

# Assistance for Military Families

Active duty and veteran service members have many options to help make their dreams of home ownership come true. From down payment assistance to mortgages to property tax relief, there are many programs to help those who have served.

The trick can be knowing where to look. While many people are aware of benefits offered through the Veterans Administration, assistance also is available through lesser-known state, local and nonprofit organizations.

## **MORTGAGES**

VA loans are made through private financial institutions but are guaranteed by the VA. These loans can be obtained with lower down payments than traditional and even Federal Housing Administration loans, and unlike FHA loans, no monthly mortgage insurance is required. VA loans even offer less stringent qualification



© ADOBE STOCK

requirements, making them more accessible to veterans with credit and income challenges than other types of loans. Disabled veterans can even have the VA funding fee, which typically ranges from .5% to 3.3% of the loan, waived entirely.

## **STATE AND LOCAL PROGRAMS**

Various state, city and neighborhood programs help veterans purchase a home. Check with your state for any programs it might offer.

Examples include matching funds or a second loan for a down payment, grants to cover down payment or closing costs, interest rate reductions and even affordable housing developments for veterans. Some programs have income limits or other qualifying requirements, such as minimum credit scores or maximum home values or debt-to-income ratios. Some programs also require that participants be first-time home buyers (or not have owned a home in the previ-

ous three years).

Available nationwide, the PenFed Dream Makers program provides matching grant funds for veterans to help cover down payment and closing costs. Learn more at <https://penfedfoundation.org/apply-for-assistance/dream-makers>.

## **PROPERTY TAX REDUCTIONS**

Some states offer full or partial property tax exemptions for veterans, especially those who are disabled.

Check with your state for its guidelines. The exemption is usually based on the veteran's VA-assigned disability rating. The exemption may also be conditioned on the veteran's income or a maximum home value. The savings can be significant. For example, in Illinois, where property taxes are among the highest in the nation, veterans who are 70% or more disabled qualify for a 100% property tax exemption, with no limit on home value. This means potential savings of \$20,000 or more per year.

## **OTHER VA BENEFITS**

In addition to guaranteeing purchase loans, the VA offers other housing-related benefits to veterans, as well. They include refinancing of VA loans; direct loans to help Native American veterans buy, build or improvement homes on Federal Trust Land; and grants for disabled veterans who need to purchase, build or modify a home to accommodate their disability. To learn more about these programs, visit <https://www.benefits.va.gov/homeloans>.

To begin the process of qualifying for any VA home loan or assistance programs, visit at [www.ebenefits.va.gov](http://www.ebenefits.va.gov) to apply for a certificate of eligibility, which confirms your eligibility for VA programs.



© ADOBE STOCK

## Assistance for Military Families

Active duty and veteran service members have many options to help make their dreams of home ownership come true. From down payment assistance to mortgages to property tax relief, there are many programs to help those who have served.

The trick can be knowing where to look. While many people are aware of benefits offered through the Veterans Administration, assistance also is available through lesser-known state, local and nonprofit organizations.

### MORTGAGES

VA loans are made through private financial institutions but are guaran-

teed by the VA. These loans can be obtained with lower down payments than traditional and even Federal Housing Administration loans, and unlike FHA loans, no monthly mortgage insurance is required. VA loans even offer less stringent qualification requirements, making them more accessible to veterans with credit and income challenges than other types of loans. Disabled veterans can even have the VA funding fee, which typically ranges from .5% to 3.3% of the loan, waived entirely.

### STATE AND LOCAL PROGRAMS

Various state, city and neighborhood programs help veterans purchase a home. Check with your state for any programs it might offer. Examples include matching funds or a second loan for a down payment, grants to cover down payment or closing costs, interest rate reductions and even affordable housing developments for veterans. Some programs have income

limits or other qualifying requirements, such as minimum credit scores or maximum home values or debt-to-income ratios. Some programs also require that participants be first-time home buyers (or not have owned a home in the previous three years).

Available nationwide, the PenFed Dream Makers program provides matching grant funds for veterans to help cover down payment and closing costs. Learn more at <https://penfed-foundation.org/apply-for-assistance/dream-makers>.

### PROPERTY TAX REDUCTIONS

Some states offer full or partial property tax exemptions for veterans, especially those who are disabled. Check with your state for its guidelines. The exemption is usually based on the veteran's VA-assigned disability rating. The exemption may also be conditioned on the veteran's income or a maximum home value. The savings can be significant. For example, in Illinois, where

property taxes are among the highest in the nation, veterans who are 70% or more disabled qualify for a 100% property tax exemption, with no limit on home value. This means potential savings of \$20,000 or more per year.

### OTHER VA BENEFITS

In addition to guaranteeing purchase loans, the VA offers other housing-related benefits to veterans, as well. They include refinancing of VA loans; direct loans to help Native American veterans buy, build or improvement homes on Federal Trust Land; and grants for disabled veterans who need to purchase, build or modify a home to accommodate their disability. To learn more about these programs, visit <https://www.benefits.va.gov/homeloans>.

To begin the process of qualifying for any VA home loan or assistance programs, visit at [www.ebenefits.va.gov](http://www.ebenefits.va.gov) to apply for a certificate of eligibility, which confirms your eligibility for VA programs.

### REAL ESTATE 101



### Listen to the Podcast

In 2019, the VA celebrated the 75th anniversary of the G.I. Bill (the Serviceman's Readjustment Act), which created the VA home loan in 1944. In honor of the anniversary, the VA's Borne the Battle podcast featured the VA loan program on its broadcast, including interviews with Loan Guaranty Service team members Maxine Henry and Mark Connors. Listen to the podcast at <https://bit.ly/2OUGg0U>.

### HOMEWISSE GLOSSARY

**Conventional loan:** any mortgage loan that is not insured or guaranteed by the government (such as under Federal Housing Administration, Department of Veterans Affairs, or Department of Agriculture loan programs).

SOURCE: Consumer Finance Protection Bureau

# AD SPACE