

Why Consider A VA Loan?

Contributed by admin
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It is estimated that twenty-nine million men and women qualify for Department of Veterans Affairs home loans, also called VA loans. VA loans are a popular way for a veteran borrower to obtain financing for the purchase of a home. VA home loans are available to veterans, reservists, active service members, and members of the Public Health Service. In a recent year, the government guaranteed more than \$63 billion dollars in VA loans.

Advantages of obtaining VA mortgage loans:

- VA loans do not require a down payment and are available from many lending institutions.
- VA does not require private mortgage insurance. This benefit alone can save a veteran thousands of dollars over the course of several years.
- VA loans limit the amount of origination fees and closing costs that the lenders can charge.
- A limit is also placed on appraisal fees.

VA home loans are available to veterans, reservists, active service members, and members of the Public Health Service. In 1982, Congress passed a law that requires a veteran borrower to pay a one-time funding fee on a VA home loan. The funding fee can be included in the amount of the loan.

Veterans who obtain VA mortgage loans are very often first-time homebuyers. VA home loan refinance can assist a veteran to lower his home payment or to take cash out for home repairs or upgrades to the home.

VA loans are available to former or active members of the United States Armed Forces who meet the specific requirements for the length and time of service. There are also specific criteria for discharge conditions. For example, Reservists and members of the National Guard may be eligible if they served at least six years and had an honorable discharge.

If a veteran is discharged due to a service-related injury or disability, then they are potentially eligible. This is true for some members of the Public Health Service. United States citizens, who served in the Armed Forces of a country that was allied with the United States during World War II, may also qualify for a VA home loan.

A VA loan is a terrific option for a veteran home buyer. With a VA loan, less than great credit is not always a problem. If a veteran claimed bankruptcy in the past, but the bankruptcy has been discharged for two years, he or she may be eligible for a VA loan.