts

Interest Rate Reduction Refinance Loan:

- Lower your interest rate
- Only for existing VA loans
- No credit underwriting or appraisal required by VA



GREEN

- Add energy efficient improvements to your loan
- Can be used in conjunction with any VA loan type

*Apply for
Financing*

*Proceed to
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*Use Your VA
Benefit*

Advantages of a VA Loan

No required down payment

No mortgage insurance premiums

Limitations on origination fees

VA assistance to Veteran
borrowers in default

An appraisal is not required
for an Interest Rate
Reduction Refinance Loan

The benefit can be used multiple times

Buyers are informed of the appraised value



*Apply for
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*Proceed to
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*Use Your VA
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Who May be Eligible

Veterans

Active Duty Servicemembers

Reservists/National Guard

Un-remarried Surviving Spouses



The Certificate of Eligibility (COE) is the only document needed from VA to show eligibility for the VA home loan program.

What Determines Eligibility

● Era of service

● Length of service

● Character of service

*Apply for
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*Use Your VA
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How to Get Your

Certificate of Eligibility (COE)

VA Department of Veterans Affairs **CERTIFICATE OF ELIGIBILITY**
FOR LOAN GUARANTY BENEFITS

REFERENCE NUMBER _____
NAME OF VETERAN _____ SERVICE NUMBER _____
SOCIAL SECURITY NUMBER _____

ENTITLEMENT CODE **10** BRANCH OF SERVICE **Marine Corps** FUNDING FEE **EXEMPT**

Prior Loans charged to entitlement					
VA Loan Number	State	Loan Amount	Date of Loan	Entitlement Charged	Status

Your COE will look similar to this!

Atlanta RLC
Eligibility Center
ATTN: COE (262)
P.O. Box 100034
Decatur, GA 30031

VA approved
637,144 COEs
in 2012!

A lender can obtain your COE from VA's website.

OR

This is the easiest and fastest way to get your COE.

You can mail VA form 26-1880 to the Eligibility Center.

VA Form 26-1880 can be found at www.va.gov/vaforms.

OR

Un-remarried surviving spouses
should fill out VA form 26-1817.

You can also obtain your COE online with eBenefits.

ebenefits.va.gov is a joint VA and Department of Defense website.

*Apply for
Financing*



*Proceed to
Closing*



*Use Your VA
Benefit*

Documents Needed to Get Your COE

Discharged Servicemembers

DD-214

- Showing character of service other than dishonorable
- DD-214 forms showing active duty for training tours do not qualify

If you do not have this form you can contact the National Personnel Records Center at <http://www.archives.gov>.

Reservists and National Guard Members

Evidence of Service

- Reflecting 6 years of qualifying service
- National Guard: Typically NGB Form 22
- Reservists: Typically Retirement Point Statement

Evidence of Discharge

- Discharge must be honorable
- National Guard: Typically on NGB Form 22
- Reservists: Typically a certificate of discharge

Active Duty Servicemembers

Statement of Service on official letterhead, signed and dated by a commanding officer containing:

- Service members name
- Date of birth
- Social security number and/or service number
- Enlistment date
- The phrase “No Time Lost” or list any Time Lost
- For Reservists or National Guard members indicate if serving under the Authority of Title 10 or Title 32 and in an active status

A copy of these documents should be provided with VA form 26-1880!

*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

Funding Fee

The funding fee is an origination fee paid to VA which funds the VA program

Service-connected disabled Veterans are exempt!

Calculated off the base loan amount not the purchase price

Ranges from 0.5-3.3% of the base loan amount

Can be financed into the loan



Did you know?

Approximately
32% of Veterans
are exempt from
the funding fee!

Maximum Loan Limit

VA fully guarantees loans up to the Freddie Mac max conforming loan limit

In most counties, this limit is currently \$417,000!

Go to: www.benefits.va.gov/homeloans
for a list of counties with higher loan limits!

*Apply for
Financing*



*Proceed to
Closing*



*Use Your VA
Benefit*

Joint Loans

Any loan obtained by a Veteran and a non-spouse

VA will only guaranty the Veteran's portion of the loan.

Be aware that the non-Veteran may need to bring money to closing!

Two unmarried Veterans can obtain a joint loan.




Q Is a loan with my fiancé considered a joint loan?

A Yes!

Occupancy

The Veteran must certify he or she intends to occupy the property as his or her primary residence

 The VA program is not intended for investment or rental properties.

If a Veteran is on active duty, his or her _____ spouse can satisfy this condition.

*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

Common

Misconceptions

VA appraisals are not home inspections

Having entitlement does not guaranty the Veteran will income and credit qualify for a loan

VA cannot force a lender to qualify a Veteran for a VA loan

Regional Loan Center employees cannot provide legal advice

VA does not guaranty the structural integrity of a home

Servicemember Civil Relief Act applies to all mortgages, however, VA is not charged with the enforcement of the Act.

VA does not guaranty a Veteran is making a good investment

*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

Native American Direct Loan

A program for any eligible Native American Veteran who wishes to purchase or construct a home on trust land.

This loan is
completed directly
through the VA.

Quick Facts:

- The tribe must agree to participate in the program
- VA completes income and credit underwriting



Contact the Loan Production
department at 800-827-0611
option 3 for more information!

*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

VA Grant Programs

Specially Adapted Housing

Special Housing Adaptation

Monetary assistance to Veterans with specific service-connected physical disabilities, so they can construct or modify a home to best meet their needs.



In 2012, VA issued 1105 SAH grants totaling over \$57.7 million and 100 SHA grants totaling over \$940,731.

For more information, contact the
Construction and Valuation department at
1-800-827-0611 option 2.

*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

Average

VA

Homeowner

90%

Male

708

**Median
Credit Score**

\$69,024

Median Income

19%

Active Duty

\$7,350

Median Assets

33.6%

**Exempt from
funding fee**

82%

**Veterans own
homes**

\$220,838

**Average
Purchase Loan**



*Apply for
Financing*

*Proceed to
Closing*

*Use Your VA
Benefit*

VA Regional Loan Centers



Atlanta

888-768-2132

GA, NC,
SC, TN

Cleveland

800-729-5772

CT, DE, IN, ME, MA,
MI, NH, NJ, NY,
OH, PA, RI, VT

Denver

888-349-7541

AK, CO, ID,
MT, OR, UT,
WA, WY

Honolulu

808-433-0481

HI

Houston

888-232-2571

AR, LA,
OK, TX

Phoenix

888-869-0194

AZ, CA,
NM, NV

Roanoke

800-933-5499

DC, KY, MD,
VA, WV

St. Paul

800-827-0611

IL, IA, KS, MN,
MO, NE, ND,
SD, WI

St. Petersburg

888-611-5916

AL, FL,
MS, PR