THE VA
HOME LOAN GUIDE

Understanding and using the benefit you earned

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A powerful benefit—when the details are understood

The VA home loan benefit can make homeownership more accessible for eligible Veterans, service members, and certain surviving spouses. VA guarantees part of the loan; private lenders make and underwrite it.

Core advantages

- VA generally does not require a down payment, although a lender or transaction may.
- No monthly private mortgage insurance is required by VA.
- VA limits certain closing costs.
- The benefit can be used more than once when entitlement and eligibility support it.
- Competitive terms may be available, subject to lender pricing and qualification.

Important: A VA loan is not automatically the best structure for every eligible borrower. Compare payment, cash, funding fee, property, and long-term goals.

1. Eligibility, entitlement, and the COE

Certificate of Eligibility

The Certificate of Eligibility, or COE, confirms to the lender that the borrower meets VA service eligibility requirements and shows entitlement information. A lender can often help obtain it.

Eligibility is not loan approval

The borrower must still satisfy the lender’s credit, income, debt, asset, occupancy, and underwriting requirements. The property must also meet applicable VA and lender requirements.

Entitlement can be reusable

- Entitlement may be restored after a prior VA loan is paid off and the property is disposed of.
- Some borrowers may have remaining entitlement while another VA loan is outstanding.
- VA also provides a one-time restoration path in certain situations after a prior VA loan is paid in full, even when the property is retained.
- The exact entitlement calculation should be reviewed before setting a purchase price.

Jerry’s teaching point: Do not assume a previous VA loan means the benefit is gone. Verify the COE and entitlement.

2. Costs, funding fee, and cash planning

Down payment	Often not required by VA with sufficient entitlement, but may be needed because of lender requirements, entitlement, price versus value, or strategy.
Funding fee	A one-time VA program charge for many borrowers. The amount varies by use, down payment, and other factors; eligible borrowers may be exempt.
Closing costs	VA limits certain fees charged to the Veteran, but buyers can still have allowable closing costs and prepaids.
Seller concessions	May help with eligible costs, subject to the contract, market, and VA rules.
Earnest money	Still common in purchase contracts and generally credited at closing.
Inspection	Strongly recommended; a VA appraisal is not a home inspection.

Financing the funding fee

When a funding fee applies, it can often be financed into the loan. Financing reduces upfront cash but increases the loan balance and interest paid over time.

3. Appraisal, property, and the offer

What the VA appraisal does

- Provides an opinion of reasonable value.
- Reviews minimum property requirements related to safety, soundness, and sanitation.
- Supports the lender and VA guaranty process.
- Does not replace a buyer's independent home inspection.

The VA escape clause

When required, the VA escape clause protects the buyer from being obligated to complete the purchase at a price above the VA-established reasonable value. The buyer may still choose to proceed and address a value gap, subject to the contract and financing.

Common myths

"VA loans take too long."	Timing depends on the team, documentation, property, and transaction—not the loan label alone.
"The appraisal is an inspection."	It is not. Buyers should consider a separate home inspection.
"You can use VA only once."	The benefit may be reused when eligibility and entitlement allow.
"Sellers must pay everything."	VA limits certain borrower charges, but sellers are not automatically required to pay all costs.

Your VA homebuyer checklist

Before shopping

- Obtain or verify the COE.
- Review entitlement before establishing the target price.
- Set a comfortable payment and cash reserve.
- Gather income, asset, service, and identification documents.
- Choose professionals who understand VA transactions.

Under contract

- Confirm the required VA language is in the contract.
- Schedule an independent inspection.
- Review the Loan Estimate and funding fee treatment.
- Respond quickly to underwriting requests.
- Keep credit, employment, and finances stable.

Before closing

- Review the Closing Disclosure.
- Confirm any funding-fee exemption is reflected.
- Verify final funds and wire instructions.
- Complete the final walk-through.

Let’s talk about your mortgage plan

You do not need to know which loan or strategy you want before calling. That is what the education and comparison process is for.

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Consumer resources

VA Home Loan Program: https://www.benefits.va.gov/homeloans/

CFPB Homebuying tools: https://www.consumerfinance.gov/owning-a-home/

Important information: This guide is for general educational purposes and is not a commitment to lend, a loan approval, legal advice, tax advice, or a quote of available terms. Programs, rates, fees, and eligibility requirements are subject to change and to borrower and property qualification. Equal Housing Opportunity.