

# VA Mortgage Loan | VA Guaranteed Loan

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## What is a VA-Guaranteed Loan?

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Home buyers may use a VA-guaranteed loan to:

Buy a home as a primary residence (existing or pre-construction) | Refinance an existing mortgage loan

## What are the benefits of a VA mortgage loan?

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- Equal opportunity for all qualified Veterans to obtain a VA loan
- No down payment required\*
- No mortgage insurance\*\*
- One time VA funding fee can be included in the loan
- Veterans receiving VA disability compensation are exempt from the VA funding fee
- VA limits certain closing costs a Veteran can pay
- Can be assumed by qualified persons
- Minimum property requirements to help ensure the property is safe, sanitary & sound
- VA staff dedicated to assisting Veterans who become delinquent on their loan

## Who is eligible for a VA mortgage loan?

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- Generally, the following people are eligible:
- Veterans who meet length of service requirements
- Service members on active duty who have served a minimum period
- Certain Reservists and National Guard members
- Certain surviving spouses of deceased Veterans

*Note: There are other groups of individuals who may be eligible. To determine your eligibility, check eBenefits at [www.ebenefits.va.gov](http://www.ebenefits.va.gov), or contact VA Eligibility Center at 1-888-768-2132.*

Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment and other important benefits. Ask your VA representative or Veterans Service Organization representative about Disability Compensation, Pension, Health Care, Caregiver Program, Career Services, Educational Assistance, Home Loan Guaranty, Insurance and/or Dependents and Survivors' Benefits

## The Nuts and Bolts

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### What are the key underwriting criteria?

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No maximum debt ratio; however lender must provide compensating factors if total debt ratio over 41%. Residual income may serve as a compensating factor to allow for a higher DTI.

No maximum loan amount; however, VA does limit its guaranty; Veterans can borrow up to \$417,000 without a down payment in most of the country. Find out the limit in any county by visiting: [www.benefits.va.gov/homeloans/](http://www.benefits.va.gov/homeloans/).

Published residual income guidelines to ensure Veterans have the capacity to repay their obligations while accounting for all living expenses.

Complete VA credit guidelines are published at [www.benefits.va.gov/warms/pam26\\_7.asp](http://www.benefits.va.gov/warms/pam26_7.asp).



## How do I get started on the VA mortgage loan process?

VA provides policy, guidelines and oversight of the program. Lenders provide financing for eligible Veterans. The guaranty allows Veterans to obtain a competitive loan without a down payment. Lenders need a Certificate of Eligibility (COE) to prove your entitlement. Most Veterans can obtain the COE online through eBenefits ([www.ebenefits.va.gov](http://www.ebenefits.va.gov)). Lenders also have the ability to request the COE on your behalf.

VA encourages prospective buyers to talk to several lenders to find one that fits their needs, knows the VA loan program, and offers competitive rates and terms.

*Note: The VA appraisal is not intended to be an "inspection" of the property.*

A Veteran should get expert advice from a qualified residential inspection service before legally committing to a purchase agreement. Veterans are also encouraged to have radon testing performed.

## Can VA help if I'm having trouble paying my existing mortgage?

VA Loan Technicians are trained to help Veteran borrowers retain their homes and avoid foreclosure. Please call toll-free 1-877-827-3702 to speak to a VA Loan Technician.

For More Information, visit Our Web Site at [www.benefits.va.gov/homeloans/](http://www.benefits.va.gov/homeloans/).

Contact VA: [www.va.gov](http://www.va.gov) or 1-800-827-1000

\*No down payment unless required by the lender or the purchase price is more than the reasonable value of the property. Also, does not cover cash to close items. Not all borrowers will qualify

\*\*Ask your mortgage consultant about monthly mortgage insurance alternatives.

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