

Everything You Thought You Knew About VA Loans, But Didn't

One-time use? No. The VA will reinstate your entitlement if the other VA is paid back and the coverage will cover you on the required 25% of price guarantee that lenders need for the VA program.

Have to use within 2 years out of service? No. You can use it now or 40 years from now.

Need perfect credit? Nope. Even “no credit” is ok.

High Credit Score? Not necessarily. Your credit score can be low as well though most lenders require 640 we have seen as low as 580 middle of the 3 scores get approved.

PMI? No. Private Mortgage Insurance is for Fannie Mae and Freddie Mac loans.

Max borrowing 43% of income? Debt ratios are not really used with VA. So if you have been told your debt ratio is too high, *then this is not a VA expert*. VA goes by disposable income. Your net income minus expenses including child care are calculated including an allowance for utilities. **The bigger your family the more money the VA sets aside for living expenses.**

Can only buy a home? No. You can buy a condo and up to 4 units. **Imagine living for free in your own property and building equity and cash flow for retirement?** You can when you learn everything you need to know about real estate investing.

Buy a condo? Condos need to be approved. Many veterans are surprised at this as few or a small percentage of condominium buildings have been approved by the VA.

Are you disabled? We can waive the funding fee – save 2.15% – 3.3% of the loan amount average \$10,000.

Are you 100% disabled? You can reduce your property tax basis by \$150,000 (lowers your tax bill \$1500 per month).

Seller has to pay fees for veterans? NO! You can pay yourself or do a VA NO/NO – no down, no cost where we as the lender cover all your costs. The term non-allowable pertains to old guidelines where the seller had to pay all costs related to the loan. Now they don't, there is 1 non-allowable a tax service fee and we cover that.

Some veterans and lenders think there are **discount points** on every loan. This is not true in our area in southern California but in other states this might be the custom since loan amounts tend on average to be lower than in CA.

Impounds (where taxes and insurance are included in the monthly payment)? Yes, they are required on VA loans just like FHA loans.

If you owe and are delinquent with the federal government through another program (student loans, IRS, SBA loans) you might be denied or might have to bring that current before you are able to use your VA eligibility.

The widow of a veteran who died in service (or from service related illness or injury) can use that veteran's VA benefit including buying or refinancing a home.