



HOME LOAN GUARANTY

VA-GUARANTEED HOME LOANS

WHY A VA-GUARANTEED HOME LOAN?

- It's a benefit earned by Veterans
- Typically no-downpayment required
- VA-guarantees home loans up to varying amounts. Loan limits can be viewed at the following website: http://www.benefits.va.gov/homeloans/loan_limits.asp
- Private lending institutions provide financing for VA Loans to Veterans which allows the program to remain competitive in the market
- Caps and limits on fees
- Negotiable interest rates
- No prepayment penalties
- No private mortgage insurance
- VA assistance to borrowers in default due to financial difficulty

HOW DOES THE PROGRAM WORK?

1. Obtain a Certificate of Eligibility (COE)

A COE establishes that the Veteran is eligible, meaning he or she has served honorably for the required length of time. Veterans should apply online through the eBenefits website:

<https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal>. Lenders can also apply online for a COE on the Veteran's behalf through the VA Portal: <https://vip.vba.va.gov/portal/VBAH/Home>. In many cases, Veterans and lenders can obtain the COE online in seconds. For more information about eligibility, visit <http://www.benefits.va.gov/homeloans/eligibility.asp>, or call 1-888-768-2132.

2. Select a lender and obtain a pre-approval

3. Select a realtor and decide on a home then sign a purchase agreement



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



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4. Finish the application process with the lender

The lender obtains a VA case number and requests an appraisal of the property. At the same time, they obtain the borrower's credit and income information. The loan cannot be greater than the appraised value except for the addition of a VA Funding Fee and up to \$6,000 in energy efficient improvements.

5. VA Funding Fee

The law requires a VA funding fee ranging from .5 percent to 3.3 percent depending on the type of loan and the downpayment amount. Veterans in receipt of VA disability compensation are exempt from paying the funding fee. For more information on the funding fee and who is exempt, view the Lenders Handbook, Chapter 8 at http://www.benefits.va.gov/warms/pam26_7.asp.

CAN VA HELP IF I'M HAVING TROUBLE MAKING PAYMENTS ON MY EXISTING LOAN?

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.

HOW CAN I CONTACT VA?

VA has eight Regional Loan Centers (RLCs) and an office in Honolulu. Please contact the RLC in your area of jurisdiction by locating it at <http://www.benefits.va.gov/homeloans/rlcweb.asp>.

For more information, call toll-free 1-800-827-1000 or visit our web site at <http://www.benefits.va.gov/homeloans>.