



ARBOR
HOME LOANS

What You Need to Know About Your **VA** Loan Benefit



1 in 3 Veterans Say They Don't Know About This Benefit!

The VA Home Loan is the most powerful home buying tool on the market. It – and the GI Bill – literally reshaped post-War America, and it's a big reason why the historic VA Loan Guaranty Program has surged since the housing crash.

Despite generations of historic success, several myths and misconceptions deter millions of Veterans and Servicemembers from partaking in this benefit.

Over 14 million Veterans and military personnel have realized the benefits of the VA Home Loan Program. We can help you buy your dream home, refinance to lower your monthly payment or take advantage of your home's equity for home improvements, pay off debt and more.



No Down Payment and No Mortgage Insurance

These are perhaps the biggest advantages to a VA loan. You don't need a down payment. None whatsoever. Most mortgage programs, such as FHA and Conventional loans, require at least 3.5% to 5% down. However with a VA loan you can buy immediately, rather than wait years to save for a down payment.

With a VA loan, you also avoid steep mortgage insurance fees. At 5% down, private mortgage insurance (PMI) costs \$150/month on a \$250,000 home.

With a VA loan, a home buyer can afford more home, simply by eliminating PMI. Using a VA loan saves you money upfront, and increases your home buying power tremendously.



Use Your Benefit Again & Again



Your VA home loan benefit is not one-and-done. You can use it as many times as you want. Here's how.

Sell the Home

Assume you purchased a home with a VA loan. But now, you've outgrown the home and need something bigger. When you sell the home and pay off the VA loan completely, you can re-use your benefit to buy another home.

Pay Off the Loan

But that's not the only way to re-use your benefit. Eligible Veterans and Service persons can receive a one-time restoration when they pay off the VA loan, but keep the home. This scenario comes into play if you purchased the home long ago and have paid off the loan. It also applies if you have refinanced the VA mortgage with a non-VA loan. In these cases, you can keep the home and enjoy the benefits of VA home buying one more time.

Eligibility

Once you have earned eligibility for the VA home loan, it never goes away. Those who served 20, 30, even 50 years ago often wonder whether they can still buy a home today if they never used their benefit. If eligibility can be established, the answer is yes.

Funding Fee Waivers

VA typically charges a funding fee to defray the cost of the program and make homebuying sustainable for future Veterans. The fee is between **0.5%** and **3.3%** of the loan amount, depending on service history and the loan type.

However, not everyone pays the VA funding fee. Disabled veterans who are receiving compensation for a service-connected disability are exempt. Likewise, Veterans who are eligible for disability compensation, but are receiving retirement or active duty pay instead, are also exempt from the fee.

VA Loan Rates are Lower

VA loan rates are typically about **0.25%** lower than those of Conventional loans. The VA backs the mortgages, making them a lower risk for lenders. Those savings are passed on to Veterans.

Additionally, VA loans come with some of the lowest foreclosure rates of any loan type, further reducing risk for lenders. These factors add up to lower rates and affordable payments for those who choose a VA loan.

Surviving Spouses May be Eligible

More than **3,000** surviving spouses purchase a home with their fallen partner's VA benefit each year.

Un-remarried husbands and wives of fallen heroes can buy a home with zero down payment and no mortgage insurance. Plus, the VA funding fee is waived.

There's no way to repay the spouse of a fallen hero, but this benefit surely helps them move forward.

Buy, Refinance, or Tap Into Home Equity



The VA home loan benefit can also be used to refinance your existing mortgage, whether it's a VA loan or not.

Lower Rate & Payment

Homeowners with a VA loan can use the Interest Rate Reduction Refinancing Loan, or IRRRL, to lower their rate and payment without an appraisal, paystubs, W2s, or bank statements. The VA streamline refinance, as it is commonly known, gives VA loan holders a faster, cheaper way to access lower refinance rates when rates fall.

Cash Out Refinance

The VA cash-out loan amount can be up to **100%** of your home's value in many cases. Use the proceeds for any purpose – home improvements, college tuition, or even a new car.

Switch to a VA Loan

But you don't have to take out cash to use this VA loan option. You can also use it to pay off a non-VA loan. Eligible homeowners who pay mortgage insurance or are dealing with other undesirable loan characteristics should look into refinancing with a VA loan. It can eliminate PMI, get you into a stable fixed-rate loan, pay off a second mortgage, or lower your interest rate.

Lenient Guidelines for Lower Credit Scores

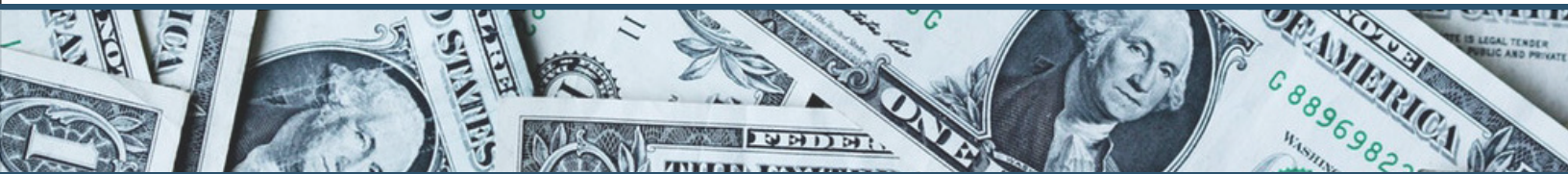


Unlike many loan programs, even if you have a lower credit score, bankruptcy or foreclosure, you may be able to qualify for a VA home loan.

VA guidelines do not state a minimum credit score to qualify. This gives lenders leniency to approve loans with lower scores. In addition, VA considers your credit re-established when you have established two years of clean credit following a foreclosure or bankruptcy.

Many homeowners across the U.S., military and civilian, experience bankruptcies and foreclosures due to loss of income, medical emergency, or unforeseen events. Fortunately, the financial setbacks don't permanently bar VA-eligible homebuyers from ever owning again.

The exception, though, is a foreclosure involving a VA home loan. In this case, you may need to pay back the amount owed on the foreclosed VA loan to regain eligibility. But for most homebuyers with past credit issues, a VA home loan could be their ticket to homeownership.



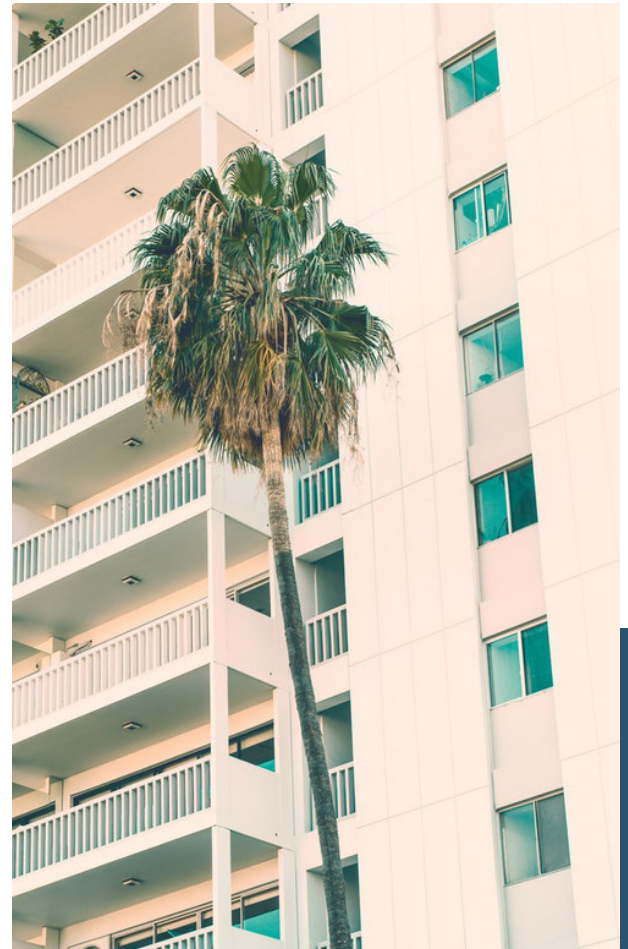
You Can Buy a Condo with a VA Loan

You can buy many types of properties with a VA loan, including a single-family home, a home of up to four units, and even manufactured homes. But condominiums are commonly overlooked by VA home buyers.

Condominiums are ideal starter homes. Their price point is often lower than that of single-family homes and condos are often the only affordable option in many cities.

The VA maintains a list of approved condominium communities. Veterans can search by city, state, or even condominium name on VA's condo search tool. It's not a short list. For example, there are more than 2,400 approved condo communities in Washington state, about 1000 in Texas, and a staggering 9,000 in California.

As a Veteran or Servicemember, it's smart to consider the array of home types when shopping for a home.



Where to Start

The home buying process for a VA loan is only a little different from Conventional loans.

1. Get Pre-Approved with a Mortgage Lender
2. Get a Certificate of Eligibility (COE) – This verifies to the lender that you do, in fact, meet the eligibility requirements necessary to obtain a VA loan. We can help to determine your eligibility.
3. Choose a real estate agent – find a real estate professional who is familiar with VA loans.
4. Find your dream home
5. Make an offer
6. Apply for a VA loan
7. Close the loan
8. Move into your new home!



Looking for more information on the homebuying process?
Ask me about our **Ultimate Home Buyer's Guide!**



