**The benefits of using your VA loan privileges**

* Buy a home with no down payment
* Take advantage of your VA loan benefits even if you’ve used them in the past
* Veteran’s with disabilities may not have a VA funding fee

**VA loan features**

* 30-, 20- & 15-year fixed-rate
* Jumbo VA loans available up to $1,500,000
* Buy a home with no money down
* No monthly PMI (Private Mortgage Insurance)
* Debt can be paid off to qualify

**How VA loans work**

* Credit scores as low as 620 may qualify for VA loans
* Use your Basic Allowance for Housing toward your monthly mortgage costs
* Prepay your mortgage at any time without penalties
* Roll the funding fee into the loan amount
* Active, Reserve or Retired Military eligible
* Seller can pay closing costs up to 4%

**Military Home buyers savings**

For example, the minimum down payment amount on a FHA loan is 3.5 percent; for conventional financing, it’s 3 percent. On a $150,000 purchase, a military borrower would need to come up with $5,250 in cash for the FHA-backed mortgage and $4,500 for the conventional loan.

|  | **VA Loan Savings at Closing Based on Conventional Loan Requirements** | | | |
| --- | --- | --- | --- | --- |
| **Loan Amount** |  | **3% Down** | **10% Down** | **20% Down** |
| $150,000 |  | $4,500 | $15,000 | $30,000 |
| $250,000 |  | $7,500 | $25,000 | $50,000 |
| $350,000 |  | $10,500 | $35,000 | $70,000 |
| $417,000 |  | $12,510 | $41,700 | $83,400 |

**What is the VA Funding Fee**

The funding fee is a cost associated with obtaining a VA loan. Because VA loans are paid for both by the government and taxpayer dollars, the funding fee helps to offset the cost of administering the loan. This helps to ensure that the loan continues to require no down payment and no monthly mortgage insurance.

There are some cases in which the VA does not charge a funding fee, but you must match a list of VA-approved situations in order to qualify for exempt status. According to the VA, veterans/service members are exempt from paying the funding fee if:

* You receive VA disability
* You are eligible to receive VA disability but receive retirement benefits instead
* You are eligible to receive VA disability as a result of a pre-discharge exam and rating
* You are eligible to receive VA disability but have been re-enlisted or recalled to active duty
* You are a surviving spouse of a veteran who died in service or from service-connected disabilities

Even if you do meet the criteria, your exemption status is not automatically applied to your loan. You must apply to claim the funding fee exemption, which one of our home loan experts can help you with. However, you are required to have one or more of the following documents to prove your exemption:

* A signed[**VA Form 26-8937**](http://www.vba.va.gov/pubs/forms/VBA-26-8937-ARE.pdf)
* A copy of the original VA notification of disability rating and documentation of the veteran’s service retirement income
* The Certificate of Eligibility that states the borrower is entitled as an unmarried surviving spouse

**VA Funding FEE**

|  |  |  |  |
| --- | --- | --- | --- |
| * Type of Veteran | Down Payment | 1st Time Use | Subsequent Use |
| Veteran/Regular Military | None | 2.15% | 3.30% |
|  | 5%-10% | 1.50% | 1.50% |
|  | 10% or more | 1.25% | 1.25% |
| Reserves/ National Guard | None | 2.40% | 3.30% |
|  | 5% – 10% | 1.75% | 1.75% |
|  | 10% or more | 1.50% | 1.50% |

|  |  |  |  |
| --- | --- | --- | --- |
| Type of Veteran | Down Payment | 1st Time Use | Subsequent Use |
| Veteran/Regular Military | N/A | 2.15% | 3.3% |
| Reserves/National Guard | N/A | 2.4% | 3.3% |

[VA](http://www.quickenloans.com/home-loans/va-loan) Loans are one of the top benefits for military personnel. The VA loan program is one of the last products to offer 100% financing and have the most flexible credit guidelines available. Even though the program has amazing things to offer, many veterans are unaware of the full magnitude of their benefit. The VA loan doesn’t have to be difficult to understand, and every American veteran should be able to easily understand the benefits of this loan. Below are some Questions to assist with your understanding

**Question : Can** **Veterans only have one chance to use their VA home loan benefit**?

Answer: Veterans can use their benefit multiple times throughout their life. There are no limitations.

**Question: Can a VA loan only be used to buy a home?**

**Answer**: VA loans can be used to refinance too – up to 100% of the home’s value in some cases!

**Questions:**  **Are VA loans only for smaller amounts and for starter homes?**

Answer:VA loans are widely available up to $1,500,000!

**Question : Is it true that VA loans are difficult and take a long time to get completed?**

VA loans can close very fast. With AXIA the process of VA loans in the same timeframe as other loan types.

**Question**:  **Is it difficult to qualify for a VA loan ?**

Answer :In some ways – VA loans are EASIER to qualify for. Numerous underwriting accommodations are made for veterans buying a home with a VA loan.

**Question : Is the VA loan is more expensive with the VA funding fee ?**

Answer: Actually, when you do a side by side comparison the VA loan can be less expensive than FHA or Conventional financing.

**Question: Do veterans have to be discharged or retired to use their VA loan benefit?**

Answer : Active service members get full access to the VA mortgage benefit !

**Question: What is the eligibility for Reservist or National Guard members ?**

Answer : Members of the Reserves or National Guard are eligible after 6 years of honorable service!

**Question: What if I am Veteran serving away from home or overseas can I still use the benefit for home purchase?**

Answer : Military men and women who are away on active duty can obtain a VA loan if they intend to return home within a year or have a spouse who will occupy the property in the interim.

**Question : Are Widows or Widowers of Vets are eligible for the VA loan benefit?**

Answer: Widows of fallen veterans who died on active duty or as a result of a service-connected disability are eligible for the benefits of a VA loan.