

How to Apply for a VA Loan

If you're a veteran of America's armed forces and are thinking of buying a home, chances are you qualify for a direct or VA-backed loan, a longtime benefit to those who have served our country.

These home loans can help veterans, service members and their survivors to buy, build, improve or refinance a home.

Here's a breakdown of the VA's different home-loan programs and how to apply.

LOAN TYPES

VA direct loan: With a VA direct home loan, the VA serves as your mortgage lender. This means you'll work directly with the VA to apply for and manage your loan. The Native American Direct Loan program often has better terms than a home loan from a private lender (a private bank, mortgage company or credit union).

VA-backed loan: With a VA-backed home loan, the VA guarantees (or stands behind) a portion of the loan you get from a private lender. If your



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REAL ESTATE 101

Poor Credit, Bankruptcy or Foreclosure?

VA home loan applicants with poor credit histories, including bankruptcy and foreclosure, can often qualify for VA loans more easily than if they sought conventional financing. The VA won't count a bankruptcy or foreclosure against you after two years. Visit bit.ly/3n8R0rm to learn more.

VA-backed home loan goes into foreclosure, the guarantee allows the lender to recover some or all of their losses. Since there's less risk for the lender, they're more likely to give you the loan under better terms. In fact, nearly 90% of all VA-backed home loans are made without a

down payment.

Lenders follow VA standards when making VA-backed home loans. They may also require you to meet additional standards before giving you a loan. These standards may include having a high enough credit score or getting an updated home appraisal (an

expert's estimate of the value of your home).

ELIGIBILITY AND APPLICATION

The first step in securing a VA direct or VA-backed home loan is to apply for Certificate of Eligibility. Most veterans who served honorably for a

significant amount of time are eligible. There are even circumstances in which veterans who were dishonorably discharged can qualify. The VA outlines all the eligibility requirements on its website at va.gov/housing-assistance/home-loans/eligibility. There, you will also find a direct link to apply if you meet the requirements.

Under certain circumstances, surviving spouses of qualified veterans may also be eligible for a VA home loan. Those general requirements are also listed on the VA website.

HOME-BUYING PROCESS

Once you've been approved for a VA direct or VA-backed home loan, you're free to begin looking for a home just as you would if you had secured a loan elsewhere.

The VA also maintains a list of properties it has acquired as a result of terminations on VA-guaranteed and VA-financed loans. These properties are marketed for sale through a property management services contract.

The properties are listed by local listing agents through local Multi Listing Service. Properties for sale may also be viewed at vrmproperties.com.

In all cases be sure to visit va.org/housing-assistance to review all the requirements and benefits available to qualified veterans.



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HOMEWISSE GLOSSARY

Mechanics lien: A financial claim created to enforce payment for work performed and materials provided on either building, repairing or improving a structure. SOURCE: MLS.com

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