



John Rice
Berkshire Hathaway HomeServices

Real Estate Advisor

If you are a Veteran Could a VA Loan Help You?

If you are an eligible veteran, the U.S. Department of Veterans Affairs (VA) may be able to assist you with a loan for the purchase of a home. The VA guaranty loans encourage lenders to offer loans to veterans by protecting lenders against loss if the borrower cannot make the payments. VA loans are particularly beneficial to those veterans that do not have much cash available.



There are **five basic steps** when obtaining a VA backed home loan. Although there are lots of details within each step and some may overlap, here is a basic overview of how the process works.

The veteran selects a home they are interested in. The purchase and sales agreement should contain a VA option clause. The contract must also allow the veteran to "escape" from the contract without penalty if he/she is unable to obtain a VA loan. Some veterans prefer to contact a lender to get "pre-qualified" prior to searching for a home. Veterans may also apply for a certificate of eligibility prior to looking for a home or contacting a lender.

Contact a lender to apply for the loan. At this point, if the veteran has not already obtained his/her certificate of eligibility, they will need to. The lender may

be able to obtain it off the internet or the veteran may have to complete a form and send it to the appropriate eligibility center. In either case the lender will be able to assist in the procedures of how to obtain a certificate of eligibility. The lender will complete a loan application and gather supporting documentation, like pay stubs and bank statements. It is important for veterans to know that lenders set their own interest rates, discount points and closing points.

The lender will "process" all credit and income information. Lenders are allowed to

10 Benefits of a VA Loan

- ★ **Equal opportunity for all qualified veterans.**
- ★ **No down payment (unless required by the lender or the purchase price is more than the reasonable value of the property).**
- ★ **Buyer informed of reasonable value.**
- ★ **Negotiable interest rate.**
- ★ **Ability to finance the VA funding fee (plus reduced funding fees with a down payment of at least 5% and exemption for veterans receiving VA compensation).**
- ★ **Closing costs are comparable with other financing types (and may be lower).**
- ★ **No mortgage insurance premiums.**
- ★ **An assumable mortgage.**
- ★ **Right to prepay without penalty.**
- ★ **VA assistance to veteran borrowers in default due to temporary financial difficulty.**

John Rice
Direct: 616-951-4663
john@johnricerealtor.com

Berkshire Hathaway HomeServices
1679 68th St SE, Ste B
Caledonia, MI 49316
www.johnricerealtor.com/



use VA approved automated underwriting systems. The lender will also order a VA appraisal. VA's appraisal is not a home inspection or a guaranty of value. It is an estimate of the market value as of the date the inspection is made comparing it to similar homes that have recently sold in that area. Although the appraiser does look for obviously needed repairs, VA does request that appraisers not address cosmetic items. VA does not warrant the condition

of existing homes. The appraiser is a licensed individual who does not work for VA but is chosen by VA to assure his/her review is unbiased in any way. The lender can not request which appraiser to use, they are assigned on a rotation basis.

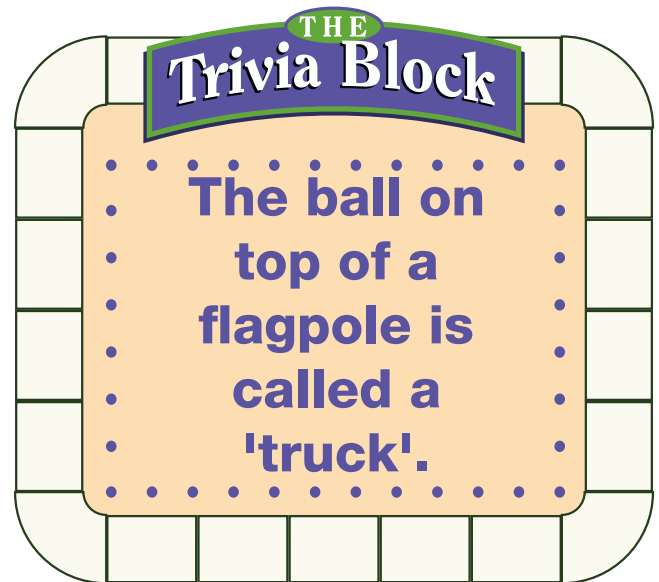
The lender will "underwrite" the loan upon receipt of the appraisal and all supporting documentation on credit, income and assets. It is the lender who reviews all the data collected and decides if the loan should be granted, developed for additional data or if the veteran does not qualify and must be denied. The decision on whether or not to approve the loan is generally made by the lender.

The final step is the "closing" for loans that meet VA regulations and guidelines. The lender chooses the title company, attorney or if their representative will conduct the closing. The title company, attorney or lender representative who will handle the closing will coordinate the date and time.

Nice to Know: Specially Adapted Housing Program

Veterans that have specific serviceconnected disabilities may be entitled to a grant from the Department of Veterans Affairs (VA) for the purpose of constructing an adapted dwelling or modifying an existing one to meet the veteran's needs.

The goal of the Specially Adapted Housing (SAH) Program is to provide a barrier-free living environment which affords veterans a level of independent living he or she may not normally enjoy. For more information on these and other VA Affairs services, log onto www.va.gov.



John Rice

Berkshire Hathaway HomeServices
1679 68th St SE, Ste B
Caledonia, MI 49316
Direct: 616-951-4663

john@johnricerealtor.com
www.johnricerealtor.com/



Equal Housing Opportunity If you have a brokerage relationship with another agency, this is not intended as a solicitation. All information deemed reliable but not guaranteed.

