

YOUR HOME LOAN ADVOCATE

THE VETERAN HOMEBUYER GUIDE

A practical guide to understanding - and making the most of - your VA home loan benefit.

THE ADVOCATE DIFFERENCE

You've earned an extraordinary home financing benefit. My job is to help you understand how to use it wisely.

TOM ENGLISH

Your Home Loan Advocate | NMLS #210394

You've Earned a Valuable Home Financing Benefit

If you're a veteran, active-duty service member or otherwise eligible for VA financing, you've probably heard some version of: "You can buy a home with no money down."

That's true in many cases. But that's only one part of what makes VA financing such a valuable benefit.

A VA loan can offer tremendous flexibility, competitive financing and protections designed specifically for those who have served. Unfortunately, it's also one of the most misunderstood mortgage programs in the market.

I've heard buyers say they thought VA loans were difficult. I've heard sellers worry that VA financing would create problems. I've even seen veterans who were eligible for VA financing assume another loan was automatically better.

**I don't want you choosing a VA loan simply because you're a veteran.
And I certainly don't want you avoiding one because somebody doesn't
understand how it works.**

I want you to understand your options and make the decision that's right for you.

— Tom English, Your Home Loan Advocate

1. Start With the Benefit - Not the Loan

Your VA home loan benefit isn't a special favor from a lender. It's a benefit you've earned through your service.

The VA doesn't generally lend you the money directly. A private lender makes the mortgage, while the Department of Veterans Affairs provides a guaranty that helps make some of the program's advantages possible.

- No down payment in many situations
- No monthly private mortgage insurance
- Competitive interest rates
- Flexible credit and underwriting guidelines
- Limits on certain closing costs
- The ability to use the benefit more than once

USE THE BENEFIT WISELY

The benefit gives us another very good option. Our job is to decide how best to use it.

2. Zero Down Doesn't Mean Zero Dollars Needed

This is one of the first things I explain.

A VA loan may allow you to finance 100% of the purchase price, subject to the property's appraised value and the applicable requirements.

But that doesn't necessarily mean you'll arrive at the closing table without needing any money.

- Closing costs
- Prepaid property taxes
- Homeowners insurance
- Escrow deposits
- Inspections
- The VA funding fee, when applicable

Seller concessions or credits may be able to help with some costs, depending on the transaction and VA requirements.

NO SURPRISES

Rather than promising "You won't need any money," I'd rather determine your realistic cash-to-close number.

3. You Can Put Money Down - Even When You Don't Have To

Just because VA financing may allow you to buy with no down payment doesn't mean zero down is always the right answer.

- Maybe keeping your cash is important.
- Maybe you're relocating and want reserves after closing.
- Maybe you would rather use some cash to reduce the loan amount.
- Maybe a down payment changes the economics of the VA funding fee.
- Or perhaps you'd rather keep that money available for furniture, repairs, emergencies or investments.

REMEMBER

Zero down is an option - not an instruction. We'll look at the numbers and decide what makes sense for you.

4. There Is No Monthly PMI

This is one of the VA loan's most meaningful advantages.

Many low-down-payment conventional mortgages require private mortgage insurance, commonly called PMI. VA financing does not require monthly PMI.

That can make a meaningful difference in the monthly payment, particularly when you're financing most or all of the purchase price.

COMPARE THE WHOLE LOAN

When we're comparing VA with another loan program, we compare the entire monthly payment and the overall cost of the financing - not just the interest rate.

5. Understand the VA Funding Fee

Most VA borrowers pay a one-time VA funding fee.

The amount can depend on factors including the type of transaction, down payment and whether you've previously used your VA benefit. Some eligible veterans and surviving spouses are exempt from the funding fee.

The fee can generally be financed into the loan rather than paid entirely out of pocket at closing.

WE'LL VERIFY YOURS

Rather than filling this guide with a table of percentages that can change, I'd rather verify the funding fee that applies to your particular situation. If you're exempt, we'll verify it. If you're not, we'll show you exactly how the fee affects your financing.

6. Your Certificate of Eligibility

Your Certificate of Eligibility, or COE, tells us about your eligibility for the VA home loan benefit and provides information we need when structuring the loan.

The good news is that you generally don't need to figure this out before calling me. In many cases, I can obtain the COE electronically as part of the process.

If additional documentation is needed, we'll work through it together.

ADVOCATE TIP

You don't need to become a VA-loan expert before talking with me. That's my job.

7. Your VA Benefit Can Often Be Used More Than Once

This surprises some veterans.

Using your VA home loan benefit once doesn't necessarily mean you've used it up forever.

Depending on your circumstances, your entitlement may be restored after a previous VA loan is paid off and the property is disposed of. There are also situations in which a veteran may have remaining entitlement and potentially obtain another VA loan while a prior VA loan still exists.

DON'T ASSUME

Don't assume you're no longer eligible simply because you've used your VA benefit before. Let me pull the COE and we'll figure out exactly where you stand.

8. VA Loans Are for Primary Residences

VA financing is designed for homes you'll occupy as your primary residence. It isn't intended as financing for a property purchased strictly as an investment.

That doesn't mean you can never rent a home that was originally purchased with VA financing. Life changes. People relocate. Military assignments change. Families grow.

But when you purchase the home using VA financing, you should be purchasing it with the genuine intention of occupying it in accordance with VA requirements.

USE THE RIGHT FINANCING

Use the right financing for the right purpose.

9. What About the VA Appraisal?

This may be the most misunderstood part of VA financing.

I occasionally hear: "Sellers don't like VA loans because the appraisal is impossible."

That's not an accurate way to think about it.

The VA appraisal serves two primary purposes: establishing the property's value and helping determine whether the home meets VA's Minimum Property Requirements.

The VA isn't expecting a brand-new house. And the appraiser isn't conducting the same type of inspection you would receive from a home inspector.

But the property does need to meet applicable VA requirements related to safety, soundness and sanitation.

And there's a good reason for that.

The VA isn't trying to make it harder for you to buy a home. These requirements exist because the VA wants to help protect you and your interests as a veteran homebuyer.

They don't want you paying more than the home reasonably supports, and they want the property securing your VA loan to meet certain basic standards.

ANOTHER LAYER OF PROTECTION

Rather than looking at the VA appraisal as an obstacle, I prefer to look at it for what it is: another layer of protection built into the VA home loan benefit.

A VA appraisal isn't something to fear. It's something to understand.

10. Get a Home Inspection Anyway

A VA appraisal is not a substitute for a professional home inspection. Those are two different things.

The appraiser is evaluating the property for VA lending purposes. Your inspector is working for you and looking more deeply at the condition of the home.

I strongly encourage buyers - VA or otherwise - to understand what they're purchasing.

The roof that technically meets a lending requirement can still be a roof you'll need to replace sooner than you'd like.

KNOW WHAT YOU'RE BUYING

Financing tells us whether we can close. Due diligence helps you decide whether you should.

11. Don't Let a Seller's Misconceptions Cost You a Home

Unfortunately, some real estate professionals and sellers still carry outdated ideas about VA financing.

- VA loans take forever.
- VA appraisals always come in low.
- The seller has to pay all the veteran's closing costs.
- VA loans are much harder to close.

A well-prepared VA buyer with a properly structured loan can be an excellent buyer.

That's one reason I believe communication matters so much. When appropriate, I'm happy to communicate with the real estate agents involved, answer financing questions and help make sure the strength of your offer is understood.

ADVOCACY MATTERS

Your financing should be explained - not apologized for.

12. Seller Concessions Can Be Valuable

VA financing provides flexibility in how certain seller-paid costs and concessions may be structured, subject to VA rules and the specifics of the transaction.

- Closing costs
- Prepaid expenses
- Certain debts or obligations permitted under VA rules
- Other eligible concessions

But I don't want your Realtor asking for concessions simply because "it's a VA loan." Everything affects the offer.

In a competitive market, the strongest strategy may be different from the strategy we'd use when a seller has fewer offers.

WORK TOGETHER

Financing strategy and negotiation strategy should work together. That's where communication between you, me and your Realtor becomes important.

13. Your VA Loan Is Assumable

This is a feature many people overlook.

VA loans can be assumable, subject to VA and servicer requirements. That means a future qualified buyer may potentially take over your existing VA loan rather than obtaining entirely new financing.

If your mortgage carries an attractive rate when you eventually sell, that could potentially become a valuable feature.

But there's an important issue for the veteran:

An assumption and the restoration of your VA entitlement are not necessarily the same thing.

Before allowing someone to assume your VA mortgage, you need to understand what happens to your entitlement and your liability.

CALL BEFORE YOU SIGN

This is one of those areas where I would much rather you call me before signing anything.

14. Buying Again, Refinancing or Using Your Benefit Later

Your VA benefit isn't only something to think about the first time you buy a home. As life changes, we may look at it again.

- Buying another primary residence
- Relocating
- Using remaining or restored entitlement
- A VA Interest Rate Reduction Refinance Loan (IRRRL), when appropriate
- A VA cash-out refinance
- Moving from another type of mortgage into VA financing

The right strategy depends on what you own, what you owe, your entitlement and what you're trying to accomplish.

LONG-TERM VALUE

The benefit can remain useful long after your first VA closing.

Your VA Homebuyer Checklist

Before You Start Shopping

- ☐ Talk with Tom about my goals and comfortable monthly payment

- ☐ Determine my VA eligibility
- ☐ Obtain my Certificate of Eligibility
- ☐ Review my available entitlement
- ☐ Determine whether I may be exempt from the VA funding fee
- ☐ Review my credit, income, assets and debts
- ☐ Establish a comfortable purchase range
- ☐ Understand my estimated cash to close
- ☐ Decide whether zero down or a down payment makes more sense for me
- ☐ Obtain a strong preapproval before making offers

When Shopping

- ☐ Work with a Realtor who understands VA buyers
- ☐ Consider property condition
- ☐ Review taxes, insurance, HOA and CDD expenses
- ☐ Understand any condominium or property eligibility issues
- ☐ Keep my comfortable monthly payment in mind - not simply my maximum qualification

Your VA Homebuyer Checklist

Once Under Contract

- ☐ Send Tom the executed contract and addenda
- ☐ Complete requested loan documentation
- ☐ Order homeowners insurance
- ☐ Complete my home inspection
- ☐ Complete the VA appraisal
- ☐ Address any required property items early
- ☐ Review my Loan Estimate
- ☐ Confirm my final cash-to-close estimate
- ☐ Avoid opening new credit or making major financial changes

Before Closing

- ☐ Review the Closing Disclosure
- ☐ Confirm my funds needed for closing
- ☐ Verify wire instructions independently
- ☐ Complete final walk-through
- ☐ Bring identification
- ☐ Ask every question I still have

WIRE FRAUD WARNING

Never rely solely on emailed wiring instructions. Independently verify instructions with the title or closing company using a trusted telephone number before sending money.

My VA Homebuying Worksheet

Planning Item	My Information
Target purchase price	\$ _____
Comfortable monthly payment	\$ _____
Estimated down payment	\$ _____
Estimated closing costs / prepaids	\$ _____
Estimated cash to close	\$ _____
VA funding fee	\$ _____
Funding-fee exempt	Yes / No / To Be Determined
Estimated property taxes	\$ _____
Estimated homeowners insurance	\$ _____
HOA / CDD	\$ _____
Cash I want to keep in reserve after closing	\$ _____
Current VA loan, if any	\$ _____
Previous VA benefit use	Yes / No
COE reviewed	Yes / No

My biggest question or concern:

7 Questions Every VA Buyer Should Ask

1. How much of my VA benefit is available?
2. Am I exempt from the VA funding fee?
3. Does zero down make sense for me - or should I put some money down?
4. What will my complete monthly housing payment be?
5. How much cash should I realistically expect to need at closing?
6. Does the property I'm considering work well with VA financing?
7. How does this financing fit with my longer-term financial goals?

One Last Thought

You earned your VA home loan benefit through your service.

You don't need to use it simply because it's available. But you should understand its value before deciding not to.

I've seen veterans hesitate to use VA financing because somebody told them another loan was "easier," or because they were concerned that a seller wouldn't accept it.

That's not how I want you making the decision.

We'll compare the numbers. We'll look at your goals. We'll understand the property. And we'll decide which financing puts you in the best position - not just to get to the closing table, but after you leave it.

You earned the benefit. Let's make sure you understand how to use it.

Thinking About Buying With Your VA Benefit?

SCHEDULE A CONVERSATION

Choose a time that works for you. If you don't see a convenient time, just give me a call or send me a message.

You don't need to have your Certificate of Eligibility or all of your paperwork figured out before we talk.

Tell me where you are in the process, and we'll take it from there.

START MY APPLICATION

Ready to move forward? You can start securely online from the Digital Office.

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To the Closing Table...and Beyond.