



U.S. Department of Veterans Affairs
Veterans Benefits Administration

VA Guaranteed Loan

What Is a VA Guaranteed Loan?

A VA-guaranteed loan can be used to:

- Buy a home as a primary residence (This can be either existing or new construction.)
- Refinance an existing loan

Benefits of a VA Guaranteed Loan

- No down payment, unless:
 - It is required by the lender.
- The purchase price is more than the reasonable value of the property
- No mortgage insurance
- Reusable
- One-time VA funding fee (can be included in the loan)
 - If you receive VA disability compensation, you are exempt from the VA funding fee.
- Minimum property requirements
 - Ensure the property is safe, sanitary and sound
- VA staff assistance if you become delinquent on your loan
- Can be assumed by qualified persons
- Equal opportunity for all qualified Veterans

Who Is Eligible?

In general, the following people are eligible:

- Veterans who meet service length requirements
- Service members on active duty who have served a minimum period
- Certain Reservists and National Guard members
- Certain surviving spouses of deceased Veterans

Apply at www.ebenefits.va.gov to determine your eligibility or call 877-827-3702 for more information.

Key Underwriting Criteria

- There is no maximum debt ratio. However, the lender must provide compensating factors if the total debt ratio is more than 41 percent.
- There is no maximum loan amount. However, VA does limit its guaranty. Veterans can borrow up to \$453,100 without a down payment in most of the country. You can find out the limit in any county at www.benefits.va.gov/homeloans/purchaseco_loan_limits.asp.
- VA's residual income guidelines ensure Veteran borrowers can afford the loan. These guidelines establish how much money a Veteran must have left over after all debts and living expenses are considered.
- There is no minimum credit score requirement. Instead, VA requires a lender to review the entire loan profile.

For more information, see the complete VA credit guidelines at www.benefits.va.gov/warms/pam26_7.asp.

How Can You Start the Process?

VA provides policy, guidelines and oversight of the program. Lenders provide financing for eligible Veterans. The guaranty allows Veterans to obtain a loan without a down payment or mortgage insurance premiums. Veterans need to obtain a Certificate of Eligibility (COE) to prove entitlement. You can obtain the COE online through eBenefits

at www.ebenefits.va.gov. Lenders also have the ability to request the COE on your behalf.

You should talk to several lenders to find the one that fits your needs. They should know the VA loan program. They should also offer competitive rates and terms.

Note: The VA appraisal is not intended to be an “inspection” of the property.

Before committing to a purchase agreement, you should get expert advice. Talk to a qualified residential inspection service. You should also have radon testing performed.

Can VA Help If You’re Having Trouble Making Payments?

VA loan technicians may be able to help you retain your home and avoid foreclosure. Call 877-827-3702 to speak to a VA loan technician. For more information, visit www.benefits.va.gov/homeloans/resources_payments.asp.



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Native American Direct Home Loan

Overview

The Native American Veteran Direct Loan (NADL) program began in 1992. Eligible Native American Veterans can use the program to finance the construction, purchase or improvement of a home on Federal trust land.

How Does the NADL Program Work?

VA may make a loan to any Native American Veteran. The Veteran's tribal or other sovereign governing body must enter into a Memorandum of Understanding with VA. Once this is in place, the Veteran applies directly to VA. The Veteran can apply for a 30-year fixed-rate loan to purchase, build or improve a home located on Federal trust land.

The NADL program is a loan and not a grant. The Veteran must repay it. If eligible, you can also refinance a previous NADL to lower your interest rate. For properties not located on Federal trust land, you can use the VA-Guaranteed Home Loan program.

Benefits of the NADL Program

- No down payment
- No private mortgage insurance
- Low fixed interest rate
- Low closing costs
- Borrow up to \$417,000 in most areas
- Reusable benefit

Limits, Interest Rates and Eligibility

Visit the NADL homepage at www.benefits.va.gov/homeloans/nadl.asp for more information on limits, rates and eligibility.

To Learn More About the NADL Program

VA regional benefit offices can help answer your questions. Your regional office will also have a list of Native American tribal governments that have a signed MOU with VA. You can find your closest regional benefit office at www.benefits.va.gov/benefits/offices.asp. If you need more information, call 877-827-3702 to speak to a VA representative.