JUNE 2025

EDUCATION // EXPOSURE // EXPERIENCE

VA HOME LOAN PROGRAM

YOUR ULTIMATE VA LOAN RESOURCE GUIDE

Publication by Vetted VA™

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YOUR ULTIMATE VA LOAN RESOURCE GUIDE

UPDATE 2 JUNE 2025

A NEW STANDARD OF SERVICE AND INTEGRITY

by Vetted VA

We believe that Veterans deserve access to accurate information about their earned VA loan benefit. We pride ourselves in continually working towards educating, familiarizing, and providing experiences for mortgage industry professionals to better connect and serve the Veteran community. Our team is dedicated to using data to influence national policy while providing Veterans with a best-in-class national support system. We are an education and training company and are proud to bring you our ultimate resource guide on the VA loan. Vetted VA is a network of dedicated professionals across the country that are educated, trained, and ready to meet all your VA loan needs.

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2025

VA LOAN ELIGIBLITY

THIS EDITION

What you need to know about the VA home loan benefit. Brought to you by Vetted VA.

TRUST BUT VERIFY

CURRENTLY SERVING ?

90 Day Rule for active service members. If you've served for at least 90 consecutive days (all at once, without a break in service), you meet the minimum active-duty service requirement for VA home loan eligibility.

STATEMENT OF SERVICE

Currently serving members will need to provide a statement of service signed by leadership or unit personnel office that states full name, SSN, entry date on active duty, and POC.

ARE YOU A SURVIVING SPOUSE?

You may be able eligible if at least one of these apply:

- the Veteran is missing in action or is a Prisoner of War (POW)
- the Veteran died while in service or from a service-connected disability
- the Veteran died while in service or from a service-connected disability and you did not remarry before age 57 or before 16 Dec 03
- the Veteran was totally disabled and then died but their disability may not have been the cause of death

AM I ELIGIBLE FOR A VA HOME LOAN?

The VA categorizes eligibility into four groups: Active service members, Veterans (previously served), National Guard members and Reserve members.

SERVED 2 AUG 1990 TO PRESENT

- served at least 24 consecutive months, or
- full period (at least 90 days) for which you were ordered to Active Duty, or
- at least 90 days if discharged for hardship or reduction in force, or
- less than 90 days if discharged for service connected disability

SERVED 8 SEP 1980 TO 1 AUG 1990

- served at least 24 consecutive months, or
- served full period (at least 181 days) of which you were ordered to active duty, or
- at least 181 days if you were discharged for a hardship, or reduction in force, or
- served less than 181 days if discharged for a service-connected disability.
- if an officer, service dates between 17 Oct 1981 to 1 Aug 1990 apply

SERVED 8 MAY 1975 TO 7 SEP 1980

- served 181 continuous days, or
- less than 181 days if discharged for a service connected disability

NATIONAL GUARD MEMBERS

- served for at least 90 days between 2 Aug 1990 and present
- at least 90 days of non ADT, or 90 days of AD service of which at least 30 consecutive days on orders, or
- six creditable years in the NG and discharged honorably or placed on retired list

RESERVE MEMBERS

- served for at least 90 days active duty time between 2 Aug 1990 and present
- at least 90 days of non-training active-duty service, or
- six creditable years in Selected Reserve and at least one of these must be true:
- discharged honorably, placed on the retired list, or transferred to Standby Reserve or other Ready Reserve element after service characterized as honorable, or continue to serve in Selected Reserve

"THE APPEARANCE OF THE U.S. DEPARTMENT OF DEFENSE (DOD) VISUAL INFORMATION DOES NOT IMPLY OR CONSTITUTE DOD ENDORSEMENT."

WHAT IF I DON'T MEET THE MINIMUM SERVICE REQUIREMENTS?

You may still be eligible for VA home loan benefits if you were discharged from service for one of the following reasons:

- hardship
- the convenience of the government (must have served at least 20 months of a 2-year enlistment)
- early out (must have served 21 months of a 2-year enlistment)
- reduction in force (RIF)
- certain medical conditions or a service-connected disability

CHARACTERIZATION OF SERVICE

Meeting the minimum service eligibility requirements is the first step towards VA loan eligibility. Your characterization of service is the second step and will fall under one of the following:

HONORABLE

Eligible. The Veteran is eligible to participate in the VA loan program, this characterization indicates member faithfully executed the mission and performed duties well.

GENERAL UNDER HONORABLE

Eligible. The Veteran is eligible to participate in the VA loan program, this characterization indicates member faithfully executed the mission and met most performance and conduct requirements.

OTHER THAN HONORABLE

Depends. The Veteran's eligibility may depend on the reason for the discharge. This characterization indicates the Veteran was released from duty under administrative discharge.

BAD CONDUCT

Depends. The Veteran was discharged as a result of a court-martial. General court-martialed service members are not recognized as Veterans per VA. Special court-martials may be eligible, contact the VA RLC.

DISHONORABLE

Not Eligible. The Veteran was discharged, the most punitive punishment, and is not eligible to participate in the VA loan program.

ENTRY LEVEL OR NONCHARACTERIZED

Not Eligible. Not considered a Veteran and is not eligible to participate in the program.

CHARACTERIZATION OF SERVICE (COS)

Veterans that meet the minimum service requirements and have the following characterizations of service on their DD214 or equivalent form are eligible for a VA home loan: Honorable, General under Honorable and in some cases Other than Honorable discharges.

WHAT IF YOUR SERVICE CHARACTERIZATION IS INCORRECT?

Veterans that believe their characterization of service is incorrect should formally request a Discharge Review Board (DRB) through their service branch. Any service member separated on or after 20 Dec 2019, that has exhausted all available appeals may apply to the Discharge Appeals Review Board (DARB), a new board of appeals with provision for personal appearances. Consider using a Veterans' advocate to help you in the process. Find a VSO here.

QUESTIONS ABOUT YOUR ELIGIBILITY?

You can call the VA regional loan center at 877-827-3702, Monday through Friday, 8:00 a.m. to 6:00 p.m. EST.

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VA LOAN ENTITLEMENT

WHAT IS THE CERTIFICATE OF ELIGIBILITY?

The certificate of eligibility (COE) is a VA form that lenders use to determine if a Veteran has met the VA's military service requirement. The COE indicates whether or not a Veteran has previously used a VA loan, and is used to calculate the Veteran's VA loan entitlement.

HOW TO GET A COPY OF YOUR COE

- Complete the online VA Form 26-1880 request at www.eBenefits.va.gov
- Mail in the completed VA Form 26-1880 along with proof of Military Service to
  VA Loan Eligibility Center
  P.O. Box 100023
  Decatur, GA 30031
- Contact the Vetted VA Professional in your area by visiting the Vetted VA website
  VVA Professionals Network Map

WHAT IS ENTITLEMENT? AND HOW DO I CALCULATE IT?

Your VA loan entitlement is the dollar figure the VA guarantees to a lender. If you have never used a VA loan, you are eligible for full VA loan entitlement and do not have a loan limit. This means the VA will guarantee to your lender that if you default on a loan over $144,000 the VA will pay them up to 25% of the loan amount. With VA full entitlement you are also not required to make a down payment on your home loan.

If you have used a VA loan before, your COE will indicate the amount used and you can calculate the amount remaining by using the following formula:
Entitlement Charged x4 = X; Conforming Loan Limit - X= Amount you can borrow without a down payment

The amount shown in the Entitlement Charged column on your COE is multiplied by 4. Subtract that amount from the county's 2025 conforming loan limit to determine how much you can borrow without needing a down payment. Contact your lender for more details.

Members of the VVA Professionals Network at Annual Vetted VA Summer Camp, 2022

CERTIFICATE OF ELIGIBILITY (COE)

You can request your COE online via www.ebenefits.va.gov

ARE YOU A SURVIVING SPOUSE?

If you are receiving DIC benefits, you can complete the VA Form 26-1817, Request for Determination of Loan Guaranty Eligibility- Unmarried Surviving Spouse. You'll need the Veteran's DD214 or equivalent.

If you are not receiving DIC benefits, you can fill out an application for DIC, Survivors Pension and/or Accrued Benefits, VA Form 21P-43EZ.

- You'll need the Veteran's DD214 or equivalent and,
- A copy of your marriage license
- Veteran's death certificate

OTHER CATEGORIES

You may be able to get a COE if you meet at least one of these requirements: U.S. citizen who served in Armed Forces of a government allied with the U.S. in WWII, or served as a member in certain organizations i.e., Public Health or Cadet at the military academy.

FULL ENTITLEMENT

You also have full VA loan entitlement if you've paid a previous VA loan in full and sold the property (full entitlement restore) or you've had a VA loan foreclosure or short sale and repaid the VA in full.

CONFORMING LOAN LIMIT

The conforming loan limit is $806,500 for a single-family residence in most U.S. counties. For high-cost counties the limit is $1,209,750. You can check your county's loan limit by visiting www.fhfa.gov.

VA LOAN KEY BENEFITS

WHY YOU SHOULD USE YOUR HARD EARNED BENEFIT

NO DOWN PAYMENT REQUIRED

No down payment is required for Veterans with full VA loan entitlement. Conventional loan products typically require at least 3% down with anything less than 20% requiring mortgage insurance. FHA loans require at least a 3.5% down payment.

NO LOAN LIMIT WITH QUALIFYING ENTITLEMENT

That's right! No loan limit for Veterans with full entitlement. Your lender will qualify you based on income, credit and assets.

COMPETITIVE TERMS & INTEREST RATES

VA loan interest rates are often lower than market average. This can save you thousands of dollars over the course of your loan. Working with a vetted mortgage professional can help you compare interest rates among different lenders.

FEWER CLOSING COSTS AND NO PMI REQUIRED

- VA loans protect Veteran interests and place restrictions on fees lenders can charge borrowers
- There is no private mortgage insurance requirement
- and VA allows sellers to pay up to 4% concessions plus closing costs of the loan amount as seller-paid costs

FLEXIBLE CREDIT AND UNDERWRITING GUIDELINES

- There is no minimum credit score required
- Lenders may qualify you with a FICO score of at least 620, some lenders accept scores of at least 500
- Qualifying for a VA loan isn't solely based on FICO score, but debt to income ratio (DTI) and residual income requirements.

VARIETY OF LOAN OPTIONS

- Standard purchase loan
- Interest Rate Reduction Refinance loan
- Cash-out Refinance loan
- VA One-time close construction loan
- VA Loan Assumptions
- Native American Direct Loan (NADL) program

The benefits of using your VA loan outshine other comparative mortgage loan products. The VA loan provides an opportunity for all types of Veterans to gain home ownership and is a benefit you earned sacrificing for your country. While VA provides the guidelines for a VA loan, each lender may have varying standards for loan approval. Join the Vetted VA Facebook group and have your questions answered directly by our professional network of mortgage and realty industry experts.

VA FUNDING FEE

The VA Funding Fee is a one-time payment added to most VA mortgages to offset the costs of the VA home loan program for all eligible Veterans.

YOU WON'T PAY A FUNDING FEE IF

- You are a Veteran receiving VA compensation for service-connected disabilities
- You are a Veteran entitled to VA compensation for a service-connected disability but receive retirement pay or active duty pay instead
- You are receiving Dependency and Indemnity Compensation (DIC) as the surviving spouse of a Veteran
- You have a proposed memorandum rating before the loan closing date that states you are eligible to receive compensation due to a pre-discharge claim
- You are an active duty service member that has received the Purple Heart medal

FUNDING FEE RATES

Your funding fee rate will depend on the type of loan you are receiving, the total amount of your loan, and your down payment (if applicable). The funding fee is calculated from the percentage of your total loan amount.

	IF YOUR DOWN PAYMENT IS...	*EFFECTIVE FOR LOANS CLOSING ON OR AFTER 7 APR 23 - 9 JUN 2034
FIRST TIME USE	Less than 5%	2.15%
	5% or more	1.5%
	10% or more	1.25%
SUBSEQUENT USE	Less than 5%	3.3%
	5% or more	1.5%
	10% or more	1.25%

*VA Circular 26-23-06 published 14 Feb 2023 defines reductions in VA funding fee charges effective 7 Apr 2023 to 9 Jun 2034

You should know that if you roll the funding fee and other costs into your loan, it could lead to you owing more money than the fair market value of the property. This could reduce the benefit of refinancing in the future since your payment wouldn't be as low as you may have wanted. It could also potentially make it harder for you to get enough money out of the future sale of the home to pay off your loan balance. Your lender will advise if this is a concern for you.

HOW DO I PAY THE FUNDING FEE?

The funding fee may be rolled into your loan and paid off over time or the fee can be paid in full at closing.

Did you know the funding fee can be paid by the seller, lender, or any other party on your behalf?

FUNDING FEE REFUND

You may be eligible for a refund if you are later rewarded VA compensation for a service-connected disability. The effective date of award must be retroactive to before the date of your loan closing.

FUNDING FEE FOR OTHER LOAN TYPES

- Interest Rate Reduction Refinancing Loan - 0.5%
- Manufactured home loans (not permanent) - 1%
- VA loan assumptions - 0.5%
- Vendee loan (purchasing VA acquired property) - 2.25%

If you participate in the VA Native American Direct Loan (NADL) program your funding fee for purchase is 1.25% and 0.5% for a loan refinance.

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COMMON MISTAKES VETERANS MAKE

The path to homeownership is an extensive one but it can be made easier by preparing yourself for the process and vetting your mortgage team. Here are some top mistakes we see Veterans make:

NOT REVIEWING YOUR CREDIT OR TAKING ANY CORRECTIVE ACTIONS

A 620 FICO score is what lenders prefer, but every situation is different. Some VA lenders accept as low as a 500 FICO score. VA lenders can look at other compensating factors to qualify you for a loan. It helps to review your credit report and take corrective actions on negative indicators prior to applying for pre-approval. Lenders care about your score, but they also care about how you are managing your credit and finances. You don't need perfect credit, you need a plan!

NOT GETTING A PREAPPROVAL FOR A VA LOAN

It's important to have your preapproval in hand before you start your home shopping. Realtors and sellers want to know that you have a lender that has pre-qualified you for a home loan. It shows you are wanting to be taken seriously and can help narrow down the scope of your house-hunting when teaming with your realtor.

DISRUPTING YOUR LOAN PREAPPROVAL PROCESS

The last thing you want to do once you've received loan preapproval is to have a change in your credit or financial status. Actions like taking out a new car loan, quitting your job, or financing furniture will cause your lender to reevaluate your credit and finances and disrupt the loan approval process. If your lender does not advise you against these types of actions, they do not have your best interest at heart.

NOT HAVING A FINANCIAL HOME BUYING PLAN

VA lenders use the VA Residual Income Requirements chart to assess whether or not a Veteran will have enough funds remaining after mortgage payments and other financial obligations to live without hardship. During the home loan process, Veterans must prepare for the knowns, unknowns, and unknown unknowns. Having a reserve fund can help ease the stress and anxiety that can come with unexpected charges and help you avoid backing out of a deal.

BLURRING THE LINES ON VA LOAN GUIDELINES

The VA loan program benefits are to be used for a Veteran's primary residence only. Eligible Veterans can be approved for loans to buy a multi-unit property if they would like to use their VA loan to invest in real estate. Lenders may have specific restrictions along with VA guidelines as far as occupancy and timelines before a Veteran can refinance or sell a property. Always check with your lender and read your loan disclosure carefully.

NOT SHOPPING AROUND & VETTING YOUR MORTGAGE TEAM

Homeownership is a commitment and for many Americans, property ownership makes up the bulk of their living expense. Why would you not research your mortgage and realtor team? Don't be fooled by snazzy ads or clickbait. At Vetted VA we say "Trust but Verify": verify your lenders and realtors. Education, Exposure, and Experience are our key tenants; we encourage all Veterans to do their research before signing the dotted line. Join our Vetted VA Facebook community and observe and learn; you can join for free!

EMPLOYMENT PREP

You'll need to have steady, reliable and verified income to qualify for a VA loan. Abrupt changes in employment may cause issues in your loan approval process.

FINANCIAL PREP

Fees like home appraisal, inspections, etc. can be expenses that you must pay upfront. Discuss with your lender and have those amounts plus set aside.

CREDIT PREP

Vetted VA has partnered with FINLOCKER to bring Veterans the Vetted VA Go Bag, an all-in-one tool to prepare you for home ownership. View and monitor your credit report, search for real estate, add your docs for VA loan underwriting, receive updates on your property, and more. For free and with zero ads or solicitations. Visit www.vettedva/vettedgobag to hear from our CEO and learn more and prepare yourself for your next real estate transaction.

VA LENDING EDUCATION

Want to learn more on your own about VA lending and build your homeownership game plan? Check out Vetted VA on Vimeo and view our VA Lending topic line up, with quick-hitting information and education brought to you by our Vetted VA network professionals. Click here.

VA LOAN PROTECTIONS

VA "PROTECTION CLAUSE"

The VA protection clause must be contained in the sales contract for all VA-guaranteed loans. This clause states that you have the right not to purchase a home when the appraisal's Notice of Value (NOV) is below the sales contract price. Your lender is responsible for ensuring the clause is in the sales contract prior to your closing.

VA APPRAISALS

VA appraisals are not the same as home inspections, and you should have both when purchasing your property, even if it is a brand-new build. The VA protects Veterans by ensuring they purchase safe, sanitary, and structurally sound properties. Once the VA appraisal is complete, the Veteran will receive the notice of value (NOV) stating the property's estimated value and, if applicable, a list of items requiring repair to meet the VA's minimum property requirements.

WHAT IF THE APPRAISAL COMES IN BELOW SALES PRICE?

TIDEWATER PROCESS

During the appraisal process, fee appraisers are required to notify the requester before completing the appraisal when it appears the estimated value is lower than sale price. This provides an opportunity for the requestor to send additional data to support the sale prices.

RECONSIDERATION OF VALUE (ROV)

After the NOV has been issued, if the price remains unchanged the Veteran may request an ROV. The Staff Appraisal Review (SAR) will research market data and provide a recommendation. This is a second opportunity to provide additional market data.

ESCAPE CLAUSE / CONTINGENCY

You have the right to not purchase a home when the appraisal's Notice of Value (NOV) is below sales contract price. You should also have other contingencies such as the satisfactory home inspection contingency. Your vetted Real Estate agent can advise.

RENEGOTIATION/ CASH TO CLOSING

The seller may be willing to consider reducing the sale price to the VA appraised value or offer seller concessions. If the seller is unwilling to negotiate a reduced price, you have the option to pay the difference in value in cash at closing.

*There are no other mortgage products that have built-in value reconsideration options available for Veterans. Working with a vetted professional can help prepare you for the options above.

*For new construction homes, you can request a "cost approach" appraisal. This applies when you are building a home in a newly developed area where there are no comparable properties to estimate your home's value.

PROPERTY INSPECTIONS

Home inspections are not required by the VA, but may be required by a lender. A home inspection is conducted by a state-licensed home inspector that observes and provides a report on major home systems and components of the property like the heating and cooling systems, plumbing, electrical and structural components. The inspector will provide the buyer with a list of items of concern. The repair costs can be negotiated between the seller and the buyer. Your lender and real estate agent will be able to best advise on the entire process to get you to a successful closing.

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VA LOAN MISCONCEPTIONS

LET'S CLEAR SOME THINGS UP

VA LOANS ARE DENIED AT A HIGHER RATE (RISK)

False. VA loans have the lowest denial rate (6.5%) compared to Conventional (9.6%) and FHA loans (10.2%) according to '21 study by Polygon Research using Home Mortgage Disclosure Act (HMDA).

VA LOANS ARE TOO EXPENSIVE FOR VETERANS

False. VA regulations limit the fees that Veterans can pay to obtain a loan. A comparative pricing analysis by Polygon Research showed average net charges and credits at $878 of 431,393 total loans compared to $1,379 for conventional and $1,197 for FHA loans.

NO DOWN PAYMENT EQUALS WEAK FINANCIAL STATUS

False. There is no data to support this misconception. The ability to obtain a home loan with zero down payment is an earned benefit granted to Veterans for their service.

FHA OR CONVENTIONAL LOANS ARE BETTER

False. This depends on each individual Veteran borrower. VA benefits alone such as no down payment requirement, no private mortgage insurance, interest rates at 0.5% to 1% lower, and fewer closing costs will beat an FHA or conventional loan every time.

VA APPRAISALS ARE SLOW AND RESULT IN LOW VALUE

False. The reality is that this can occur with any mortgage product, the VA loan is the only loan product that has two options that other loan products don't offer: Tidewater and ROV. These provide opportunities for buyers and sellers to justify the sales price.

SELLERS MUST PAY ALL CLOSING COSTS

False. Both Veterans and sellers are capped at the expenses that they can pay towards closing costs with sellers capped at 4% in seller's concessions. The only fee Veterans cannot pay are brokerage fees and realtor commissions.

The benefits of using your VA loan outshine other comparative mortgage loan products by providing an opportunity for all types of Veterans to gain home ownership and is a benefit you earned sacrificing for your country. Every lender will have varying standards (lender overlays) for VA loan approval; be sure to reach out. Join the Vetted VA Facebook Group and have your questions answered directly by our professional network of mortgage and realty industry experts.

VETERAN SELLER

Seller's Closing Costs:

- Commission for real estate professionals
- Buyer broker fee

The seller cannot pay more than 4% of the total loan in concessions. This applies to closing costs and VA funding fees but does not apply to loan discount points.

Selling to a fellow Veteran using their VA loan? Prepare your home for sale by reviewing the VA's Minimum Property Requirements (MPR) for your area. A home that meets the VA minimum MPR is more likely to go through the appraisal and inspection process with ease.

In the event an appraisal amount comes in lower than your asking price, did you know the VA has two rebuttal options for Veteran buyers?

Make sure your selling agent is aware of these options: the VA's Tidewater process and Reconsideration of Value (see p.7). This is a great opportunity to provide an appraiser with additional support information backing your asking price.

VVA Leadership Team at AIME FUSE, Las Vegas 2022

VETERAN BUYER

Buyer's Closing Costs:

- VA funding fee (if applicable)
- Loan origination fee
- Loan discount points or funds for temporary 'buydowns' (if applicable)
- Credit report and payment of any credit balances or judgments
- VA appraisal fee
- Hazard insurance and real estate taxes
- State and local taxes
- Title insurance
- Recording fee

Closing costs cannot be financed into a standard purchase loan with the exception of the VA funding fee. Your closing costs credit can be negotiated with the seller, and any interested party can pay your fees on your behalf. The VA only specifies that a Veteran buyer cannot pay for any brokerage commission or realtor fees.

Your interest rate, discount points (fees you pay to your lender at closing to lower your interest rate), and other closing costs will determine your overall costs for the loan. Your lender will best be able to provide you with a breakdown.

Did you know you can use your VA loan benefit for the following types of property?

Condominium, build a new home, build a new home on purchased land, build a new home on land you already own, simultaneously purchase and improve a home, make energy-efficient upgrades to your home, purchase a manufactured home and/or lot, purchase a farm residence and many more options with the VA loan program.

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READY TO BUY?

There are five basic steps in the VA home loan application process. What's important to us is that you are 1) eligible and ready to make the big purchase 2) you have vetted your team.

STEP 1. SELECT A LENDER

A VA loan experienced lender can help you review your financial situation and credit history. The lender will request and closely review your COE and other required documents to determine how much you qualify for.

STEP 2. SELECT A REALTOR

Steps 1 and 2 can be done simultaneously, with both you want to make sure you are vetting your team and that they are knowledgeable and have experience working with Veterans and processing VA loans. Your VA-experienced realtor can help guide you in finding homes that not only meet your needs but adhere to the VA's minimum property requirements, making it easier to complete the VA loan process. They should also advise you on VA protections and clauses to make sure you are well-informed and protected throughout the real estate transaction.

STEP 3. SELECT A PROPERTY

Select a home and discuss the purchase with the seller or selling agent. Make sure your realtor has market research available to support the seller's asking price. Sign a purchase contract conditioned on approval of your VA home loan.

STEP 4. SUBMIT THE APPLICATION TO YOUR LENDER

The lender will process the required loan documentation and develop all credit and income information. They will also request VA to assign a licensed VA appraiser to determine the reasonable value of the property. You'll want to monitor this process and remain available for any updates. A Certificate of Reasonable Value will be issued.

STEP 5. UNDERWRITING AND CLOSING

The lender will let you know the decision on the loan. You should have no problems being approved if the established value of the property and your credit and income are acceptable. You will attend the loan closing. The lender or closing attorney will explain the loan terms and requirements as well as where and how to make the monthly payments. Sign the note, mortgage, and other related papers.

CHECK OUT THE VA VETERANS BUYER GUIDE HERE

HAVE YOU VETTED YOUR LENDER?

Check out our discussion on how to find a professional that will serve you well?

Vetted VA has video library with a full range of VA loan topics on YouTube.

Check out the channel www.youtube.com/@vettedva

WHAT IS A CLOSING DISCLOSURE?

A closing disclosure is a document that provides the final details about your mortgage loan. It includes the terms, projected monthly payments and how much in fees you will pay in closing. Lenders are required to provide this to you at least 3 business days before your closing. Want to know exactly what to look for?

www.consumerfinance.gov

VA LOAN CLOSING COSTS

FEES ALLOWED TO BE PAID BY VETERAN BORROWERS

Let's take a closer look at VA loan closing costs.

- Lender's 1% flat charge (plus reasonable discount points for a lower interest rate). The 1% fee (loan origination fee) includes items that cannot be charged to the Veteran as an "itemized fee or charge"
- Appraisal fees - for a single-family property can range from $550 - $1300 depending on the state/county of purchase. VA fee charts can be found at VA Appraisal Fee Schedules and Timeliness Requirements
- Compliance inspections - fees can range from $300-$500 and vary by location and size of the property
- Recording fees - are charges by state and local agencies for resisting a property's transfer of ownership. Fees will vary based on county. On average, buyers will pay $100-$150.
- Credit report fee - a lender can charge a fee to you to get a copy of your credit report as some clients may need multiple credit pulls
- Prepaid items - include prorated property taxes, insurance, and any initial escrow deposits. Fees can vary.
- Insurance - annual homeowner's insurance varies by location and coverage, most homeowners will typically pay roughly .035% of the home's value. Your lender and realtor can advise you on insurance companies.
- VA flood certification - this certificate helps to determine how much you'll need to pay for flood insurance, and costs depend on property type and location but can range from $0 to $2K or more.
- Title examination insurance - is a one-time fee insurance policy that protects against property title defects such as forgery, fraud, undue influence, and administrative errors. This fee can range from $500 to $3000 and will vary by location and purchase price.
- Lot Survey fee - Most commonly done on lots in a subdivision and includes boundary lines, flood plains, septic tank locations, etc. This fee can range between $50 and $500 per acre, depending directly on lot size, characteristics, and how many property corners need to be identified.
- VA funding fee - the funding fee rate will depend on the type of loan you are receiving, the total amount of your loan, and your down payment (if applicable). The funding fee is calculated from the percentage of your total loan amount. See p. 5 for more.

WHAT CAN I EXPECT TO PAY UPFRONT?

You can expect to pay an earnest money deposit (EMD), and any appraisal and inspection fees. Your vetted realtor can best advise you.

TROUBLE MAKING PAYMENTS?

If you are facing difficulty in making your mortgage payments, the VA can help you by providing free financial counseling even if your loan isn't a VA direct or VA backed loan. If your VA loan is at least 61 days past due, the VA will automatically assign a VA loan technician to assist you.

Your first line of assistance should be your lender. If you're nervous about making that call, the VA can help. Call 877-827-3702 or email LGYLANational.VBACO@va.gov

VA LOAN FAQ

ARE VA LOANS DIFFICULT TO QUALIFY FOR?

No. The VA loan program has flexible credit and underwriting standards. Since the VA does not have a credit score or DTI requirement, it's up to lenders to decide if they want to approve your loan application. Most lenders prefer Veterans with at least a 600-620 FICO score, but there are many that can approve your loan if your score is lower. Approved VA lenders are concerned with "how" you manage your finances and credit, not merely just the snapshot of your score. The VA also supports lenders in using other compensating factors to approve your loans, such as the amount of residual income and personal assets.

CAN I USE MY VA LOAN TO PURCHASE AN INVESTMENT PROPERTY?

No. Your VA loan must be used for your primary residence only. You can, however, purchase a multi-unit property and occupy one of the units and rent the others. Your primary residence can be occupied by yourself or your spouse or dependent children to meet the VA's occupancy requirements.

DO VA APPRAISALS TAKE A LONG TIME?

No. VA appraisals can take anywhere from 5 to 10 days to complete once the process is started by your lender. In some high-sale areas, it may take longer due to the volume of work and the VA appraiser's ability. The VA has instituted a new waterfall appraisal process to support speeding up the process. VA appraisers are authorized to conduct internal only, external only, and/or desktop appraisals in lieu of physical appraisals.

CAN I ONLY USE MY VA LOAN BENEFIT ONCE?

No. Your VA loan benefit can be used multiple times and is based on the amount of entitlement you have remaining. It is easily possible to own two to three properties using your VA loan benefit. Your lender will be able to review your certificate of eligibility (COE) and advise on how much you can afford without a down payment being required.

CAN I USE MY VA LOAN BENEFIT IF I HAVE A CO-BORROWER THAT IS NOT MY SPOUSE OR A VETERAN?

Yes, with a non-spouse co-borrower who is not a Veteran, a lender may require a down payment of 12.5% to 14.5%. This is due to the VA guarantees of 25% of the Veteran's loan. Having only one VA-eligible co-borrower on the loan means the lender will only have half of the VA guarantee.

WHAT IF I AM DENIED A VA LOAN?

If you are denied a VA loan, don't fret. Take a step back and review the reason for denial and make a plan. You may have been denied due to low income, not enough residual income, the property doesn't meet VA standards or other factors. Reach out to our experienced professionals that can help you formulate a plan and timeline to reapply.

I'D LIKE MY SPECIFIC QUESTION ANSWERED WHO CAN I TALK TO?

If you currently don't have a lender or realtor able to assist, you can search and join our Vetted VA Facebook Group and have your question answered or search the group for other Veterans that have had the same concerns. Our well-moderated group has over 60K members and is stacked with VVA professionals and experts ready to assist.

VA LOAN FAQ

CAN I STILL GET PROPERTY IF IT APPRAISED UNDER VALUE?

Yes. You can choose to pay above the appraised value, but the difference above the appraised value is a closing cost and cannot be a part of the VA loan. The difference also cannot be covered by credits and it must come from the Veteran's funds (which can include gift funds).

CAN I REUSE MY VA LOAN BENEFIT?

Yes. The VA home loan benefit can be reused if you have paid off your prior VA loan and sold the property. In addition, you may apply for a one-time restoration if your prior VA loan has been paid in full and you still own the property. To restore your eligibility you will need to send a completed VA Form 26-1880 to your nearest VA Eligibility Center or your lender can apply for this for you.

WHAT IS DEBT-TO-INCOME RATIO?

Debt-to-income (DTI) ratio is your total monthly debt payments divided by your gross monthly income. VA guidelines do not have DTI limits, but many VA loan lenders limit pre-approvals to a DTI of 50%. However - higher DTI can still be approved with strong compensating factors like Residual Income.

WILL SHOPPING AROUND FOR A LENDER HURT MY CREDIT SCORE?

It may, but multiple credit pulls within a 45-day period will only count as a hit against your credit once, typically around a 2-4 point drop. We advise Veterans to seek a reputable mortgage broker who can shop around for the best deal with multiple lenders on one credit pull and can even assist you with some of your basic financial and credit information.

HOW DO I REFINANCE USING MY VA LOAN?

The VA's Interest Rate Reduction Refinance loan or "streamline refinance" can be done only if you have already used your eligibility for a VA loan on the property you intended to refinance. For an IRRRL, you need only to certify that you previously occupied it and that the loan cannot exceed the sum of the outstanding balance on the existing VA loan, plus allowable fees and closing costs (including VA funding fee). Contact your vetted lender for more information.

MY LENDER ISN'T ABLE TO GET MY COE?

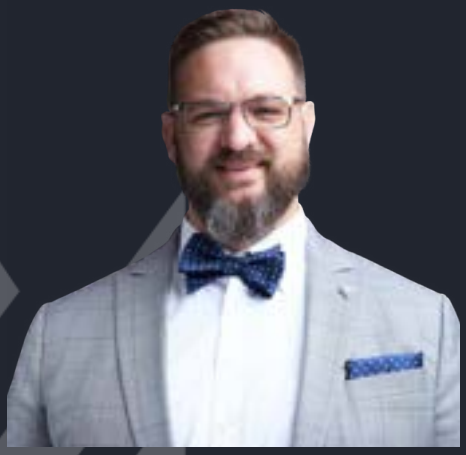
If a lender is unable to obtain your COE in WebLGY it doesn't mean that you are ineligible for a VA loan, it means that the system the VA uses does not have sufficient information to make an automatic determination of your eligibility. Lenders should always continue the application process and contact the VA RLC for assistance.

MORTGAGE RATES SEEM REALLY HIGH. SHOULD I WAIT TO USE MY VA LOAN BENEFIT?

No. If you are planning to purchase a home using your VA loan, do not let the current interest rates deter you. Interest rates are always going to fluctuate. What you can do is ensure your financial and credit information is the best it can be and work with a vetted mortgage broker that has the ability to shop for the best rate for you. Keep in mind, if rates decrease you can always refinance your VA loan (IRRRL).

MEET THE VETTED VA LEADERSHIP TEAM

CHRISTOPHER GRIFFITH
CHIEF EXECUTIVE OFFICER
USMC VETERAN



NATHAN KNOTTINGHAM
CHIEF OPERATING OFFICER

GAY CARTER VEALE
CHIEF EXPERIENCE OFFICER
USAF RETIRED

KASON MARTIN
CREATIVE EDITOR

BARBARA MARTIN
EXECUTIVE ADMINISTRATOR

COMMUNITY

We are working with Veterans, loan officers, real estate agents and VA professionals to ensure change happens and Veterans applying for VA Home Loans are better served.

COLLABORATION

We, and all of those in the Vetted VA™ community, are committed to changing the occurrences that continue to plague the VA Home Loan market.

COOPERATION

Vetted VA™ professionals are located throughout the United States and work together to best serve our Veterans.

Education / Exposure / Experience

A MESSAGE FROM VETTED VA

Vetted VA is a community created as an environment where you: a Veteran, Service Member, Family Member, or Professional can ask any question you want about the VA Home Loan process and receive an answer with perfect placement, access, and citing of sources where every interaction helps us all learn and grow.

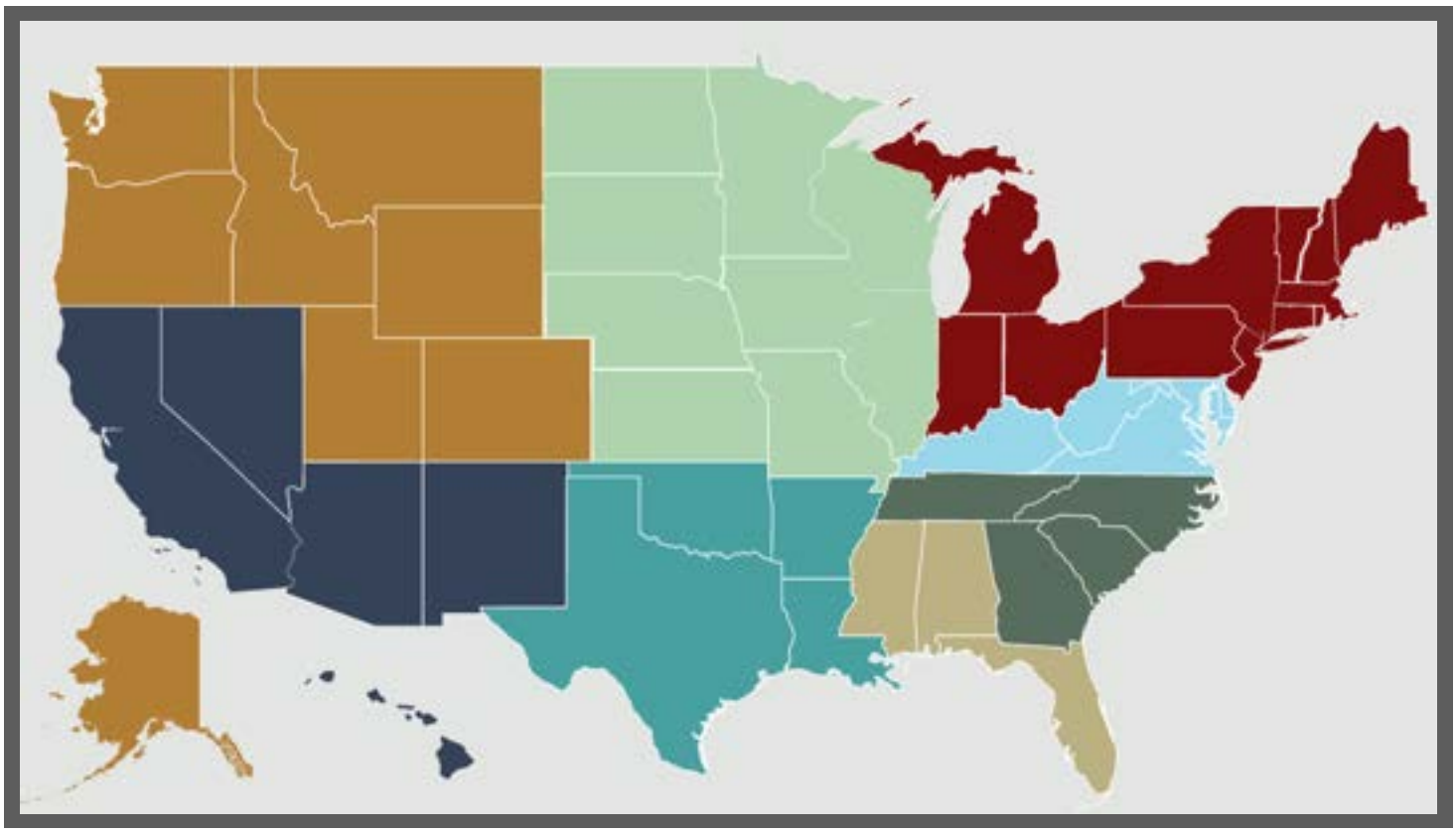
We learn everything in life through Education, Experience, and Exposure.

Education comes in the form of questions and answers, text books and lectures, courses and instructionals. Experience is earned in time and involvement, it requires presence and attention with purposeful action. Exposure is the cumulative impact of Education and Experience over time and in different variables. But through these three mediums we become knowledgeable, earn wisdom, and then have the ability to share that with others.

Community is where we gather, the grouping of individuals choosing to stay engaged with one another to create reciprocal relationships. Community doesn't divide, it binds together through different values, wisdom, and insights all seeking a common purpose: to grow stronger together.

Vetted VA is a community built to serve you. Wherever you find yourself on the journey of home ownership utilizing the VA Home Loan Benefit or working to better serve the VA Benefit eligible as a Mortgage or Real Estate Professional you have a community of support with Vetted VA.

FIND A VETTED VA PROFESSIONAL NEAR YOU



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VA REGIONAL LOAN CENTERS 1-877-827-3702 M-F 0800-1800 EST

ATLANTA

Jurisdiction: Georgia, North Carolina, South Carolina and Tennessee

Department of Veterans Affairs
VA Regional Loan Center
1700 Clairmont Rd
Decatur, GA 30033-4032
(Mail: Box 100023, Decatur, GA 300031-7023

http://benefits.va.gov/atlanta/

CLEVELAND

Jurisdiction: Connecticut, Delaware, Indiana, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Vermont

Department of Veterans Affairs
VA Regional Loan Center
1240 East Ninth Street
Cleveland, OH 44199

http://benefits.va.gov/cleveland/

DENVER

Jurisdiction:Alaska, Colorado, Idaho, Montana, Oregon, Utah, Washington, and Wyoming

Department of Veterans Affairs
VA Regional Loan Center
155 VAn Gordan Street
Lakewood, CO 80228
(Mail: Box 25126, Denver, CO 80225

http://benefits.va.gov/denver/

HOUSTON

Jurisdiction: Arkansas, Louisana, Oklahoma and Texas

Department of Veterans Affairs
VA Regional Loan Center
Houston, TX 77030-4200

http://benefits.va.gov/houston/

Veterans and professionals can contact their Regional Loan Center (RLC) for any VA loan questions to include attaining COE, entitlement, clarity on VA loan guidelines, new construction and more.

PHOENIX

Jurisdiction: American Samoa, Arizona, California, Commonwealth of the Northern Mariana, Guam, Hawaii, New Mexico and Nevada

Department of Veterans Affairs
VA Regional Loan Center
3333 N. Central Avenue
Phoenix, AZ 85012-2402

http://benefits.va.gov/phoenix/

ROANOKE

Jurisdiction: D.C., Kentucky, Maryland, Virginia, West Virgina

Department of Veterans Affairs
VA Regional Loan Center
210 Franklin Road, S.W.
Roanoke, VA 24011

http://benefits.va.gov/roanoke/

ST. PAUL

Jurisdiction: Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North and South Dakota, Wisconsin

Department of Veterans Affairs
VA Regional Loan Center
1 Federal Drive
Ft. Snelling
St. Paul, MN 55111-4050

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

ST. PETERSBURG

Jurisdiction: Alabama, Florida, Mississippi, Puerto Rico, U.S. Virgin Islands

Department of Veterans Affairs
VA Regional Loan Center
9500 Bay Pines Blvd.
St. Petersburg, FL 33744

http://benefits.va.gov/stpetersburg/

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EDUCATION / EXPOSURE / EXPERIENCE

ARE YOU A MORTGAGE OR REALTY PROFESSIONAL?

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