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## VA HOME LOAN BENEFIT

# Key Points for Veterans

VA's Mission Statement: To help Veterans **OBTAIN, RETAIN, and MODIFY** their homes

- ▶ VA Home loan benefits **require 2 years of active service**, less if prior to 1980, or a minimum of 90 days active duty in the Gulf War era (since 8/2/1990) – Reserve/National Guard require 6 years of active participation
- ▶ **VA loan eligibility can be used over and over** when previous use is restored (property sold or refinanced out of VA)
- ▶ **NO MAXIMUM LOAN LIMIT**, a guaranty of loans in excess of \$144,000 when the veteran has full entitlement.
- ▶ **NO down payment required** unless purchase is more than the county loan limit and then only 25% of the difference
- ▶ **NO Mortgage Insurance (MI)** – this helps to qualify for larger loans or a lower overall payment
- ▶ VA Funding Fee can be financed or paid all or part in cash, the funding fee is far less than MI over life of loan (Veterans in receipt of disability compensation are exempt from paying the funding fee)
  - ▶ Basic funding fee is 2.30% for first time use with 0-5% down, 3.3% for repeat use
  - ▶ If you put 5-10% down, you drop the funding fee to 1.65%
  - ▶ If you put at least 10% down, you drop the funding fee to 1.40%
- ▶ **VA underwriting guidelines are SIMPLE** and make sense, at CMG, we follow VA's guidelines
- ▶ **NO Reserve Requirements** (assets only need to cover cost to close)
- ▶ Residual Income **NOT** Debt-To-Income is a more important factor
- ▶ **Appraisal requirements – SAFE/ SOUND/SANITARY** – very simple guidelines to meet
- ▶ Termite/pest inspection depending on location and section 1 problems must be corrected – Veteran can pay for both
- ▶ **VA provides Assistance and counseling to veterans having financial difficulty.** They will help negotiate with mortgage servicers to help retain your home. An important benefit and not available for FHA loans.

## INDUSTRY MYTHS:

- ▶ *VA loans will take more time to close* ✓ **TRUTH:** VA loans process at CMG as fast or faster than other loans
- ▶ *VA appraisals always come in below sale price* ✓ **TRUTH:** more than 99% of appraisals are at or above the sale price
- ▶ *VA loans are high risk* ✓ **TRUTH:** VA national average credit score is 709, at CMG, we allow scores as low as a 580
- ▶ *VA Loans cost sellers more money* ✓ **TRUTH:** CMG does NOT require excess fees to be paid by the seller and can structure the Veteran's loan to allow lower out of pocket expenses to the buyer and a better return to the seller

## HOW TO START YOUR VA HOME LOAN PROCESS:

- ▶ Contact your CMG Loan Professional listed above to obtain a Certificate of Eligibility today!



# Loans for Veterans

You've served the U.S.,  
now let us serve YOU!

Veteran's Administration or "VA" loans are available for active, non-active and retired Army, Air Force, Marine, Navy, National Guard and Coast Guard vets who meet the established service requirements.

The most notable features and benefits for those who qualify are:

- 100% financing/No down payment
- No monthly mortgage insurance (PMI)
- Gift funds acceptable for closing costs
- No cash reserve requirements
- A variety of terms or loan types available
- Available for purchase and refinance
- Reduced costs for disabled veterans
- Seller can pay for closing costs
- Seller pays for any required repairs
- No pre-payment penalty

To determine your ability to participate in this program, just provide your Certificate of Eligibility (COE) or your Discharge/Separation form (DD214). If you do not have your COE, you can request one using form 26-1880.

Reach out using the contact info below, and we'll be happy to explain the details and answer any questions.



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