

The Mortgage Experts

Mortgage Financing – Home Loan Specialists

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VA Loans – Quick Reference Guide

Down Payment and Seller Concessions

- No down payment required – 100% financing
- No limit on seller-paid closing costs
- Pre-pays (insurance, taxes, permanent buydown points, etc.) are limited to 4% of purchase price

Declining Market Restrictions

- VA does NOT have declining market restrictions

Borrower Eligibility

- Limited to active and retired members of the military and their surviving spouses
- NOT limited to first time homebuyers
- NO income limitations

Occupancy Requirements

- Primary residences only

Maximum Loan Size

- \$417,000 in all counties and some counties are much higher – it is possible to purchase a house over the limit, but 25% of anything over the limit must be paid in cash

Credit Requirements

- Most lenders have a minimum credit score of 640
- Non-traditional credit is OK (need 3 trade lines verified for the past 12 months)
- Bankruptcy – Chapter 7 is 2 years from the discharge date, Chapter 13 is 1 year of timely payments
- Foreclosure – 2 years from the recording date of the Public Trustee's Deed
- Collection accounts do NOT have to be paid

Mortgage Insurance

- No mortgage insurance
- VA funding fee of 1.25% - 3.3% is paid at closing (it can be financed into the loan)
- Funding fee is waived if the borrower is receiving permanent military disability benefits

Appraisals

- The property must be in good condition and safety issues must be addressed