



MortgageSafe

Finding You The Safest Way Home



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THE VA LOAN PROGRAM



The VA Loan

- Buyers who are in active service in the military can put as little as 0% down and take advantage of the VA program.
- There are no income limits with this program.
- You do not need to be a first time home buyer.
- Borrowers will pay a VA Funding Fee.
- Borrowers will not have to pay PMI.

Active service in the military is defined as:

- You've served 181 days of active duty during peacetime
- You've served 90 days of active duty during wartime
- You've served six years in the Reserves or National Guard
- Your spouse was killed in the line of duty and you have not remarried
- There are also exceptions for those discharged owing to a service-related disability, hardship, early out, and for certain other causes.
- Regardless of your type of service, you will need an honorable discharge to qualify.

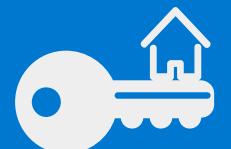


Eligible Property Types

The VA Program is available to purchase owner occupied primary residences only. There are exceptions to this rule if you are refinancing your home that has an existing VA loan.



1-4 Family Owner Occupied



Town Houses*



Condominiums*



Manufactured Housing



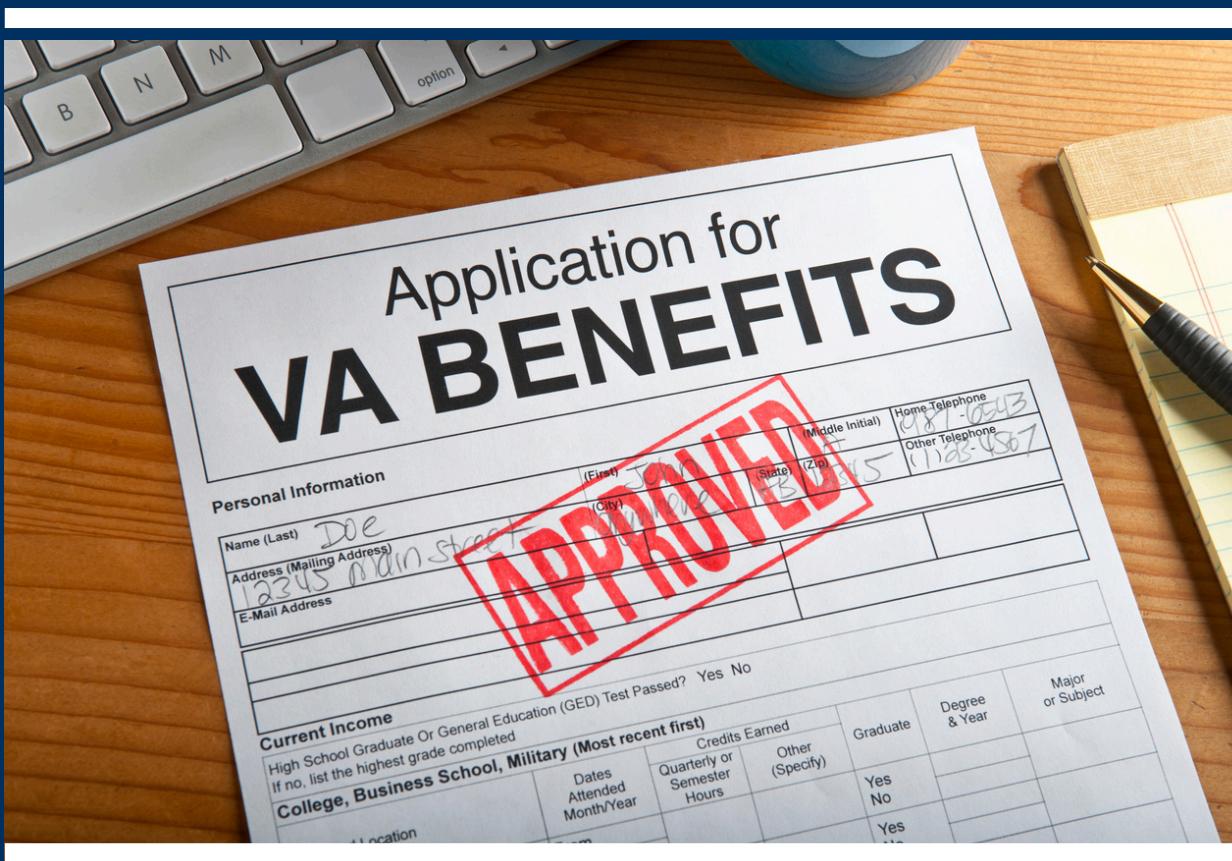
*Condominiums and Town Houses must be VA approved. Town Houses may not require VA approval if you will own both the Town House and the lot on which the Town House is located.

Determining Eligibility



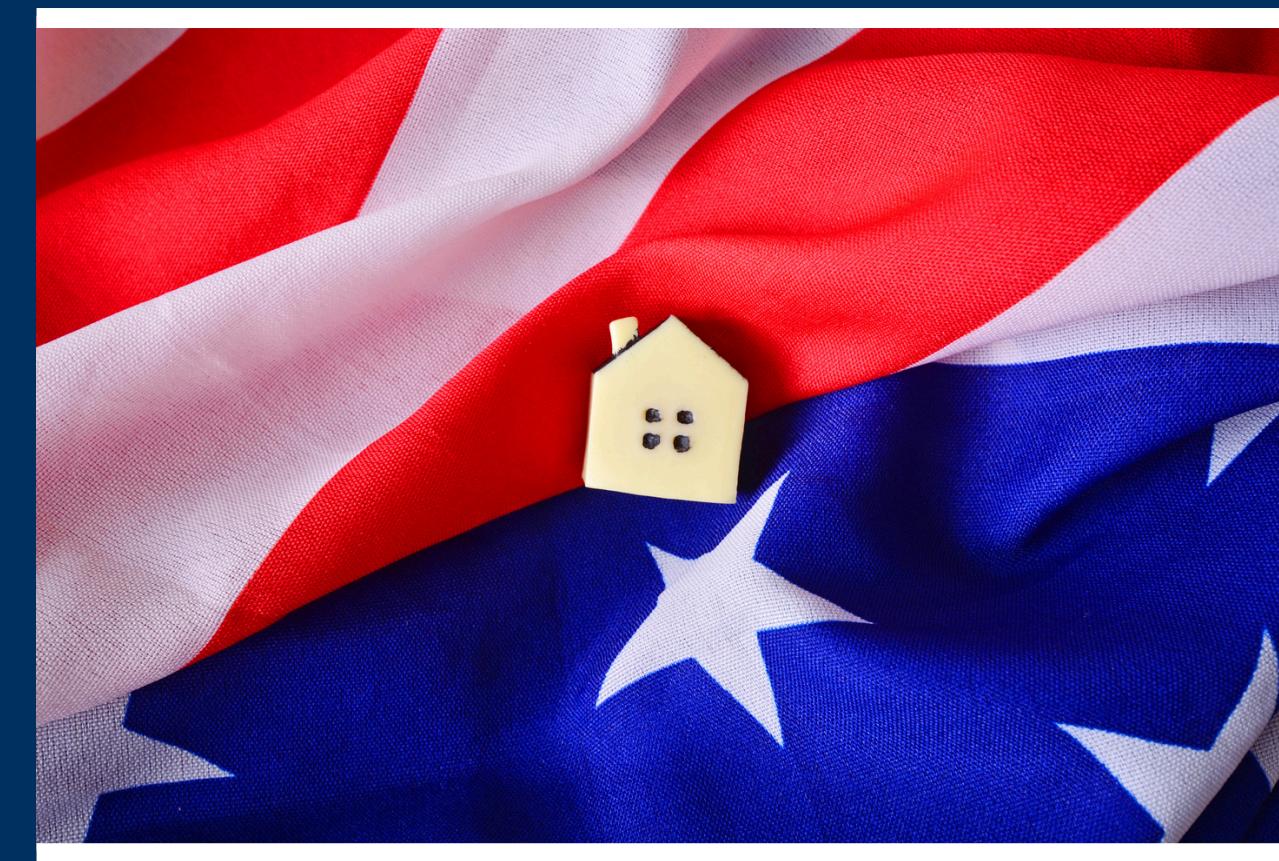
Certificate Of Eligibility

In order to determine your eligibility and the amount of your VA entitlement you will need to obtain a Certificate of Eligibility (a "COE"). You can apply to get a COE online through your E-Benefits portal. We can also help you obtain your COE.



Form DD 214

If you are a veteran, former activated National Guard member, former activated Reserve member, or surviving spouse of a veteran you will need a Discharge or Separation Papers, Form DD214 In order to get a COE.



Statement Of Service 'SOS'

If you are a current service member, National Guard member, or Reserve member who has never been activated you will need an SOS signed by your commander, adjutant, or personnel officer and must include the following:

- Full name
- Date of birth
- Social Security number
- The date you started duty
- Years of creditable service, if in the National Guard or Reserve
- Any lost time
- Name of the command providing the information

The VA Funding Fee and PMI

Unlike the FHA and USDA programs, the VA program only requires 1 type of mortgage insurance. This is called the VA Funding Fee. The VA funding Fee is paid in full at the closing and is most often financed by adding it to your loan amount. Payment of PMI each month is not required.

3 things to consider on a VA home purchase:

01

The amount of the VA funding fee depends on the size of your VA loan down payment, and whether it's your first-time use of the benefit as follows: 

02

| Down Payment | 1 st Time Use Fee = | Later Use Fee = |
|--------------------|--------------------------------|-----------------|
| 0% | 2.15% | 3.30% |
| 5%-10% | 1.5% | 1.5% |
| 10% or more | 1.25% | 1.25% |

03

So, if you put 0% down and borrow \$400,000 the first time you use your VA entitlement your Funding Fee will be \$8,600. ($\$400,000 \times 2.15\%$) But if you put down 5% then your Funding Fee drops to \$6,000. ($\$400,000 \times 1.50\%$) Therefore, while a down payment isn't required with a VA loan, it can save you money to make a down payment.

FEES

VA Funding Fee Exemptions

- The VA exempts certain Veteran Borrowers from having to pay the VA Funding Fee on both purchase and refinance loans. Veterans who meet the following requirements are exempt from having to pay the VA Funding Fee:
 - Veterans who receive compensation for service-connected disabilities;
 - Veterans who would be receiving disability compensation if they didn't receive retirement pay;
 - Veterans rated as eligible to receive disability compensation based on a pre-discharge exam or review;
 - Veterans who can receive disability compensation but are not receiving compensation because they're on active duty;
 - Purple Heart recipients;
 - Surviving spouses who are eligible for a VA loan.

Lenders will look at the Certificate of Eligibility or a Verification of VA Benefits to determine exemption status. However, that status isn't always clear or has not been processed in time for the closing. In these situations the lender must collect the Funding Fee and send it to the VA. The Veteran may then receive a refund of the VA Funding Fee if the VA grants or confirms disability compensation after the loan closes.



VA Program Highlights

VA offers excellent interest rates, flexible underwriting guidelines and does not require monthly PMI payments even if you choose not to make a down payment.



GIFT FUNDS

Gift funds from relatives can be used to make 100% of the down payment and to cover all of your closing costs while Sellers have more flexibility to contribute or pay for the Buyer's closing costs and the VA Funding Fee.

Seller concessions up to 4% of the loan amount are allowed. Sellers can also pay 100% of 'standard closing costs'.



HIGHLIGHTS

- Purchases OR Refinances are allowed.
- Ownership of other residential dwellings is allowed.
- Funding Fee reduced to 0.50% on streamline refinances. (Not Cash Out)
 - First Time home buyers are eligible
 - Cash Out Refinances are allowed
 - Owner occupied 1-4 family homes are allowed.



NO LIMITS

There are no income limits with the VA Program. And, for Veterans who have their full entitlement, there are no loan limits either provided you have the income necessary to qualify for the loan amount you are seeking.



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