



Buy, Build,
Adapt, or Retain
a Home

Summary of VA Home Loan Guaranty Benefits



U.S. Department
of Veterans Affairs



VA helps Servicemembers, Veterans, and their families become homeowners. As part of our mission to serve you, we provide a home loan guaranty benefit and other housing-related programs to help you obtain, retain, or adapt a home for your own personal occupancy.

VA-guaranteed loans are provided by private lenders, such as banks and mortgage companies, and not by VA directly. Through the VA Home Loan Guaranty Program, VA guarantees a portion of your loan against loss and helps lenders provide you with more favorable financing terms.

VA home loans can benefit you in many ways:

- » VA home loans often have lower interest rates and closing costs than conventional loans
- » You may not have to make a downpayment and mortgage insurance is not required
- » You do not have to pay a penalty if you pay off your VA home loan early

- » VA Loan Technicians can work with you to explore all options to avoid foreclosure if you are having difficulty making payments. Call VA at 877-827-3702 to speak to your nearest Loan Technician

If you are eligible for a VA-guaranteed home loan, you can use the loan to:

- » Buy a home or residential condominium
- » Build a home
- » Simultaneously purchase and improve a home
- » Refinance an existing non-VA loan
- » Refinance an existing VA loan to reduce the interest rate
- » Buy a manufactured home to be permanently affixed to a lot already owned or buy a manufactured home and lot to which the home will be permanently affixed

Obtain energy efficient improvements, such as solar heating



Access Your VA Benefits

Go to eBenefits at www.ebenefits.va.gov, your one-stop shop to learn about and apply for your benefits.



Eligibility. To be eligible for a VA-guaranteed loan, you must meet credit and income standards and have a valid Certificate of Eligibility (COE). The home must be for your own personal occupancy. You must have been discharged under conditions other than dishonorable and meet these service requirements:

Qualifying Wartime & Peacetime Periods		Qualifying Active Duty Dates	Minimum Active Duty Service Requirements
Veterans	WWII	9/16/1940 – 7/25/1947	90 total days
	Post-WWII	7/26/1947 – 6/26/1950	181 continuous days
	Korean War	6/27/1950 – 1/31/1955	90 total days
	Post-Korean War	2/1/1955 – 8/4/1964	181 continuous days
	Vietnam War	8/5/1964 – 5/7/1975 * For Veterans who served in the Republic of Vietnam, the beginning date is 2/28/1961	90 total days
	Post-Vietnam War	5/8/1975 – 8/1/1990	181 continuous days
	24-month rule	9/8/1980 – 8/1/1990 * The beginning date for officers is 10/16/1981	» 24 continuous months, OR » The full period (at least 181 days) for which you were called or ordered to active duty
	Gulf War	8/2/1990 - Present	» 24 continuous months, OR » The full period (at least 90 days) for which you were called or ordered to active duty
Active Duty Servicemembers	N/A	N/A	90 continuous days
National Guard & Reserve Members	Gulf War	8/2/1990 - Present	90 days of active service
			<p>Six years of service in the Selected Reserve or National Guard, AND</p> <ul style="list-style-type: none"> » Were discharged honorably, OR » Were placed on the retired list, OR » Were transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after service characterized as honorable, OR » Continue to serve in the Selected Reserve

**If you do not meet the minimum service requirements, you may still be eligible if you were discharged due to (1) hardship, (2) the convenience of the government, (3) reduction-in-force, (4) certain medical conditions, or (5) a service-connected disability.*

VA-GUARANTEED HOME LOANS

VA offers three home loan guaranty programs for Active Duty Servicemembers, Veterans, National Guard members, Reserve members, and certain surviving spouses. There are three loan types:

- » Purchase Loan
- » Streamline Refinance Loan
- » Cash-Out Refinance Loan

Purchase Loan. A Purchase Loan can help you purchase a home at a competitive interest rate. Generally, you do not have to make a downpayment or buy mortgage insurance to obtain a purchase loan.

Streamline Refinance Loan. With the VA Streamline Refinance Loan (also called the “Interest Rate Reduction Refinance Loan” or IRRRL) you can obtain a lower interest rate by refinancing your existing VA loan. You can also refinance a VA adjustable rate mortgage (ARM) into a fixed rate mortgage.

Cash-Out Refinance Loan. If you want to cash out your home equity so you can pay other debt, pay for school tuition, or make home improvements, then VA’s Cash-Out Refinance Loan may be an option. The Cash-Out Refinance Loan can also be used to refinance a non-VA loan into a VA loan. VA will guaranty loans up to 100% of the value of your home.

Certificate of Eligibility. In order to qualify for a VA backed loan you must obtain a Certificate of Eligibility (COE) from VA that verifies you or your spouse’s military service. The easiest way for you to obtain a COE is through www.ebenefits.va.gov. Your lender can also obtain your COE online through the internet based application, WebLGY.

Loan Limits. VA does not set a cap on how much you can borrow to finance your home. However, there are limits on the amount of liability VA can assume, which usually affects the amount of money an institution will lend you. These loan limits vary by county, since the value of a house depends in part on its location.

VA guarantees a maximum of 25% of the VA county loan limit for loans over \$144,000. To view VA’s maximum guaranty amount for your property location, check out the current list of county loan limits at www.benefits.va.gov/homeloans.

Funding Fees. Generally, Veterans using the VA Home Loan Program must pay a funding fee required by law. The funding fee varies based on the type of loan and your military category, if you are a first-time or subsequent loan user, and whether you make a downpayment.

You do not have to pay the funding fee if you are:

- » A Veteran receiving VA compensation for a service-connected disability, **OR**
- » A Veteran who would be entitled to receive compensation for a service-connected disability if he or she were not receiving retirement or active duty pay, **OR**
- » A surviving spouse of a Veteran who died in service or from a service-connected disability, **OR**
- » A Veteran rated eligible to receive VA disability compensation based on a predischarge rating and examination, or a rating based on existing medical evidence, such as treatment or service records.

NATIVE AMERICAN DIRECT LOAN (NADL) PROGRAM

The NADL program helps eligible Native American Veterans finance the purchase, construction, or improvement of homes on Federal Trust Land, or to reduce the interest rate on an existing NADL.

You can use these direct loans to simultaneously purchase and improve a home or to refinance another VA direct loan made under NADL to lower the interest rate.

These loans are only available if a memorandum of understanding exists between the tribal government organization and VA. Veterans who are not Native American, but who are married to Native American non-Veterans, may be eligible for a direct loan under this program. To be eligible, the qualified non-Native American Veteran and the Native American spouse must reside on Federal Trust Land.

ADAPTIVE HOUSING GRANT PROGRAMS

If you are a Servicemember or Veteran with certain permanent and total service-connected physical disabilities you may be entitled to grant funds, which can help enable or maintain your independence. Three different grant types can be used to purchase or construct an adaptive home, or to modify an existing home to meet your needs. If you already own an adapted home and have an existing mortgage, you may be able to use grant funds toward that balance. The following Grant Type table provides an overview of VA's adaptive housing grant programs for Servicemembers and Veterans with certain service-connected disabilities.



VA Housing Grant Types & Eligibility Requirements

VA Housing Grant Types & Eligibility Requirements	Eligibility	Living Situation	Ownership	Number of Grants You Can Use
Specially Adapted Housing (SAH) Grant	<ul style="list-style-type: none"> » Loss of or loss of use of both legs, OR » Loss of or loss of use of both arms, OR » Blindness in both eyes having central visual acuity of 20/200, plus loss or loss of use of one leg*, OR » The loss of or loss of use of one lower leg together with residuals of organic disease or injury, OR » The loss of or loss of use of one leg together with the loss of or loss of use of one arm, OR » The loss of or loss of use of one leg, severely affecting the functions of balance or propulsion**, OR » Certain severe burns, OR » Certain severe respiratory injuries 	Permanent	Home is owned by an eligible individual	<ul style="list-style-type: none"> » Maximum of 3 grants, up to the maximum dollar amount allowable » One additional grant if the home is destroyed or damaged by natural disaster ***
Special Housing Adaptation (SHA) Grant	<ul style="list-style-type: none"> » Blindness in both eyes having central visual acuity of 20/200, plus loss or loss of use of one leg*, OR » Loss of or loss of use of both hands, OR » Certain severe burn injuries, OR » Certain severe respiratory injuries 	Permanent	Home is owned by an eligible individual or family member	<ul style="list-style-type: none"> » Maximum of 3 grants, up to the maximum dollar amount allowable » One additional grant if the home is destroyed or damaged by natural disaster ***
Temporary Residence Assistance (TRA) Grant	Based on eligibility for SAH or SHA grant	Temporary	Home is owned by an eligible individual's family member	<ul style="list-style-type: none"> » Maximum of 1 grant » Currently counts against maximum dollar amounts allowable under SAH or SHA grants and as one of the three allowable uses » Effective 08/06/2013 grant use will not count against maximum dollar allowable amounts under either SAH or SHA

*Effective 10/01/2012 **Effective 08/06/2012 through 09/30/2013 ***Effective 08/06/2013

Grant assistance amounts are set by law, but may be adjusted upward annually based on a cost-of-construction index. Except as noted in the table, individuals may not use the grant benefit more than three times. The amount of the three grants may not exceed the maximum amount in aggregate.

For additional information on the SAH/SHA grant programs please visit www.benefits.va.gov/homeloans.

How to Apply. To apply for a grant, fill out and submit the Application in Acquiring Specially Adapted Housing or Special Home Adaptation Grant (**VA Form 26-4555**). You can access this form by:

- » Applying online via www.ebenefits.va.gov, your one-stop shop to apply for and learn about your benefits
- » Downloading the form at www.va.gov/forms
- » Calling VA toll free at 1-800-827-1000 to have a claim form mailed to you
- » Visiting the nearest VA regional office. To find the VA regional office nearest you, go to our website or call VA toll-free at **1-800-827-1000**

VETERANS' MORTGAGE LIFE INSURANCE (VMLI)

Veterans' Mortgage Life Insurance (VMLI) is mortgage protection insurance that can help a disabled Veteran's family by paying off the home mortgage in the event of the Veteran's death.

Eligibility. VMLI is only available to Veterans with severe service-connected disabilities who:

- » Received a Specially Adapted Housing (SAH) Grant from VA for assistance in building, remodeling, or purchasing an adapted home, **AND**
- » Have the title to the home, **AND**
- » Have a mortgage on the home

Veterans must apply for VMLI before their 70th birthday.

VMLI protection is issued automatically following SAH approval, provided you submit the information required to establish a premium and do not decline coverage. Coverage automatically terminates when the mortgage is paid off. If your mortgage is disposed of through sale of the property, you can obtain VMLI on the mortgage of another home.

Premiums. VMLI premiums vary according to your age, the outstanding balance of your mortgage at the time you apply, and the remaining length of the mortgage. VMLI premiums must be paid by deduction from your monthly compensation.

Frequently Asked Questions

How do I apply for a VA-guaranteed loan?

First, you need to get a Certificate of Eligibility (COE) from VA to prove to the lender that you are eligible for a VA loan. Then you can apply for a VA-guaranteed loan through any mortgage lender that participates in the VA Home Loan Guaranty Program.

Where can I get my COE?

Typically, you can apply for a COE through www.ebenefits.va.gov. However, in some cases, your lender may be able to establish your eligibility and obtain your COE online in seconds through the Internet-based application WebLGY. Ask your lender about using this method to obtain a COE.

I have already obtained one VA loan. Can I get another one?

Yes, in some cases. Normally, if you have paid off your prior VA loan and disposed of the property, you can have your used eligibility restored for additional use. Also, on a **one-time only** basis, you may have your eligibility restored if your prior VA loan has been paid in full, but you **still own the property**.



VA adopted five core values that define “who we are,” our culture, and how we care for Veterans, their families, and other beneficiaries. The values are Integrity, Commitment, Advocacy, Respect, and Excellence (I-CARE).

Additional VA Benefits

Disabilities determined by VA to be related to your military service can lead to monthly non-taxable compensation, enrollment in the VA health care system, a 10-point hiring preference for federal employment, and other important benefits. Ask your VA representative or Veterans Service Organization (VSO) representative about Disability Compensation, Pension, Health Care, Caregiver Program, Vocational Rehabilitation and Employment Services, Educational Assistance, Home Loan Guaranty, Insurance, and/or Dependents' and Survivors' Benefits. You can search for a VSO representative online at www.ebenefits.va.gov.



For More Information

For more information about VA's home loan guaranty benefits, including eligibility and applying, please:

- » Find links to VA benefits information and apply at www.ebenefits.va.gov
- » Visit us at www.benefits.va.gov/homeloans
- » Use IRIS, VA's tool to find information and ask questions online at <https://iris.custhelp.com>
- » Visit the nearest VA regional office. To find the VA regional office nearest you, go to our website or call VA toll free at **1-800-827-1000**

Thank you for your service.
Now let us serve you.

U.S. Department of Veterans Affairs

VA PAM 26-12-1
September 2012

Veterans Benefits Administration
Washington, DC 20420

T 800-827-1000
www.va.gov/benefits