



HOME LOAN GUARANTY

WHAT IS A VA-GUARANTEED LOAN?

A VA-guaranteed loan can be used to:

- buy a home, either existing or pre-construction, as a primary residence
- refinance an existing loan

BENEFITS OF A VA-GUARANTEED LOAN:

- Equal opportunity for all qualified Veterans to obtain a VA loan
- Reusable
- No downpayment (unless required by the lender or the purchase price is more than the reasonable value of the property)
- No mortgage insurance
- One time VA funding fee that 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 ensure the property is safe, sanitary, and sound
- VA staff dedicated to assisting Veterans who become delinquent on their loan

WHO IS ELIGIBLE?

Generally, the following people are eligible:

- Veterans who meet length of service requirements
- Servicemembers 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, 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



**U.S. Department
of Veterans Affairs**

KEY UNDERWRITING CRITERIA:

- No maximum debt ratio; however lender must provide compensating factors if total debt ratio over 41%.
- No maximum loan amount; however, VA does limit its guaranty; Veterans can borrow up to \$417,000 without a downpayment in most of the country. Find out the limit in any county by visiting: 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.
- No minimum credit score requirement; instead VA requires a lender to review the entire loan profile to make a lending decision.
- Complete VA credit guidelines are published at www.benefits.va.gov/warms/pam26_7.asp.

HOW DO I START THE 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 downpayment. Lenders need a Certificate of Eligibility (COE) to prove your entitlement. Most Veterans can obtain the COE online through eBenefits (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 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.

For More Information, visit Our Web Site at www.benefits.va.gov/homeloans/.

Contact us: www.va.gov 1-800-827-1000



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