

VA Loan Breakdown

Here you will find a quick rundown of the many misconceptions and facts around VA loans, along with a breakdown of renting vs buying! We pride ourselves on providing in-depth education to our buyers to ensure they are as comfortable and confident in the home buying process as possible!

Fast Facts

- No down payment if the loan amount is under the VA loan limit, and never any private mortgage insurance (the monthly fee that most mortgages have if less than 20% is put down, this is not a VA loan)
- Credit can be as low as 580, depending on lender.
- Can be turned into a rental property in numerous circumstances, most common being when you PCS.
- Your first mortgage payment isn't due right away, say you close February 5th, your first mortgage is due April 1st.
- You can also have multiple VA loans out at once! Meaning you don't HAVE to sell your home in a few years, you can rent this home out and still buy another home if you qualify!
- VA borrowers are entitled to loans with no down payment and can borrow as many times as they want with zero down, not to exceed your entitlement amount.



We can help you house hunt ahead of your move by taking in depth video tours of any potential homes and neighborhoods, and we can match your timeline up perfectly to go under contract and close on the home either ahead of your arrival so you go straight home when you get into town, or close a day or two after you arrive! Whichever you prefer we can accommodate and are very experienced around PCS moves, or any moves that are sight unseen!



Let's say you rent for one year at \$1600/month, in that year you've given someone else \$19,200 and in 3 years \$57,600 to pay off their mortgage (likely more, since rent goes up yearly usually). If you live on base, they keep your full BAH, even when it goes up. You don't see that money back in either scenario. Let your money work for you!

Now if you purchased a home and you PCS elsewhere, you have a few options. Use your home as a rental property to collect passive income, OR, sell your property for a profit. Generally speaking, well-maintained homes always appreciate an average of 3 to 5 % per year.

Upfront Costs

Earnest \$ & Due Diligence \$

These are deposits provided once your offer gets accepted and you're "under contract." Your Due Diligence money is given directly to the seller at the time of offer. The EMD is given to the closing attorney to hold. Both of these are a credit to you at closing.

Home Inspection

This is traditionally a buyer paid expense and isn't a part of closing costs. It ranges from \$300-500 for a base inspection and \$400-600 for full inspection depending on the size of house.

Closing Costs

This isn't commission — this is loan fees, title fees, insurance, appraisal, etc. Depending on the lender and price of home, it'll range anywhere from \$4k-\$8k with most local lenders, \$10-\$12k with large banks. Asking the seller for an amount towards your closing costs is called asking for 'seller concessions'

Are all Lenders Created Equal?

We caution against big banks, (even the military focused ones) for several reasons. Most importantly, their closing costs are typically two to three times higher than a local lenders would be. We have seen over \$10,000! It is rare to find a seller who will agree to cover your closing costs entirely at that price. Huge banks are also a national department with many points of contact. This can lead to longer processing times, lost information and less organization. Due to this, a lot of listing agents advise their clients not to accept offers from buyers using national instead of local lenders, potentially hurting your offer!

Lender Recommendations:

You can use whoever you'd like, but our team and our clients recommend the following lenders:

Danielle Heitner
Licensed in all 50 states
(516) 435-4955
e: danielle.heitner@nafinc.com
<https://mortgagesbyjc.com>

Rafael Martinez
Licensed in all 50 state
USMC Veteran
682-583-3515
rmartinez@bankbrighton.com
theveteranlendingteam.com

Happy Hunting....
Jamie



512-661-8340



jamie@gentrypg.com



www.gentrypg.com

